VA transforms lives every day

Veterans Aid

Annual Report and Financial Statements
For the year ended 30 September 2015

VETERANS AID

COMPANY REGISTRATION NO: 4544532 (ENGLAND & WALES)

CHARITY NO: 1095308

VETERANS AID

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

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VETERANS AID

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	The Dowager Viscountess Rothermere
Honorary Life 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 (Chairman) R P Clinton BEM FCSI FCT (Honorary Treasurer, Member of the Business Strategy Committee) R Evans DipArch RIBA (Honorary Surveyor) A G Wallis MBE OL InstFM MIOSH Field Marshal The Lord Walker of Aldringham GCB, CMG, CBE, DL P Dyer MA FBIPP FIOD ACII (Chairman of the Business Strategy Committee) G J Holbourn FCA FCCA DChA (Member of the Business Strategy Committee) M P Guest (appointed 16th October 2014 and resigned 15th April 2015) Mrs M Mervis, Barrister (retired 16th October 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 (Head of Administration; appointed Company Secretary 30th March 2015) Richard Greenhough BCom ACMA (Head of Financial Services) Pat O'Connor MBE (Hostel Manager) Dennis Murphy (Hostel Deputy Manager) Glyn Strong MA, PGCE, MCIPR, MCIJ (Head of Media and Communications) Viola Dabrowska BA (Digital Media Manager) Major Delia Holdom (Events & Development Officer)
Finance and Legal Legal Advisers	Maclay, Murray & Spens, Solicitors LLP 1 London Wall London EC2Y 5AB
Auditors	Saffery Champness Chartered Accountants 71 Queen Victoria Street London EC4V 4BE
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 which were revised and adopted by Special Resolution on 3rd April 2014.
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 2015

This has been an outstanding year for Veterans Aid; the project to redevelop New Belvedere House is well underway and the work already completed on the Old Rectory, with the outstanding support of hundreds of Bloomberg volunteers, sets the highest standard for the future. We are hugely grateful to our Patron, funders, staff, supporters and colleagues in Tower Hamlets and elsewhere, without whom we could not have reached this point.

It is difficult to define what makes Veterans Aid unique. The total dedication of every member of staff; the long reach of the charity throughout the country and beyond; the commitment to rebuild lives through individual care, consideration, training and support and the strong vision and leadership provided at every level of the organisation really does make Veterans Aid special. The statistics speak for themselves, and I congratulate and thank everyone involved in making this charity so very effective in supporting veterans in crisis.

....

Col Paul Cummings
Chairman

13 April 2016

VETERANS AID

CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

This has been a landmark year for Veterans Aid and one of the most challenging since I became CEO in 1995. The £7m fundraising campaign to refurbish and develop our flagship hostel while conducting business as usual has put pressure on everyone.

The hostel is critical to the charity and I can't begin to express how much it means to me personally to see it being transformed into a world-class facility. As I write this, the first phase of the work is nearing completion thanks to all the Bloomberg volunteers and staff from Habitat for Humanity. I am very grateful for the tolerance and understanding of Pat and her hostel staff during this difficult period. And our work in prevention of homelessness, via our ops and addiction services, has had a real impact in reducing the numbers of veterans on the streets of Britain. We also continue to change the lives of our F&C clients; our success rate is excellent.

Too many people have been involved in making this happen for me to thank them by name; our Patron, Trustees, donors, supporters all continue to go the extra-mile for us. I need only cite the tiny team who made the Christmas Carol Concert possible.

Endorsements by The Centre for Social Justice, London Borough of Tower Hamlets and the GLA have all showcased the success of the VA model and attracted funding – to the point where we are not far off our target. That said, we cannot afford to be complacent and I appeal to everyone not to rest on their laurels.

....

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

13 April 2016

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 2015. 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.

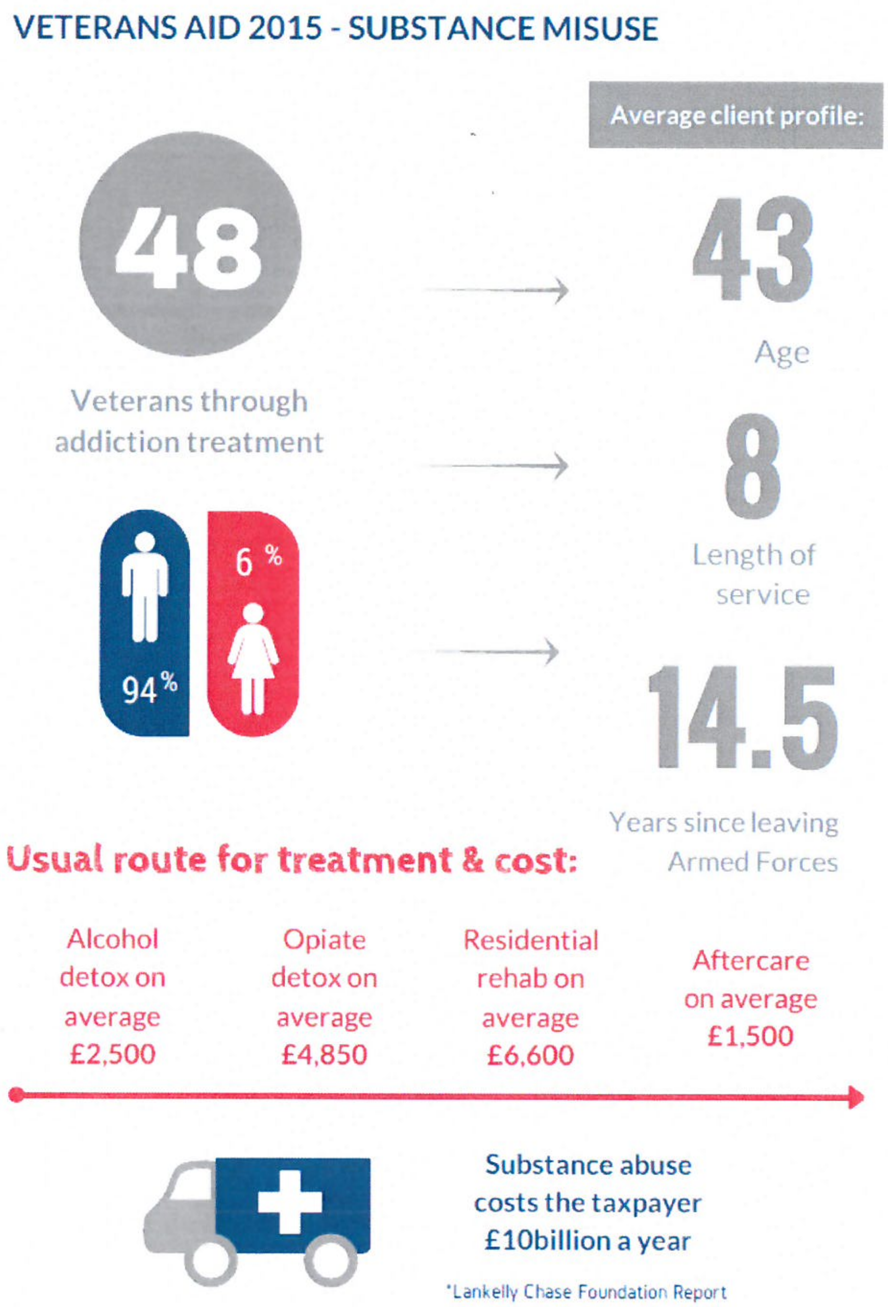
Mission of Veterans Aid
The Charity's mission is to:

- 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, 48 clients were placed in substance misuse programmes across the country, compared to 43 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 184 (2014: 86) clients into some form of accommodation in the year, very few of whom returned to their previous existence.

VETERANS AID 2015 - TRAINING, WORK & PLACEMENTS

79

Veterans into major skills training & education*
(*41 VA funded)

TOP COURSES:

Fitness Training
Driving
Construction
Health & Safety
Academic/Counselling

£814

Average training expenditure per client

92%

success rate*

*VA's hostel graduates still thriving after 6 months

64

Veterans into work & on placements

- **Raising awareness and appreciation of the Charity's capability.** This core task has assumed even greater importance against the background of fundraising to finance the transformation of New Belvedere House. The objective has been to retain and sustain support for routine activity while creating targeted material that illustrates the importance of the hostel as the embodiment of the VA model. The tempo of activity, internally and externally, has been stepped up to ensure consistency of message across all the Charity's media platforms and diverse funding applications. Increased effort has gone into production of data-gathering and translation of output into illustrative infographics. VA's position as the 'Go to' organisation for veterans in crisis has been consolidated by visits from Danish, Australian and Canadian ex-service welfare stakeholders, representatives of all mainstream media outlets, research students – and most recently by London Mayoral candidate Zac Goldsmith. Such is our impact and credibility that the National Audit Office refer journalists to VA for definitive answers on the subject of homeless veterans.

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 doing 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 is a living document that is for continuous review by the Board. 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 Management team as listed on page 1.

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

A ringing endorsement of Veterans Aid was delivered by the GLA's announcement of a £1.6m grant in November 2015 when Mayor Boris Johnson[1] said "The outstanding support offered at (New) Belvedere (House) is already making a tremendous difference and this new funding will enable it to help hundreds more homeless veterans in years to come. The hostel is set to be transformed into a world-class facility that helps our ex-service people out of hard times with the training and counselling they need to get back on the path to independent living."

This award followed a period of intense scrutiny of the charity's governance and activities, which it clearly passed, adding the GLA to the ever increasing number of bodies providing third-party endorsement. Further credibility came in the form of FSB (Fundraising Standards Board) membership – a visible and literal 'tick in the box' – and academic links with the University of East Anglia.

While much activity has been linked to fundraising this year considerable tandem effort has gone into refining metrics for illustrating inputs, outputs and outcomes. This has enabled us to provide evidence based information in an environment rich with myth and exaggeration.

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.

The following major funders supported VA from 1st October 2014 to 30th September 2015: The Armed Forces Covenant (Libor) Fund, Greater London Authority (GLA), The London Borough of Tower Hamlets, The Schroder Foundation, The Hedley Foundation, IES – Homeless Veterans Appeal, Bloomberg L P, The John Slater Foundation, The Lady R Foundation, Royal Choral Society, The Royal Navy and Royal Marines Charity (RNRMC), The Royal Naval Benevolent Trust, Seafarers UK, The Henry Smith Charity,

[1] http://www.standard.co.uk/news/veterans/veterans-given-17m-lifeline-as-mayor-backs-our-hostel-appeal-a3115581.html

Greenwich Hospital, The David and Claudia Harding Foundation, Compton Housing Association Limited and The Soldiers Charity/ABF.

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.

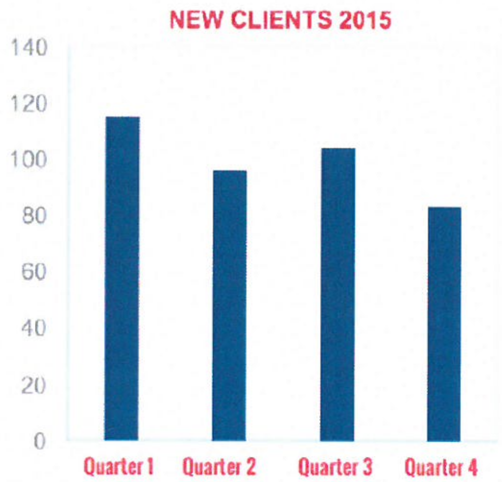
VETERANS AID 2015 - ACTIVITY & COSTS

389

New Clients

184

Veterans appropriately homed



£8.5k

TO SUPPORT ONE VETERAN IN NEW BELVEDERE HOUSE HOSTEL FOR A YEAR

£1.6k

AVERAGE COST OF REHOUSING PER CLIENT

22,000

Nights of accommodation provided for ex-servicemen and women in crisis

Veterans Aid has an appointed member of staff who liaises directly with the Vulnerable Adults Team at London Borough of Tower Hamlets (formerly the Supporting People team). We continue to provide detailed quarterly reports about the service users, staffing levels and room occupancy. Those reports are supported by numerous documents that are reviewed annually (Risk Assessments, Emergency Evacuation Plan, Health and Safety Audit and Staff Training Summary). Veterans Aid continues to meet the 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 years 2014/2015 and 2015/2016.
- NBH – 97.08% room occupancy in the year, compared to 97.89% in the previous year.
- Evictions – there were 5 non-planned moves in the year, compared to 3 in the previous year.
- Planned moves – there were 54 planned moves in the year, compared to 42 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 requirements 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 2016.

Investments
Veterans Aid investments stand at £3.59m (2014: £1.72m), with a further £453k (2014: £29k) in accrued income and uncommitted cash deposits held in the portfolio. The increase in the portfolio is in part due to the substantial grants received during the year (See Note 14 to the accounts). 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 (a full analysis can be found in notes 13 to 16 of the accounts)
The liquid assets of Veterans Aid are divided into:

- Unrestricted Funds. The bulk of the charity's net current assets are unrestricted.
- Restricted Funds. A proportion of the Charity's fixed assets, investments and net current assets are allocated to the restricted funds.
- 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.

Income and expenditure balance.

The annual income of the Charity is £4,974k (2014: £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 2015, the unrestricted funds showed a surplus of £23,651 (2014: £63,555). The surplus of £2,884,873 (2014: deficit £215,689), on restricted funds arises principally due to substantial grants received during the year which will be expended in future 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.

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 2015 is £1,058,091 (2014: £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.** Despite the demise of Supporting People we liaise regularly and closely with the London Borough Tower Hamlets to ensure that we are operating to all national standards.

- **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 £9,094,097 of net assets (2014: £6,387,727), of which £3,625,428 (2014: £3,040,272) are tangible fixed assets. The charity has £1,531,822 of cash balances available at one month's notice or less (2014: £760,299, plus £711,898 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)

  Total restricted funds are £5,896,744 (2014: £3,137,111). The increase is mainly due to the New Belvedere House development fund grants of £3,037,000.

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

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

VETERANS AID 2015 - F&C RELATED CASES

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.

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 2016.

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

Approved by the Trustees on 13th April 2016 and signed on their behalf by

....
Colonel P B G Cummings
Chair of Trustees

....
G J Holbourn
Trustee

13th April 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements of Veterans Aid for the year ended 30 September 2015 set out on pages 20 to 39. 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 Report of the Trustees, 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 2015 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; or
- we have not received all the information and explanations we require for our audit.
- 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 S Turtington

Cara Turtington ....
(Senior Statutory Auditor)

For and on behalf of
Saffery Champness
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

13 April 2016

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2015 £	Total 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations & Legacies including Gift Aid		423,714	-	-	423,714	569,515
Grants (for core funding)		-	-	-	-	20,000
Grants (for New Belvedere House Development)		-	3,037,000	-	3,037,000	-
Activities for generating funds:						
Evening Standard/Independent Appeal		457,913	-	-	457,913	-
Fundraising and sundry		132,424	-	-	132,424	11,397
Investment income	9	146,753	-	-	146,753	70,889
Incoming resources from charitable activities						
Grants (specifically related to services provision)		-	185,388	-	185,388	315,161
Supporting People Programme		150,275	-	-	150,275	150,275
Rent and housing benefit		357,684	-	-	357,684	370,388
Donations in kind	4	-	83,108	-	83,108	189,339
Total incoming resources		1,668,763	3,305,496	-	4,974,259	1,696,964
Outgoing resources						
Cost of generating funds						
Fundraising/event costs		217,253			217,253	59,349
Investment management fees		24,226			24,226	10,321
Cost of goods sold		2,194			2,194	7,199
Charitable activities:						
Hostel accommodation and support for homeless veterans		737,554	115,028	-	852,582	880,722
Rehabilitation and emergency care for homeless veterans		615,841	305,595	-	921,436	835,443
Governance costs		48,044	-	-	48,044	56,064
Total resources expended	2	1,645,112	420,623	-	2,065,735	1,849,098
Net incoming/(outgoing) resources from operating activities, carried to page 21[2]		23,651	2,884,873	-	2,908,524	(152,134)

[2] **Net incoming resources from operating activities** The expenditure on the New Belvedere House development is being capitalised. Therefore although the related grant income of £3,037,000 (see note 14) is included in the SOFA, the expenditure appears as an addition to the Tangible Fixed Assets. The terms of the grants require that this capital expenditure remains within Restricted Funds for a number of years, after which it can be transferred to Unrestricted Funds. Expenditure amounting to £628,456 in the current year on this development has been capitalised (see note 8).

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2015 £	Total 2014 £
Net incoming/(outgoing) resources from operating activities brought down from page 20		23,651	2,884,873	-	2,908,524	(152,134)
Realised gain/(loss) on disposal of investments		-	(23,110)	(22,703)	(45,813)	(5,619)
Net incoming/(outgoing) resources before revaluations		23,651	2,861,763	(22,703)	2,862,711	(157,753)
Unrealised gains on revaluation of freehold premises	8	-	-	-	-	892,728
Write-back of accumulated depreciation on freehold premises	8	-	-	-	-	153,956
Unrealised gains/(losses) on revaluation of investments	9	-	(102,130)	(54,211)	(156,341)	89,642
Net movement in funds		23,652	2,759,633	(76,915)	2,706,370	978,573
Total funds brought forward		1,034,440	3,137,111	2,216,176	6,387,727	5,409,154
Total funds carried forward	16	1,058,091	5,896,744	2,139,262	9,094,097	6,387,727

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

The notes on pages 24 to 39 form part of these financial statements.

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015 £	2014 £
Gross income	4,974,259	1,696,964
Realised gains/(losses) on disposal of fixed assets	-	-
Total income	4,974,259	1,696,964
Total expenditure	2,065,735	1,849,098
Net income/(expenditure)	2,908,524	(152,134)

Total income comprises £1,668,763 (2014: £1,241,416) for unrestricted funds and £3,305,496 (2014: £455,548) 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 £1,645,112 (2014: £1,177,861) for unrestricted funds and £420,623 (2014: £671,237) 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 20 and 21 which together with the notes to the financial statements on pages 24 to 39 provide full information on the movements during the year on all the funds of the charity.

VETERANS AID

BALANCE SHEET
AS AT 30 SEPTEMBER 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets	8		3,625,428		3,040,272
Investments	9		4,041,760		1,756,736
			7,667,188		4,797,008
Current assets					
Stock	10	6,544		4,699	
Debtors	11	69,239		170,102	
Cash at bank and in hand		1,531,822		1,472,192	
		1,607,605		1,646,993	
Current liabilities					
Creditors: Amounts falling due in less than one year	12	180,696		56,274	
Net current assets			1,426,909		1,590,719
Net assets			9,094,097		6,387,727
Funds					
Permanent Endowment	13		2,139,262		2,216,176
Restricted funds	14		5,896,744		3,137,111
Unrestricted funds:	15				
General funds			1,058,091		1,034,440
	16		9,094,097		6,387,727

Approved by the Trustees on 13th April 2016 and signed on their behalf by

G J Holbourn
....
G J Holbourn
Trustee
Company Number 4544532

The notes on pages 24 to 39 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 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 2015 represents an estimated six months operating costs. (see Note 15).

1.15 **Revaluations**

Investments are revalued to market value as of 30th September 2015 and the gain or loss is shown on the SOFA as a separate item.

2 **Resources expended**

	Direct expenses		Support costs				
	Staff	**Other**	**Staff**	**Other**	**Depreciation**	**Total 2015**	**Total 2014**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Fundraising costs	-	188,779	21,609	5,426	1,440	217,254	59,349
Investment management costs	-	24,226	-	-		24,226	10,321
Cost of goods sold	-	-	-	2,194	-	2,194	7,199
Hostel accommodation and support for homeless veterans	317,885	333,441	106,593	26,761	67,902	852,582	880,723
Rehabilitation and emergency care for homeless veterans	-	383,172	413,864	115,197	9,202	921,435	835,443
Governance	-	17,261	24,212	6,079	492	48,044	56,063
	317,885	946,879	566,278	155,657	79,036	2,065,735	1,849,098

Total resources expended are stated after charging:

	2015	**2014**
	£	**£**
Depreciation (see note 1.8 and 8)	79,063	53,374
Auditors remuneration:		
For audit	15,000	16,700
For other services	-	2,940
Amounts payable under operating leases	48,482	43,960

3 **Staff costs**

	2015 £	2014 £
Wages and salaries	753,259	713,828
Social security	72,487	75,827
Pension costs	32,133	25,272
	857,879	814,927
Other staff costs	26,284	19,005
	884,163	833,932

Two members of staff (2014: 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 £57,614 (2014: £56,474) and social security costs of £5,762 (2014: £5,670) for these secondees are included in the above figures.

	2015	2014
Average number of staff:		
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	9	8

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands:

	2015	2014
£90,000 to £99,999	1	1

During the year the pension contributions on behalf of this member of staff amounted to £4,822 (2014: £4,464).

4 **Donations in Kind**

	Notes	2015 £	2014 £
SSAFA provided seconded staff at an estimated value of	3	63,376	62,143
FareShare provided food for the residents at New Belvedere House at an estimated value of		19,586	66,750
The Not Forgotten Association provided a television licence for New Belvedere House at a value of		146	146
Other donations in kind in 2014 not repeated in 2015 were valued at		-	60,300
Total		83,108	189,339

5 **Pension plan**

5.1 Pensions Trust Growth plan
Veterans Aid participates in The Pensions Trust's Growth Plan (the Plan), which is closed to new entrants. 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 Trustee 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 5% of gross salary during the accounting period. Veterans Aid matched the members' contributions.

As at the balance sheet date there were 3 (2014: 3) 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 within the overall Plan, compared with the value of liabilities of £29 million, equivalent to a funding level of 96%. Veterans Aid is only one of many participants in this scheme and its exposure is small and therefore represents a minimal risk to the charity.

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 has been advised that it will be required to make an additional contribution of some £8,330 (2014: £8,087) in the period covered by the accounts.

5.2 Defined contribution plan
Veterans Aid now offers an alternate plan with Royal London (formerly Scottish Life) to its employees; at the balance sheet date there were 10 (2014: 10) active members of this plan employed by Veterans Aid.

Members paid contributions at the rate 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 £2,261 (2014: £2,028) were reimbursed to 3 (2014: 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 £	Assets in course of Construction £	Fitting and Equipment £	Total £
Cost				
At 1 October 2014	3,000,000	-	303,004	3,303,004
Revaluations	-	-	-	-
Additions	-	628,456	35,763	664,219
At 30 September 2015	3,000,000	628,456	338,767	3,967,223
Depreciation				
At 1 October 2014	-	-	262,732	262,732
Charge for the year	52,241	-	26,822	79,063
Write-back on revaluation	-	-	-	-
At 30 September 2015	52,241	-	289,554	341,795
Net Book value				
At 30 September 2015	2,947,759	628,456	49,213	3,625,428
At 30 September 2014	3,000,000	-	40,272	3,040,272

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

	2015 £	2014 £
Investment in subsidiary	2	2
Quoted securities - UK	2,535,484	1,217,925
Quoted securities - Overseas	1,052,388	509,859
Accrued investment income	6,932	2,243
Cash balances	446,954	26,707
	4,041,760	1,756,736

9 **Investments** (continued)

	Subsidiary undertakings £	Listed investments £	Total 2015 £	Total 2014 £
Quoted/unquoted securities:				
Market value at 1 October 2014	2	1,727,784	1,727,786	1,641,996
Additions at cost	-	2,794,308	2,794,308	234,476
Disposals at market value brought forward	-	(777,878)	(777,878)	(238,328)
Unrealised gains/(losses)	-	(156,341)	(156,341)	89,642
Market value at 30 September 2015	2	3,587,874	3,587,876	1,727,786
Historic cost			3,466,382	1,439,801

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

	2015 £	2014 £
Investment income is made up of-		
Bank interest	5,590	7,609
Dividends	134,231	61,037
Accrued interest on fixed-interest investments	6,932	2,243
	146,753	70,889

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 2015 were £2.

Veterans Aid also has two subsidiary charities, Hollenden House (charity number 1095308-1) and New Belvedere House (1095308-2) which have remained dormant throughout the year and have no assets. Under a uniting direction issued by the Charity Commission dated 3 June 2003, these subsidiary charities are not required to prepare separate accounts.

10 Stock

	2015 £	2014 £
Clothing stock	5,461	4,699
Christmas cards stock	1,083	-
	6,544	4,699

11 Debtors

	2015 £	2014 £
Rent and housing benefits	2,698	3,535
RAF Benevolent Fund grant	-	19,000
ES/I Appeal	12,973	-
Prepayments	31,645	100,290
GLA grant	-	12,523
Other debtors	21,923	34,754
	69,239	170,102

12 Creditors falling due in less than one year

	2015 £	2014 £
Trade creditors	163,008	40,169
Accruals	12,500	12,500
Other creditors	5,188	3,605
	180,696	56,274

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2015

13 Permanent Endowment

	At 1 October 2014 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains/(losses) £	Transfers between funds £	At 30 September 2015 £
Hollenden House Endowment Reserve	2,216,176	-	-	(76,914)	-	2,139,262

14 Restricted funds

	At 1 October 2014 £	Incoming resources £	Outgoing resources £	Revaluation £	Transfers between funds £	At 30 September 2015 £
a Professional support co-ordinator	-	38,200	38,200	-	-	-
b Outreach worker	-	85,064	85,064	-	-	-
c NBH room sponsorship	-	5,000	5,000	-	-	-
d Clothing fund grant	-	15,000	8,760	-	-	6,240
e FareShare food (donation in kind)	-	19,587	19,587	-	-	-
f Not Forgotten Association (donation in kind)	-	146	146	-	-	-
g Armed Forces Covenant grant	141,284	-	116,126	-	-	25,158
h Grants for individuals	-	70,500	70,500	-	-	-
i Greater London Authority (GLA) grant	155,865	-	-	-	-	155,865
j Housing Association Grant	400,000	-	-	-	-	400,000
k New Belvedere House fund	2,439,962	-	52,241	-	-	2,387,721
l New Belvedere House Development Fund	-	3,037,000	-	(125,240)	-	2,911,760
m Evening Standard Dispossessed Fund	-	25,000	25,000	-	-	-
n RACWMBF Hardship Fund	-	10,000	-	-	-	10,000
	3,137,111	3,305,497	420,624	(125,240)	-	5,896,744

14 **Restricted fund** (continued)

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

b Support for the Outreach Worker posts has come from SSAFA (donations in kind £63,376 and travel costs £4,188), and the Royal British Legion (£17,500).

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

d A grant from the Hedley Foundation to provide new clothing to ex-servicemen and women being assisted by Veterans Aid.

e 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 of the weight of food supplied times an average cost. (See Note 4)

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

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

h Grants for individuals represents monies provided for assistance to individual clients and spent by Veterans Aid on their needs during the year.

i 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.

j 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.

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

l The New Belvedere House Development Fund represents monies raised for the refurbishment of New Belvedere House. During the year the following grants were received:

i. Veterans Accommodation Fund £3,000,000
ii John Slater Foundation £25,000
iii D & C Harding Foundation £10,000
iv Airborne Logistic Charity £2,000

14 **Restricted fund** (continued)

m The grant from the Evening Standard Dispossessed Fund helped to fund short-term accommodation for homeless veterans.

n The Royal Armoured Corps War Memorial Benevolent Fund Hardship Fund (RACWMBF) is to provide emergency assistance to former members of the Royal Armoured Corps.

15 **Unrestricted funds**

	At 1 October 2014 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains £	Transfers between funds £	At 30 September 2015 £
General Fund	1,034,440	1,668,763	1,645,112	-	-	1,058,091
	1,034,440	1,668,763	1,645,112	-	-	1,058,091

The balance in the General Fund at 30th September 2015 represents an estimated six months operating costs.

16 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Hollenden House Endowment reserve	-	1,758,454	380,808	2,139,262
Clothing funding grant	-	-	6,240	6,240
Armed Forces Covenant grant	-	-	25,158	25,158
Greater London Council (GLC) grant	155,865	-	-	155,865
Housing Association grant	400,000	-	-	400,000
New Belvedere House fund	2,387,721	-	-	2,387,721
New Belvedere House Development Fund	628,456	2,283,304	-	2,911,760
RACWMBF Hardship Fund	-	-	10,000	10,000
General funds	53,386	2	1,004,703	1,058,091
	3,625,428	4,041,760	1,426,909	9,094,097

17 Revaluation reserves

	Permanent Endowment fund £	Restricted funds £	Unrestricted funds £	2015 Total £	2014 Total £
Included within the funds explained in notes 13 to 15 are revaluation reserves with the following values:					
Quoted securities	222,694	(101,203)	-	121,491	287,983
Freehold land and buildings	-	1,906,379	-	1,906,379	1,933,908
	222,694	1,805,176	-	2,027,870	2,221,891

Included within the figure for the Permanent Endowment Fund are unrealised losses arising in the year of £54,211 (2014: gain of £89,642).
Included within the figure for the Restricted Funds are unrealised losses arising in the year of £102,130 (2014: nil).

18 Commitment under operating leases

The premises at 40 Buckingham Palace Road are leased at a cost of £10,511 plus irrecoverable VAT per quarter; the lease ends on 28th February 2018 giving a total commitment at the year-end, including VAT, of £122,377 (2013: £17,975).

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 £3,904 (2014: £5,435).

19 Related party transactions

There were no related party transactions in either 2014 or 2015.

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 2015 the total of these guarantees was £70 (2014: £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 there is a possibility 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	2015 £	2014 £
Fixed assets		
Housing land and buildings	3,000,000	3,000,000
Less: Grants	1,034,389	1,034,389
	1,965,611	1,965,611
Other fixed assets	677,670	40,273
	2,643,281	2,005,884
Investments	4,041,759	1,756,736
	6,685,040	3,762,620
Current assets		
Stock	6,544	4,698
Debtors	69,239	170,102
Cash	1,531,822	1,472,192
Current liabilities	(180,696)	(56,274)
Net current assets	1,426,909	1,590,718
Total funds	8,111,949	5,353,338

	2015 £	2014 £
Turnover		
Rents	46,184	55,251
Grants relating to housing	-	-
Housing benefit/supporting people	461,775	465,411
Property revenue sub-total	507,959	520,662
Donations and grants for other charitable purposes	4,318,565	1,104,706
Turnover	4,826,524	1,625,368
Other income		
Interest, dividends etc.	147,736	71,596
Loss/(profit) on sale of investments	(45,813)	(5,619)
	4,928,447	1,691,345
Operating costs		
Direct costs	873,392	870,160
Operating costs	1,140,102	948,105
	2,013,494	1,818,265
Operating Deficit	2,914,953	(126,920)
Realised gain/(deficit) for the year	2,914,953	(126,920)

22 **Housing corporation disclosure** (continued)

	Total 2015 £	Total 2014 £
Fixed assets – Land and buildings		
Cost		
At 1 October 2014	3,000,000	2,107,272
Revaluations	-	892,728
At 30 September 2015	3,000,000	3,000,000
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 2014	1,965,611	1,072,883
At 30 September 2015	1,965,611	1,965,611

	Number of rooms 2015	2014
Accommodation in management		
Homeless hostel	55	55