Veterans Aid

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

VETERANS AID

COMPANY REGISTRATION NO: 4544532 (ENGLAND & WALES)

CHARITY NO: 1095308

VETERANS AID

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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VETERANS AID

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	The Dowager Viscountess Rothermere
Honorary President	Brigadier J F Rickett CBE FinstD

The Trustees who served during the financial year and to the date the Report of the Trustees was signed were as follows:

Trustees	Colonel P B G Cummings (appointed as Chairman 1st August 2014) R P Clinton BEM FCSI FCT (Honorary Treasurer, Member of the Business Strategy Committee) R Evans DipArch RIBA (Honorary Surveyor) A G Wallis M.InstFM MIOSH Field Marshal The Lord Walker of Aldringham GCB, CMG, CBE, DL P Dyer MA FBIP FIOD ACII (Chairman of the Business Strategy Committee) G J Holbourn FCA FCCA DChA (Member of the Business Strategy Committee) M P Guest (Member of the Business Strategy Committee) appointed 16th October 2014 Mrs M Mervis, Barrister (retired 16th October 2014) Brigadier J F Rickett CBE FInstD (retired as Chairman and as Trustee 1st August 2014)
Management	Wg Cdr Dr Hugh Milroy OBE, BTh, MA, PhD (Chief Executive, Member of the Business Strategy Committee) Colonel Geoffrey Cardozo MBE (Company Secretary – retired 30th March 2015) Natalia Dabrowska BA (Administrator, appointed Company Secretary 30th March 2015) Richard Greenhough BCom ACMA (Finance Manager) Pat O'Connor MBE (Hostel Manager) Glyn Strong MA, PGCE, MCIPR, MCIJ (Media Manager)
Finance and Legal Legal Advisers	Maclay, Murray & Spens, Solicitors LLP 1 London Wall London EC2Y 5AB
Auditors	Saffery Champness Chartered Accountants Lion House Red Lion Street London WC1R 4GB
Investment Managers & Stockbrokers	S & T Asset Management LLP 97 Church Lane, Marple, Stockport, Cheshire, SK6 7AR

Finance and Legal (continued)

Bankers	HSBC Bank 60 Queen Victoria Street London EC4N 4TR Lloyds TSB 1 Butler Place London SW1H 0PR Close Brothers Limited 10 Crown Place London EC2A 4FT Clydesdale Bank PLC 35 Regent Street London SW1Y 4ND
Registered Office	40 Buckingham Palace Road London SW1W 0RE
Company No	4544532
Charity No	1095308
Constitution	Veterans Aid is a registered charity and a company limited by guarantee, registered in England. It is governed by its memorandum and articles of association dated 25th September 2002.
Subsidiaries	Veterans Aid (Services) Ltd, company registration number 06096959, is a wholly-owned subsidiary, currently dormant. It has not traded during the year. Hollenden House, charity number 1095308-1, and New Belvedere House, charity number 1095308-2, are wholly-owned subsidiary charities, currently dormant. Neither has traded during the year nor holds any assets at the year-end. Under a uniting direction issued by the Charity Commission dated 3rd June 2003, these subsidiary charities are not required to prepare a separate Annual Report and Financial Statements.
Registered Social Landlord	Veterans Aid is registered as a Social Landlord under the reference LH0674.

CHAIRMAN'S REPORT ON ACTIVITY
FOR THE YEAR ENDED 30 SEPTEMBER 2014

I was absolutely delighted to have been given the opportunity to take over the Chairmanship of Veterans Aid last year, a charity with a world-class reputation and an operating model that is increasingly emulated.

The work done by this charity's dedicated team of highly professional individuals is inspirational; it continues, through its Drop-in Centre, to operate as the 'A&E' of the veterans community, while the longer-term investment of care and support at New Belvedere House continues to deliver demonstrable and sustainable successes. Our work has ensured that street homelessness among veterans is lower than it was 10 years ago, but we are seeing more vulnerable veterans who are members of the 'working poor'. As ever, the causes of crisis are irrelevant; we remain committed to supporting ex-servicemen and women in need, and at point of need.

My tenure as Chairman starts at a most significant time for Veterans Aid; the major development of New Belvedere House is both exciting and challenging but by working closely and carefully with partners we hope it will in no way detract from the hostel staff's principal objective of delivering top quality support and care. Finally I would like to formally record the thanks of all involved with Veterans Aid to Colonel Geoffrey Cardozo who retires in April after eight years sterling work as Secretary and Fundraiser.

....

Col Paul Cummings
Chairman

CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

In my 19 years' association with the charity, I can't recall a year like the last. It was a roller coaster with so many highlights that it is hard to know what to single out. But first and foremost, it is worth stating that we are as busy as ever. Although the operations staff in Victoria and our staff at New Belvedere House have been hard pushed, they have coped magnificently. Ironically it is only when visitors spend time with us, and comment on the intensity of activity, that we tend to notice! What is abundantly clear from all of this is that, despite there being over 2,300 military charities and a national Military Covenant, our thousands of interactions with clients confirm that Veterans Aid will be needed for many years to come. It makes the case for our development self-evident.

Our reputation for excellence in our field continues with us being accepted as full members of FEANTSA, the European Federation of National Organisations working with the Homeless. This was not easy to do and we are delighted to have been recognised by this professional body. It is our intention to use this link to strengthen the charity.
For me, the highlight of the year by far was the War Requiem at the Royal Albert Hall, performed by the world famous Royal Choral Society, to raise money for us. It was a unique and poignant event that helped boost both our income and national profile. The list of those who threw themselves into the project is endless, from the Army & Navy Club, The Cavalry & Guards Club, the Royal Hospital Chelsea, to the Brigade of Gurkhas and many others that we don't have the space to mention; all played their part to make the event a stunning success. However, without the personal efforts and commitment of our magnificent patron, the Dowager Viscountess Rothermere and her wonderful team, it would have been an impossible task. Mere words cannot express my gratitude.

It is worth expanding on the topic of fundraising. During the year, under the leadership of Geoffrey Cardozo, we benefited from the Government Veterans Accommodation Fund to the tune of £3m to help with the refurbishment and extension of New Belvedere House: We had applied for £8m. This has been the single most stunning fundraising achievement in our history and an outstanding swansong for Geoffrey as he retires.

As if that wasn't enough, Mr Evgeny Lebedev and his amazing team from the Independent and Evening Standard arrived on the scene and raised yet more money for the project. We have to raise another £3m to complete the work, but when it is finished, New Belvedere House will be one of the best facilities of its type in the country.

Austerity has had an impact and our clients have paid a price. We are constantly presented with the consequences of inequality in Britain today. While it may be an inconvenient truth for many in the veteran "industry", it is utterly clear to us that it is life, and not past connection with the military, that brings clients to our door. Our *modus operandi* of "action this day" goes a long way to mitigating clients' problems, but the impact on each one is obvious; humiliation, shame, instability, insecurity, fear, distrust, isolation and loneliness all culminating in feelings of being trapped and totally excluded.

This gets exacerbated by the reality of zero hours contracts and increasing numbers of punitive benefit sanctions. Against this background Veterans Aid tries to create sustainable resilience among its clients. Our wellbeing approach builds security, supportive connectivity and trust which results in clients taking back control of their lives.

Burying one of our clients, Mr Ian Douglas, late last year really brought it home to me that we must remain focused on people, not organisations. Our success in doing so goes some way to balancing the books for our clients against an "industry" still obsessed with spending money on unnecessary pieces of research and veteran initiatives that are not based on actual need.

In conclusion this has been an exceptional year for us but there is so much more to come and we need you help to achieve our goals!

....
Wing Commander Dr Hugh Milroy OBE, BTh, MA, PhD
Chief Executive

The Trustees present their Annual Report on the affairs of Veterans Aid, together with the Financial Statements and Auditor's Report for the year ended 30 September 2014. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the Annual Report and Financial Statements of the Charity.

Principal objects and activities

The objects of Veterans Aid, as stated in its Memorandum of Association, continue to be to offer support to vulnerable Veterans (ex British Armed Forces or Merchant Service) who, through homelessness or other adverse circumstances, are in need and who require supported accommodation and skilled help in order to be able to achieve a settled way of life and their future well-being in society.

Aim of Veterans Aid

To help its clients achieve their own maximum potential to live and develop in the community by swift intervention and addressing their needs holistically.

Mission of Veterans Aid

The Charity's mission is to:

- respond effectively to vulnerable Veterans by using best practice and providing quality care;
- make innovative approaches to the problem of homelessness among Veterans;
- recognise the dignity of each person whom we seek to help; and
- develop our staff team to their utmost potential.

Overall statement of public benefit

In setting the objects and activities of the charity, the Trustees have given careful consideration to the Charity Commission's general guidelines concerning public benefit. In particular the Charity has focused on ensuring that levels of recidivism are reduced among those who graduate from its facilities and that the numbers who require longer-term assistance are reduced by a policy of swift intervention to stop clients becoming hardened street-dwellers. The Charity continues to place great emphasis on preventative work.

The public benefit arises directly from overall cost savings to society as a whole as the through-life costs to support a homeless person are often very high; for example when intensive care such as detox is required. In the stated opinion of John Bird, founder of *The Big Issue*, these costs can reach one million pounds per person. Each client is likely to have accessed NHS, Benefits Agency and other charitable organisations prior to coming to the Charity. Clearly, successful interventions will reduce this cost. Our methodology has a national impact across Government agencies such as the NHS as clients come from all over the Country. Equally, the Charity has been called upon to provide advice internationally. The methodology can be demonstrated in various ways:

- **Substance misuse.** During the reporting year, 43 clients were placed in substance misuse programmes across the country, compared to 60 the previous year. This was frequently done at short notice in marked contrast to the norm within the current care system. The policy of swift intervention recognises that with substance misuse, there is often a window of opportunity for those with addictions and that failure to seize this opportunity and robustly address the addictions will ultimately lead to failure and further financial burdens society wide.

- **Holistic approach**. Most clients who approach the Charity have dual or triple-diagnosis problems that overlap and add complexity to the intervention strategies. Few charities or Government agencies are structured to deal with such problems in a holistic manner. The Charity has a powerhouse of expertise that can be called upon to work in concert to ensure that few "graduates" end up back on the streets, e.g. social workers, barristers and a substance misuse specialist. Frequently, help is sought from other specialist agencies on a national basis. Overall, the Charity placed 86 clients into some form of accommodation in the year, very few of whom returned to their previous existence.

- **Raising awareness and appreciation of the Charity's capability.** Considerable effort has continued in raising awareness of the Charity within the military, the homeless sector, the Veteran community (4.5-5.0 million) and across society at large. This has been planned to assist the Charity in its efforts to prevent people becoming homeless in the first place and to act quickly, to ensure that Veterans arriving on the streets do not become hardened street-dwellers. The Charity strives to foster links with a wide variety of providers to ensure proper bench-marking and service improvement at all points along the client experience. During the year we have continued to receive funding under the Supporting People programme and have followed the inspection system this requires. This is especially useful as it ensures we meet the national standards. Notwithstanding public perceptions of homeless Veteran statistics, the percentage of Veterans among the homeless contacting London agencies has dropped significantly with the Charity having a major role in such a reduction, displaying clear public benefit.

Governance

The Trustees are committed to strong governance and the Chairman has in particular emphasised the importance of a good governance regime. The Charity is fortunate that its Trustees are engaged almost on a day to day basis with the Executive officers, providing both oversight and expertise. The Trustees are able to offer a wealth of experience from the military, business and third sector and constitute a well balanced board. The focus is on <u>doing</u> rather than knowing as this is an action orientated charity. The CEO is able to seek advice and decision making contributions daily should it be required.

The 5 year strategic plan is clear evidence of the oversight management by the Board and this is confirmed by the progress to date against the stretching targets set in the last iteration of 2014. Staff, trustees, friends and benefactors alike can be confident that the change programme underway is being managed effectively and successfully.

Organisational structure

The Charity is exclusively UK based with its head office in Victoria, and its hostel (New Belvedere House) in Stepney, both in London. It supports Veterans in London and across the Country and it provides advice to Veterans living abroad. Trustees determine the general policy of the Charity. The day-to-day management is delegated to the Chief Executive, to whom report the Secretary, Administrator, Finance Manager, Hostel Manager and Media Manager.

Strategic plan

The Charity has a 5 year plan covering the years 2013 to 2018 which is now under way. Its aims are as follows :

- To develop our initial services – new National Centre for Homeless Veterans
- To expand our New Belvedere House hostel by creating a new wing
- To expand our services at New Belvedere House hostel – working persons' hostel
- To establish a hostel for female veterans
- To establish a recovery house
- To evaluate and improve our services at Veterans Aid

Recruitment, induction and training of trustees

Veterans Aid seeks to have a Board of Trustees that reflects the community it works in and whose members have the necessary skill and commitment to provide the good governance to achieve its objectives. The Charity has a formal recruitment process, which includes advertising in relevant journals, an interview with the President, briefing by the Chief Executive and staff, a visit to watch the operation in action and approval by the full Board of Trustees.

Trustees are provided with a handbook which outlines objectives, structure, responsibilities and governance, and which they are required to sign as having understood. Trustees are circulated with, and abide by, articles on good governance and updates on activities as appropriate. Appropriate training is provided where necessary to ensure that trustees are suitably skilled to support the Charity's clients.

Review of activities

During the reported year, Veterans Aid has provided an excellent service. There were two external reviews of our work. The first was from the Centre for Social Justice who commended our work and recommended that other charities in the field adopt our "welfare to well-being" approach. The second was from our local authority who carried out a snap inspection of our work in New Belvedere House. We passed this inspection with flying colours. Nationally, our success in addressing and preventing homelessness through provision of temporary, supported and permanent accommodation has resulted in the charity being admitted to the European umbrella organisation, FEANTSA. The Trustees are fully cognisant of the requirement to deliver demonstrable public benefit and are satisfied that the Charity achieves and exceeds this. Not only are individuals helped at point of need but uniquely bespoke investment in them creates a halo effect that extends to families and dependents. The success rate among our graduates is second to none indeed, our *modus operandi* has much wider societal implications for the socially excluded.

Performance

The range of services, which are provided by social workers, a substance misuse worker, outreach specialists, a tenancy sustainment officer, barristers and highly trained key-working staff, is enhanced by a mix of skilled volunteers and full-time professionals.

Key funders include: London Borough of Tower Hamlets (LBTH), Lloyd's Patriotic Fund, Armed Forces Covenant (LIBOR) Fund, Greater London Authority, ABF The Soldiers' Charity, RAF Benevolent Fund, Seafarers UK, RNRM Charity and Hans K Rausing Trust.

There are 55 beds available in New Belvedere House, and, as can be seen from the occupancy rate, whenever a room becomes vacant, it is swiftly re-occupied after any necessary re-decoration. We also use hotels and clubs on a short term basis. On an average night we look after 60-70 clients and their families.

The Charity continues to use a number of performance measures to ensure that its activities achieve its aims; in particular, this focuses on the requirements of the Supporting People programme because this provides bench-marking and standards on a national basis and provides a substantial element of the funding for New Belvedere House. The Supporting People funding for Veterans Aid ended on the 30th September 2013 and the London Borough of Tower Hamlets has instead provided a Council Grant specifically tailored for us. We will however continue to follow the Supporting People standards.

Therefore, our key measures are related to the maintenance of this revenue source and of the nationally agreed standards. They are:

- requirements necessary to maintain the Tower Hamlets Council Grant;
- numbers of empty rooms in New Belvedere House (NBH);
- number of evictions (non-planned moves);
- number of planned moves.

Performance statistics

- Confirmation from The London Borough of Tower Hamlets of the Council Grant replacing the Supporting People programme for the financial year 2014/2015.
- NBH – 97.89% room occupancy in the year, compared to 99.45% in the previous year.
- Evictions – there were 3 non-planned moves in the year, compared to 2 in the previous year.
- Planned moves – there were 42 planned moves in the year, compared to 43 in the previous year.

Income and investment

The Board has considered its policy on income, investments, reserves and risk management.

As in most organisations, with Veterans Aid's operations, these subjects are interdependent and so are addressed within this one report, which seeks to fulfil the requirement and deals with:

- analysis of the subjects in question and formulation of related policy;
- management and control systems; and
- reviews.

Analysis

Income
Veterans Aid realises its income from rents and housing benefits, grants, donations, events, legacies and investment income. Sufficient income needs to be generated to cover the operating costs of the Charity which are: staff costs, property maintenance, utility charges, insurance, depreciation and other sundry costs. The London Borough of Tower Hamlets has confirmed its continued support for the financial year to 31st March 2015.

Investments
Veterans Aid investments stand at £1.72m (2013: £1.64m), with a further £29k (2013: £41k) in accrued income and uncommitted cash deposits held in the portfolio. With an agreed investment policy and a continual dialogue with the Honorary Treasurer and Chief Executive, the Charity portfolio is managed on a discretionary management basis by S & T Asset Management LLP.

Liquid assets
The liquid assets of Veterans Aid are divided into:

- Unrestricted Funds. The bulk of the charity's net current assets are unrestricted, as detailed in notes 15 and 16 to the Accounts.
- Restricted Funds. A proportion of the Charity's tangible fixed assets are apportioned to the restricted funds, as detailed in note 14 to the accounts.
- Permanent Endowment. The proceeds of the sale of the Hollenden House site are held under permanent endowment and are represented by the quoted investments and a proportion of the current assets. These, in addition to a part of the proceeds from the sale of Whitworth House, may be used to purchase replacement property as detailed in note 13.

Income and expenditure balance.

The annual income of the Charity is £1,697k, excluding unrealised gains on premises and investments. The intent is that expenditure should match this figure, with an aim to break even in its annual operation. In the year to September 2014, the unrestricted funds showed a surplus of £63,555 (2013: deficit £32,050). The restricted funds showed a deficit of £215,689 (2013: surplus £295,307), which includes expenditure of £184,856 relating to grants received towards the end of the previous financial year to be spent in this and subsequent years.

Income policy

General
The overall policy regarding the income of the Charity is the generation - through the income it obtains through rent and housing benefit payments, and the grants, donations and legacies it receives - of enough revenue to enable it, in conjunction with its income from investments, to maintain its charitable work without interruption.

Investment income
The aim of the investments of the Charity is to produce the income necessary to bridge any gap between annual income and expenditure that may arise.

Operating grants
The Charity is in the fortunate position of being able to approach the Service Benevolent Funds to provide operating grants sufficient to overcome short-term operating deficits.

Investment policy

Discretionary management - overall guidelines :
S&T Asset Management LLP has been given discretionary powers of management, with the following overall guidelines, over the portfolio of the Charity:

- 20% of the portfolio shall be invested in bank deposits, short-term money market instruments or investment grade fixed interest securities to enable the Trustees to have access to capital at short notice.
- 80% of the fund shall be invested in high quality international equities of the first rank to produce a growing income to protect the Trust against the long-term effects of inflation.
- The guideline with regard to a total income shall be at least £50,000 as amended by the Trustees from time to time.
- The equity content of the portfolio shall be in S & T's classification of medium to low risk.
- There shall be no investments in any company the aims of which are contrary to the objectives of the Charity and the Trustees will notify the managers of any specific exclusions which they might wish to include from time to time.

Investment policy (continued)

S & T is required to submit an investment report for each meeting of the Board of Trustees, usually held in April and October of every year. Reports are made regularly to the Honorary Treasurer, who presents each report to the Board of Trustees, together with any recommendations for review that may be considered prudent.

Reserves policy

The Charity needs to have in reserve sufficient capital to guard against an unforeseen reduction in income, taking account of its need to meet the continuing costs of operating the Charity's main roles in providing hostel accommodation, rehabilitation and emergency care for homeless veterans. The historic consistency in both income streams and expenditure relating to that role, reflects the low risk which attaches to the Charity's income, much of it coming from rent and housing benefits and from its investments. The Trustees regularly review the Charity's reserve policy in relation to the current financial position and degree of risk.

The actual value of unrestricted reserves of the Charity at 30 September 2014 is £1,034,440, which represents an estimated six months operating costs. For this purpose operating costs represent expenditure on both unrestricted and restricted funds.

Risk management

- The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and standards to be maintained under the Supporting People programme and are satisfied that systems are in place to counter or mitigate exposure to these risks. Recognising that the Charity is continuing to grow in operation and complexity, further work on risk is underway and is now an ongoing project.

- **Fiduciary failings**. The Charity has enjoyed a long period of absolute integrity on the part of its staff. Despite this, it has been felt prudent to maintain insurance cover in this regard going forward.

- **Supporting People - a national standard.** This carries with it a burden of standards, including frequent inspection. Although the Supporting People grant to Veterans Aid has been replaced by an equivalent Council Grant from the London Borough of Tower Hamlets, Veterans Aid continues to meet the standards set by the Supporting People programme, and has been successfully inspected in October 2014.

  The Risk. Therefore, there is a significant requirement for risk management, care standards, and procedures, and Health and Safety matters to be addressed in detail under the *Core Service Objectives*, related to the Supporting People policy laid down by the Department of Communities and Local Government, through the local authority. Failure to achieve standards will result in funding being withdrawn. Changes in the Local Authority or Government Policy may also result in future funding being removed.

Finance and accounting review

The Charity has £6,387,727 of net assets (2013: £5,409,154), of which £3,040,272 (2013: £2,021,967) are tangible fixed assets. The charity has £760,299 (2013: £968,729) of cash balances available at one month's notice or less, and a further £711,898 (2013: £707,845) available at six months' notice. The majority of the cash balances are held in deposit accounts.

Funds

As detailed in notes 13 to 15 of the financial statements, the charity has reserves classified as follows:

- Permanent endowment (note 13)
  This represents the endowment of the former Hollenden House property in East Sussex. Hollenden House itself was sold in 2005, and the remaining proportion of the freehold land, on which stands Whitworth House, was sold in September 2009. The proceeds from the Hollenden sale are held in quoted investments, while the proceeds from the Whitworth sale are being held in bank deposit accounts pending the location of suitable premises for the National Centre for Homeless Veterans in Central London.

- Restricted funds (note 14)
  Restricted funds are as follows:

  a) Professional Support Co-ordinator – monies granted to fund a dedicated PSC to work with residents at VA's homeless hostel, New Belvedere House (NBH).

  b) Outreach Worker – monies granted to fund dedicated Outreach Workers based at the London Relief Centre, including seconded staff.

  c) Training & Development Officer – monies granted to help fund this post

  d) NBH Hostel Manager – monies granted to fund this post.

  e) NBH room sponsorship – grants to cover the costs of individual rooms at the charity's New Belvedere House hostel.

  f) Clothing Fund – monies granted to provide new clothing to ex-serviceman and women being assisted by Veterans Aid

  g) FareShare is a charity that collects surplus product from the food and drink industry and distributes it to those in need, including the residents of New Belvedere House. The value of this donation in-kind is based on their estimate.

  h) NBH redecoration – a donation in kind to provide an internal makeover to the common rooms at our hostel.

  i) The Not Forgotten Association covers the cost of the television licence for the common rooms at our hostel.

Funds (continued)

j) The Lloyds Patriotic Fund grant – monies provided to cover specific aspects of the charity's work for 12 months from 1st July 2013. This included Addiction & Mental Health, Emergency Accommodation, Education & Training and Family Support.

k) The Armed Forces Covenant grant is to support the charity's work with Addiction & Mental health over two years.

l) The GLA grant – monies to support the charity's work in providing emergency accommodation over the 12 months from 1st April 2013.

m) Grants for individuals – grants provided, primarily from regimental benevolent funds and other service charities, to aid individual clients.

n) GLC Grant – monies provided in the early 1970s to acquire a new homeless hostel following compulsory purchase of the former premises at Belvedere House.

o) Housing Association Grant – monies provided for the refurbishment and extension of New Belvedere House in 2003/2004.

p) New Belvedere House Extension Fund – money provided by various donors for the refurbishment and extension of New Belvedere House between 2003 and 2006, plus the revaluations in 2009 and 2014.

- Unrestricted Funds (note 15)
  Unrestricted funds are as follows:

  - General Fund – represents an estimated six months operating costs of the charity.

Statement of Trustees' responsibilities
The Trustees (who are also the Directors of Veterans Aid for the purposes of company law) are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the company for that period.

Statement of Trustees' responsibilities (continued)

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution proposing the re-appointment of Saffery Champness will be put to the Annual General Meeting in April 2015.

This report was prepared under the special provisions of Part 15 of the Companies Act 2006.

Approved by the Trustees on 16th April 2015 and signed on their behalf by

....

Colonel P B G Cummings
Chair of Trustees

....

G J Holbourn
Trustee

16th April 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements of Veterans Aid for the year ended 30 September 2014 set out on pages 19 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report, the Chairman's Report on activity and the Chief Executive's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charity's state of affairs as at 30 September 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report in preparing the Trustees' Report.

C Turtington

Cara Turtington ....
(Senior Statutory Auditor)

For and on behalf of
Saffery Champness
Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

16 April 2015

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2014 £	Total 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations & Legacies including Gift Aid		569,515	-	-	569,515	391,902
Grants (for core funding)		20,000	-	-	20,000	-
Activities for generating funds:						
Fundraising and sundry		11,397	-	-	11,397	126,895
Investment income	9	70,889	-	-	70,889	79,569
Incoming resources from charitable activities						
Grants (specifically related to services provision)		48,952	266,209	-	315,161	657,602
Supporting People Programme		150,275	-	-	150,275	150,275
Rent and housing benefit		370,388	-	-	370,388	381,808
Donations in kind	4	-	189,339	-	189,339	127,410
Total incoming resources		1,241,416	455,548	-	1,696,964	1,915,461
Outgoing resources						
Cost of generating funds						
Fundraising/event costs		59,349	-	-	59,349	57,298
Investment management fees		10,321	-	-	10,321	7,840
Cost of goods sold		7,199	-	-	7,199	4,184
Charitable activities:						
Hostel accommodation and support for homeless veterans		741,040	139,682	-	880,722	775,490
Rehabilitation and emergency care for homeless veterans		303,888	531,555	-	835,443	752,441
Governance costs		56,064	-	-	56,064	54,951
Total resources expended	2	1,177,861	671,237	-	1,849,098	1,652,204
Net(outgoing)/incoming resources from operating activities, carried to page 20[1]		63,555	(215,689)	-	(152,134)	263,257

[1] **Net incoming resources from operating activities** The Unrestricted Fund surplus for the year is £63,555 (2013: deficit £32,050). The Restricted Fund deficit of £215,689 (2013: deficit £295,307) includes expenditure of £184,856 relating to grants received in previous years to be spent in this and subsequent years. For more details please see Note 14.

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2014 £	Total 2013 £
Net incoming/(outgoing) resources from operating activities brought down from page 19		63,555	(215,689)	-	(152,134)	263,257
Realised (loss)/gain on disposal of investments		-	-	(5,619)	(5,619)	30,391
Net incoming/(outgoing) resources before revaluations		63,555	(215,689)	(5,619)	(157,753)	293,648
Unrealised gains on revaluation of freehold premises	8	-	892,728	-	892,728	-
Write-back of accumulated depreciation on freehold premises	8	-	153,956	-	153,956	-
Unrealised gains/(losses) on revaluation of investments	9	-	-	89,642	89,642	77,450
Net movement in funds		63,555	830,995	84,023	978,573	371,098
Total funds brought forward		970,885	2,306,116	2,132,153	5,409,154	5,038,055
Total funds carried forward	16	1,034,440	3,137,111	2,216,176	6,387,727	5,409,154

The statement of financial activities contains all gains and losses for the year. All activities relate to continuing operations.

The notes on pages 23 to 38 form part of these financial statements.

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 £	2013 £
Gross income	1,696,964	1,915,461
Realised gains/(losses) on disposal of fixed assets	-	-
Total income	1,696,964	1,915,461
Total expenditure	1,849,098	1,652,204
Net income/(expenditure)	(152,134)	263,257

Total income comprises £1,241,416 (2013: £1,213,353) for unrestricted funds and £455,548 (2013: £702,108) for restricted funds. A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities.

Expenditure before asset disposals comprises £1,177,861 (2013: £1,095,233) for unrestricted funds and £671,237 (2013: £556,971) for restricted funds.

This income and expenditure account excludes all movement on the Charity's permanent endowment fund so as to comply with the requirements of Companies Act 2006.

The summary Income and Expenditure Account is derived from the Statement of Financial Activities on pages 19 and 20 which together with the notes to the financial statements on pages 23 to 38 provide full information on the movements during the year on all the funds of the charity.

VETERANS AID

BALANCE SHEET
AS AT 30 SEPTEMBER 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible fixed assets	8		3,040,272		2,021,967
Investments	9		1,756,736		1,682,806
			4,797,008		3,704,773
Current assets					
Stock	10	4,699		7,734	
Debtors	11	170,102		65,229	
Cash at bank and in hand		1,472,192		1,676,574	
		1,646,993		1,749,537	
Current liabilities					
Creditors: Amounts falling due in less than one year	12	56,274		45,156	
Net current assets			1,590,719		1,704,381
Net assets			6,387,727		5,409,154
Funds					
Permanent Endowment	13		2,216,176		2,132,153
Restricted funds	14		3,137,111		2,306,116
Unrestricted funds:	15				
General funds			1,034,440		970,885
	16		6,387,727		5,409,154

Approved by the Trustees on 16th April 2015 and signed on their behalf by

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Robert Clinton
Trustee
Company Number 4544532

The notes on pages 23 to 38 form part of these financial statements.

1 **Accounting policies**

1.1 **Accounting convention**
The financial statements have been prepared in accordance with the Companies Act 2006 and with the Statement of Recommended Practice - Accounting & Reporting by Charities (Charities SORP) issued in March 2005.

1.2 **Basis of accounting**
The financial statements have been prepared under the historical cost convention with the exception that investments and freehold property are included at market value.

1.3 **Incoming resources**
Incoming resources are recognised on a receivable basis and included in the financial statements gross, i.e. before taking account of any associated expenditure.

1.4 **Allocation of costs**
Premises and associated costs relating to the running of Head Office (which includes the London Relief Centre) are allocated between the various expenditure headings on the SOFA on the basis of the salaries of staff at head office and the estimated time spent by each member of head office staff under each heading.

1.5 **Costs of generating funds**
Expenses are included as costs of generating funds if they can be directly related to a source of the charity's income or are for publicity intended to raise the profile of the charity.

1.6 **Charitable activities**
The charity has identified two charitable activities through which it achieves its charitable objectives–

1.6.1 Hostel accommodation and support for Veterans in crisis.
The charity runs a hostel for homeless Veterans in the East End of London and provides funding to assist the residents in turning their lives around.

1.6.2 Detox rehabilitation and emergency care for Veterans in crisis.
The charity's London Relief Centre in Victoria, Central London, provides a drop-in centre where Veterans in crisis are given counselling and provided with short-term overnight accommodation while their needs are assessed.

1.7 **Governance costs**
Governance costs include all costs of maintaining the charity as a legal entity including audit fees, costs of trustees meetings, costs of complying with statutory requirements, and staff costs incurred in connection with meeting these requirements.

1.8 **Tangible fixed assets and depreciation**

Tangible fixed assets, except freehold land, are stated at cost or valuation less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

No depreciation is charged on land.

Freehold buildings	over fifty years straight-line
Office equipment	over three years straight-line
Housing equipment	over three years straight-line

Items purchased are capitalised where their cost is above £100 and they are expected to have an ongoing use in the charity's operations. Purchases costing less than this are charged to expenditure in the Statement of Financial Activities in the year of purchase.

A professional valuation of the freehold land and buildings was undertaken at 30th September 2014 and the accounts reflect this figure (see Note 8). It is intended that a valuation will take place every five years, the next being due in 2019.

1.9 **Investments**

Fixed asset investments are valued at the current market value at the balance sheet date. Any unrealised gains or losses are credited/charged to the Statement of Financial Activities. Realised gains or losses on disposal of investments are included in the Statement of Financial Activities as they arise. Where investments are included as assets in the Permanent Endowment, realised income arising from those investments is taken as unrestricted income.

1.10 **Stock**

Stock comprises goods for resale and is valued at the lower of cost or net realisable value (see Note 10).

1.11 **Pension costs**

The cost to the charity of providing defined contribution retirement pensions and related benefits is charged to management expenses in the period in which the contributions were incurred.

1.12 **Permanent Endowment**

The Permanent Endowment relates to the East Sussex property given to the charity. Part of this property, Hollenden House, was sold in 2005 and the proceeds invested; the remainder of the property, Whitworth House, was sold in 2009 and the funds placed on deposit. Income from these investments are taken as unrestricted income. The charity is intending to procure and develop new and more appropriate premises in Central London and these funds will be used to ensure the adequacy and long-term future of such premises. (See Note 13)

1.13 **Restricted funds**

Restricted funds are those received which are earmarked for a specific purpose by the donors. Expenditure which meets the criteria specified is allocated directly to the fund. (See Note 14)

1.14 **Unrestricted funds**

Funds received or generated for the objects of the charity without a further specified purpose are treated as unrestricted funds.

The balance in the General Fund at 30th September 2014 represents an estimated six months operating costs. (see Note 15).

1.15 **Revaluations**

Investments are revalued to market value as of 30th September 2014 and the gain or loss is shown on the SOFA as a separate item. (see also Note 1.8).

2 Resources expended

	Direct expenses		Support costs				
	Staff	Other	Staff	Other	Depreciation	Total 2014	Total 2013
	£	£	£	£	£	£	£
Fundraising costs	-	21,877	27,881	8,932	659	59,349	57,298
Investment management costs	-	10,321	-	-	-	10,321	7,840
Cost of goods sold	-	-	-	7,199	-	7,199	4,184
Hostel accommodation and support for homeless veterans	295,055	414,719	95,532	30,606	44,811	880,723	775,490
Rehabilitation and emergency care for homeless veterans	132,139	307,773	255,430	132,700	7,401	835,443	752,441
Governance	-	18,728	27,895	8,937	503	56,063	54,951
	427,194	773,418	406,738	188,374	53,374	1,849,098	1,652,204

	2014	2013
	£	£
Total resources expended are stated after charging:		
Depreciation (see note 1.8 and 8)	53,374	60,528
Auditors remuneration:		
For audit	16,700	14,400
For other services	2,940	-
Amounts payable under operating leases	43,960	46,253

3 **Staff costs**

	2014 £	2013 £
Wages and salaries	713,828	681,814
Social security	75,827	73,264
Pension costs	25,272	14,139
	814,927	769,217
Other staff costs	19,005	15,852
	833,932	785,069

Two members of staff (2013: two) were provided on full-time secondment. These donations in kind have been valued based on the costs of a staff member undertaking the same role. Salaries of £56,474 (2013: £55,120) and social security costs of £5,670 (2013: £5,540) for these secondees are included in the above figures.

Average number of staff:	2014	2013
The average number of staff on a full time equivalent basis working during the year was	Number	Number
Hostel and care workers	13	13
Administration	8	7
The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands:		
£80,000 to £89,999	-	1
£90,000 to £99,999	1	-

During the year the pension contributions on behalf of this member of staff amounted to £4,337 (2013: £4,207).

4 **Donations in Kind**

	Notes	2014 £	2013 £
SSAFA provided seconded staff at an estimated value of	3	62,144	60,660
FareShare provided food for the residents at New Belvedere House at an estimated value of		66,750	66,750
Oliver Burns LLP provided an internal makeover at New Belvedere House at an estimated value of		60,000	-
The Worshipful Company of Glovers provided gloves at an estimated value of		300	-
The Not Forgotten Association provided a television licence for New Belvedere House at a value of		146	-
Total		189,340	127,410

5 **Pension plan**

5(a) **Pensions Trust (closed to new entrants)**

Veterans Aid participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

5 **Pension plan** (continued)

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan give the Trustees the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Pension Trust's Trustees will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

Members paid contributions at the rate of between 5% and 10% of gross salary during the accounting period. Veterans Aid matched the members' contributions.

As at the balance sheet date there were 3 (2013: 4) active members of the Plan employed by Veterans Aid. Veterans Aid has closed the Plan to new entrants.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 were completed in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The Plan aims to eliminate this deficit over a ten year period from April 2013 by a combination of additional payments from employers and investment returns. Veterans Aid made an additional contribution of £8,087 (2013: £3,984) in the period covered by these accounts.

5(b) **Royal London**

Veterans Aid now offers an alternate plan with Royal London (formerly Scottish Life) to its employees; at the balance sheet date there were 10 (2013: 0) active members of this plan employed by Veterans Aid.

Members paid contributions at the rate of between 2% and 10% of gross salary during the accounting period. Veterans Aid matched the members contributions.

6 **Trustees**

No trustees received any remuneration in the current or preceding year.

Expenses totalling £2,028 (2013: £2,457) were reimbursed to 3 (2013: 3) trustees in respect of travel and accommodation expenses and for attending fundraising events.

7 **Corporation tax**

As a registered charity Veterans Aid is not subject to corporation tax on its wholly charitable activities.

8 Tangible fixed assets

	Freehold land and buildings £	Fitting and equipment £	Total £
Cost			
At 1 October 2013	2,107,272	278,008	2,385,280
Revaluations	892,728	-	892,728
Additions	-	24,996	24,996
At 30 September 2014	3,000,000	303,004	3,303,004
Depreciation			
At 1 October 2013	123,123	240,190	363,313
Charge for the year	30,832	22,542	53,374
Write-back on revaluation	(153,955)	-	(153,955)
At 30 September 2014	-	262,732	262,732
Net Book value			
At 30 September 2014	3,000,000	40,272	3,040,272
At 30 September 2013	1,984,149	37,818	2,021,967

All fixed assets are used for charitable purposes.

In the year ended 30 September 2014 a professional valuation of the New Belvedere House/Old Rectory freehold premises in Stepney was carried out by Michael Rogers LLP, Chartered Surveyors. This placed on open market value on the premises of £3,000,000 which is now reflected in these accounts. The historical cost of the building is £1,038,562. (See Note 1.8).

9 Investments

	2014 £	2013 £
Investment in subsidiary	2	2
Quoted securities – UK	1,217,925	1,127,475
Quoted securities – Overseas	509,859	514,519
Accrued investment income	2,243	2,219
Cash balances	26,707	38,591
	1,756,736	1,682,806

9 **Investments** (continued)

	Subsidiary undertakings £	Listed investments £	Total 2014 £	Total 2013 £
Quoted/unquoted securities:				
Market value at 1 October 2013	2	1,641,994	1,641,996	1,518,662
Additions at cost	-	234,476	234,476	354,043
Disposals at market value brought forward	-	(238,328)	(238,328)	(308,159)
Unrealised gains/(losses)	-	89,642	89,642	77,450
Market value at 30 September 2014	2	1,727,784	1,727,786	1,641,996
Historic cost			1,439,801	1,406,958

Investments that are considered material in the context of the market value of the portfolio at 30 September 2014 are:

	%age of total	2014 £	%age of total	2013 £
UK Govt 1.875% I/L Stk 22/11/22	7.49%	131,612	7.68%	129,187
British American Tobacco 25p Ordinary Shares	5.45%	95,755	5.35%	90,104

No other single investment exceeds 5% of the portfolio value.

Investment income is made up of-	2014 £	2013 £
Bank interest	7,609	16,365
Dividends	61,037	60,986
Accrued interest on fixed-interest investments	2,243	2,219
	70,889	79,569

The investment in subsidiary represents the charitable company's holding in its wholly-owned subsidiary, Veterans Aid (Services) Ltd, company registration number 06096959. The subsidiary company has not commenced trading and remained dormant throughout the year; it's aggregate capital and reserves at 30 September 2014 were £2.

10 Stock

	2014 £	2013 £
Clothing stock	4,699	6,652
Christmas cards stock	-	1,082
	4,699	7,734

11 Debtors

	2014 £	2013 £
Rent and housing benefits	3,535	10,563
RAF Benevolent Fund grant	19,000	-
Prepayments	100,290	18,854
GLA grant	12,523	22,367
Other debtors	34,754	13,446
	170,102	65,229

Prepayments includes an amount of £72,507 expended in the year on preliminary work for the redevelopment of New Belvedere House. The redevelopment is expected to commence in the year to 30th September 2015.

12 Creditors falling due in less than one year

	2014 £	2013 £
Trade creditors	40,169	31,854
Accruals	12,500	12,000
Other creditors	3,605	1,302
	56,274	45,156

13 Permanent Endowment

	At 1 October 2013 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains/(losses) £	Transfers between funds £	At 30 September 2014 £
Hollenden House Endowment Reserve	2,132,153	-	-	84,023	-	2,216,176

14 Restricted funds

	At 1 October 2013 £	Incoming resources £	Outgoing resources £	Revaluation £	Transfers between funds £	At 30 September 2014 £
a Professional support co-ordinator	-	37,100	37,100	-	-	-
b Outreach worker	-	114,244	114,244	-	-	-
c Training & Development Officer	-	10,000	10,000	-	-	-
d Hostel Manager	-	63,604	63,604	-	-	-
e NBH room sponsorship	-	5,000	5,000	-	-	-
f Clothing fund grant	6,564	300	6,864	-	-	-
g FareShare food donation in kind	-	66,750	66,750	-	-	-
h NBH re-decoration donation in kind	-	60,000	60,000	-	-	-
i Not Forgotton Association	-	146	146	-	-	-
j Lloyds Patriotic Fund grant	159,576	-	159,576	-	-	-
k Armed Forces Covenant grant	160,000	-	18,716	-	-	141,284
l Greater London Authority (GLA) grant	-	33,633	33,633	-	-	-
m Grants for individuals	-	64,772	64,772	-	-	-
n Greater London Council (GLC) grant	155,865	-	-	-	-	155,865
o Housing Association Grant	400,000	-	-	-	-	400,000
p New Belvedere House fund	1,424,111	-	30,833	1,046,684	-	2,439,962
	2,306,116	455,549	671,238	1,046,684	-	3,137,111

14 **Restricted fund** (continued)

a A grant from the Henry Smith Charity to fund the Professional Support Co-Ordinator post.

b Support for the Outreach Worker posts has come from SSAFA (donations in kind £62,144 and travel costs £3,600), ABF The Soldiers Charity (£31,000) and the Royal British Legion (£17,500)

c A grant from the Wates Family Enterprise Trust to support the Training & Development Officer post.

d A grant from the Hans K Rausing Trust to fund the Hostel Manager post

e A grant from the Royal British Legion to cover the cost of an individual room at the charity's New Belvedere House hostel.

f The Clothing fund grant brought forward is a grant from the Hedley Foundation to provide new clothing to ex-servicemen and women being assisted by Veterans Aid. During the year the Worshipful Company of Glovers provided a donation in kind (See Note 4)

g FareShare is a charity that collects surplus product from the food and drinks industry and distributes it to those in need, including the residents of New Belvedere House. The value of this donation-in-kind is based on their estimate. (See Note 4).

h A donation in kind from Oliver Burns LLP. (See Note 4).

i A donation in kind from the Not Forgotten Association. (See Note 4)

j The Lloyds Patriotic Fund grant was to cover specific aspects of the charity's work for twelve months from 1st July 2013. This included Addiction & Mental Health, Emergency Accommodation, Education & Training and Family Support.

k The Armed Forces Covenant grant is to support the charity's work with Addiction & Mental Health over two years.

14 **Restricted fund** (continued)

l The GLA grant was to support the charity's work providing emergency accommodation over the twelve months from 1st April 2013.

m Grants for individuals represents monies provided for assistance to individual clients, primarily from regimental and service charities, and spent by Veterans Aid on their needs during the year.

n The grant from the former GLC arose from the compulsory purchase of the charity's former premises Belvedere House near Waterloo and was used towards the purchase of New Belvedere House in Stepney, which opened in 1973. Following the dissolution of the GLC in 1986 the responsibility for the grant was transferred to the Housing Association. In the event of New Belvedere House being sold the grant may become repayable, and therefore the amount remains a restricted fund. (See Note 21).

o The grant from the Housing Association was made to support the expansion of New Belvedere House in 2003/4, and was spent during that period. In the event of New Belvedere House being sold the grant may become repayable, and therefore the amount remains a restricted fund. (See Note 21).

p The New Belvedere House fund represents grants received for extending the buildings between 2003 and 2006, plus the revaluation in 2009 and 2014 (see Note 8), less an annual depreciation charge.

15 **Unrestricted funds**

	At 1 October 2013 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains £	Transfers between funds £	At 30 September 2014 £
General Fund	970,885	1,241,416	1,177,861	-	-	1,034,440
	970,885	1,241,416	1,177,861	-	-	1,034,440

The balance in the General Fund at 30th September 2014 represents an estimated six months operating costs.
For this purpose operating costs represent unrestricted expenditure and those elements of restricted expenditure that are included in the charity's day to day operations.

16 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Hollenden House Endowment reserve	-	1,756,734	459,442	2,216,176
Armed Forces Covenant grant	-	-	141,284	141,284
Greater London Council (GLC) grant	155,865	-	-	155,865
Housing Association grant	400,000	-	-	400,000
New Belvedere House fund	2,439,962	-	-	2,439,962
General funds	44,445	2	989,993	1,034,440
	3,040,272	1,756,736	1,590,719	6,387,727

17 Revaluation reserves

Included within the funds explained in notes 13 to 15 are revaluation reserves with the following values:

	Permanent Endowment fund £	Restricted funds £	Unrestricted funds £	2014 Total £	2013 Total £
Quoted securities	287,983	-	-	287,983	235,037
Freehold land and buildings	-	1,933,908	-	1,933,908	1,014,154
	287,983	1,933,908	-	2,221,891	1,249,191

Included within the figure for the Permanent Endowment Fund are unrealised gains arising in the year of £89,642 (2013: £77,450).

18 Commitment under operating leases

The premises at 40 Buckingham Palace Road are leased at a cost of £8,810 plus irrecoverable VAT per quarter; the lease ends on 28 February 2015, giving a total commitment at the year-end, including VAT, of £17,975 (2013: £60,405).

Since the year-end a new lease has been signed for the same premises for the period from 1st March 2015 to 28th February 2018 at a cost of £10,511 plus irrecoverable VAT per quarter.

Photocopiers are leased from BNP Paribas at a cost of £309 plus irrecoverable VAT per quarter; the lease ends on 12 June 2018, giving a total commitment at the year-end, including VAT, of £5,435 (2013: £6,965).

19 Related party transactions

There were no related party transactions in either 2013 or 2014.

20 Legal status

The charity is a company limited by guarantee. In the event of a winding up each member has guaranteed to give a guarantee of not more than £10. At 30 September 2014 the total of these guarantees was £80 (2013: £80).

21 Contingent liabilities

Several grants have been received in prior years to be used on the construction and maintenance of the charity's freehold premises in Stepney, including one from the former Greater London Council (GLC). Full historical documentation of the terms of these grants does not exist. If the charity was to cease using these premises for charitable purposes it is possible these grants may become repayable.

The effects of such a repayment cannot be quantified and the Trustees have no plans to change the use of these premises, and therefore they believe no further disclosure is needed in these financial statements.

22 Housing Corporation disclosure

Veterans Aid is a registered social landlord (registration number LH0674) and therefore must report on its activity in this field. Accounts for the years until 2006 were prepared following the Statement of Recommended Practice - Accounting by Registered Social Landlords (RSL SORP). However, as a charity it sees its charitable activities as being much wider than that of a registered social landlord as it provides many other services and support to its beneficiaries. As such it has chosen to present its accounts in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (Charities SORP) issued in March 2005 as it feels it gives a more representative picture of the whole of its charitable work. Nevertheless it recognises its commitment as a registered social landlord and gives the information here in the format required to Housing Corporation purposes.

Due to the differing requirements of the Charities SORP and the RSL SORP there are variances between the figures reported in this note and the remainder of the accounts, in particular in the funds balances carried forward.

The Trustees have considered the need to review the presentation of the accounts in light of the 2010 RSL SORP. They believe the cost of carrying out the restatement outweighs any benefit to the users of these accounts and therefore no adjustments have been made to the disclosures below which continue to apply the previous version of the RSL SORP.

22 Housing corporation disclosure (continued)

Balance sheet	2014 £	2013 £
Fixed assets		
Housing land and buildings	3,000,000	2,107,272
Less: Grants	1,034,389	1,034,389
	1,965,611	1,072,883
Other fixed assets	40,273	37,818
	2,005,884	1,110,701
Investments	1,756,736	1,682,806
	3,762,620	2,793,507
Current assets		
Stock	4,698	7,734
Debtors	170,102	65,229
Cash	1,472,192	1,676,574
Current liabilities	(56,274)	(45,156)
Net current assets	1,590,718	1,704,381
Total funds	5,353,338	4,497,888

	2014 £	2013 £
Turnover		
Rents	55,251	51,015
Grants relating to housing	-	-
Housing benefit/supporting people	465,411	481,068
Property revenue sub-total	520,662	532,083
Donations and grants for other charitable purposes	1,104,706	1,298,351
Turnover	1,625,368	1,830,434
Other income		
Interest, dividends etc.	71,596	85,027
Loss/(profit) on sale of investments	(5,619)	30,391
	1,691,345	1,945,852
Operating costs		
Direct costs	870,160	791,129
Operating costs	948,105	830,242
	1,818,265	1,672,371
Operating Deficit	(126,920)	324,481
Realised gain/(deficit) for the year	(126,920)	324,481

22 Housing corporation disclosure (continued)

	Total 2014 £	Total 2013 £
Fixed assets – Land and buildings		
Cost		
At 1 October 2013	2,107,272	2,107,272
Revaluations	892,728	-
At 30 September 2014	3,000,000	2,107,272
Less:		
Social Housing grant	555,865	555,865
Other capital grant	478,524	478,524
	1,034,389	1,034,389
Net book value		
At 1 October 2013	1,072,883	1,072,883
At 30 September 2014	1,965,611	1,072,883

	Number of rooms 2014	2013
Accommodation in management		
Homeless hostel	55	55