Company Number 04544532 (England and Wales)
Charity number 1095308 (England and Wales)

VA transforms lives every day

Veterans Aid

Annual Report and Financial Statements
For the year ended 30 September 2020

VETERANS AID

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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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 that the Report of the Trustees was signed were as follows:

Trustees

A G Wallis MBE OL DL (Chairman)
Dr P Dyer BA (Hons) MA DUniv (Kent) FBIPP FIOD ACII (Deputy Chairman, Chairman of the Business Strategy Committee)
R P Clinton BEM FCSI FCT (Honorary Treasurer), Member of the Business Strategy Committee (passed away on 6th May 2020)
Colonel Christopher MacKenzie-Beevor CBE LVO (Honorary Treasurer, appointed on 7th May 2020)
Field Marshal The Lord Walker of Aldringham GCB, CMG, CBE, DL
G J Holbourn FCA FCCA DChA (Member of the Business Strategy Committee)
Air Chief Marshal Sir Stephen John Hillier GCB CBE DFC MA

Management

Wg Cdr Dr Hugh Milroy OBE BTh MA PhD DCL (h.c.) (Chief Executive, Member of the Business Strategy Committee)
Natalia Dabrowska BA PgDip (Company Secretary and Head of Administration)
Richard Greenhough BCom ACMA (Head of Financial Services)
Pat O'Connor MBE (NBH Manager)
Dorothy Jones Dip Eng Law (Open) MCIM MCIOF (Head of Fundraising)

Advisors

Lt Col Ian Palmer, Professor of Military Psychiatry (Honorary Psychiatric Advisor)
Robert Emmet FCA (Honorary Compliance Advisor)
Amanda Lennon, Solicitor (England & Wales) FCIPD LLB (Hons) (Principal HR Advisor)

Legal Advisers

Dentons
1 Fleet Place
London EC4M 7WS

Auditors

Saffery Champness LLP
Chartered Accountants
71 Queen Victoria Street
London EC4V 4BE

Investment Managers & Stockbrokers	S & T Asset Management LLP 42-45 Market Street, Stockport, Cheshire SK6 7AA
Bankers	HSBC Bank 60 Queen Victoria Street London EC4N 4TR Lloyds TSB 1 Butler Place London SW1H 0PR Clydesdale Bank PLC 35 Regent Street London SW1Y 4ND
Registered Office	27 Victoria Square London SW1W 0RB
Company No	04544532
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 2020

'It was the best of times, it was the worst of times!'
The opening lines of Charles Dickens' novel, *A Tale of Two Cities,* seems a very apt way to describe our experience in 2020, when the worst pandemic in living memory gave rise to the Charity's finest hour.

This global crisis developed rapidly and in a manner that saw some charities reducing or suspending their services. Thankfully Veterans Aid was not among them.

Our roots go back to 1932, but this was our moment. Our performance during the pandemic was inspirational, but it didn't happen by chance. As part of our risk management protocols, a major crisis was considered and planned for and a model developed to ensure we were able to continue operating. When the Chief Executive decided to implement the disaster plan, it worked smoothly and efficiently with all staff and clients being kept safe while our work continued. It was a textbook activation and was exemplary in its execution.

During a period when many organisaions struggled to deliver much needed support we actively assisted clients in 24 countries worldwide.

To say the charity is thriving is an understatement; reputationally and operationally we are in an excellent position. Whereas some charities might struggle to demonstrate 'public benefit', we have an outstanding and demonstrable record; one that has been audited externally and validated both nationally and internationally.

Our finances are in a good place and I think it is fair to say that the sustainable income stream, in the form of housing benefit, that we receive from Tower Hamlets for the services we provide, is something that few charities benefit from.

The pandemic came hard on the heels of the major refurbishment of New Belvedere House and the Board is now keen to see a period of consolidation. To our friends and supporters, we offer our sincere thanks as we do to our stalwart and steadfast staff who stepped up when others stepped back. The future is bright.

....
Andrew Wallis MBE OL DL
Chairman

20th May 2021

As we see light at the end of the 'pandemic tunnel' it is worth reflecting on our exceptional and unflinching service to the ex-service community throughout the COVID crisis and the issues that we had to deal with. In every sense, this Report will show that for Veterans Aid, it has been business as usual.

It was a challenge, but it didn't defeat us; in fact, we thrived. This was because we had planned and prepared. Operating at a distance is something that we do on a daily basis, so our support platforms were ready and stable. Equally, dealing with infectious diseases was something that we have had to do so the transition in this case was as straightforward as it could be e.g. we had microwaves, frozen meals, cleaning materials ready and waiting. The most problematic part of our work initially was the fact that many of the agencies we would normally deal with simply seemed to cease operating. But at Veterans Aid we are well practiced in the field of innovation and that stood us in good stead. Our annual data is only slightly down on pre-COVID years - which is simply extraordinary. We were able to achieve this because we are small, agile and very focused on effective outcomes. But it wouldn't have happened without the astonishing help we received from so many new and surprising sources of support. Overwhelmingly, these were not from the military charity community.

The crisis has been long and tough for all, but it is only appropriate that I commend the team at Veterans Aid; ordinary people who achieved extraordinary things for veterans, when the world seemed to be spiralling out of control. Throughout the emergency, they fought to be the one constant in the lives of veterans who were in the direst of need. Veterans Aid's staff supported one another unflinchingly and now have a bond that only comes from fighting together, against the worst long-term catastrophe for generations. They didn't 'operate a call centre' – they provided a truly 'human' resource. They became involved in some desperate and tragic moments, offered a caring voice when there was no other, and always looked for innovative ways to help those who found themselves powerless and afraid.

This selfless and noble commitment to others has been humbling to witness. Their willingness to care for those who could not care for themselves was demonstrated daily, regardless of the odds. Hopefully, the worst is behind us now but the nation and the ex-service community can be justifiably proud of their group efforts. I am honoured to have been with them at this time.

Going forward, I am sure that we will see rises in unemployment, debt, addiction, evictions and social exclusion. This will inevitably have an impact within the veteran community, especially those employed in economically sensitive sectors such as hospitality.

Our ability to deal with clients holistically with the direct aim of empowering them to live sustainable and fulfilling lives will be more important than ever.

My hope for the future is that the military charity sector will focus more on addressing poverty directly. Post-pandemic policies and procedures must not result in exacerbating financial problems for poverty stricken and vulnerable veterans. As ever, this Charity is ready and willing to play its part. I hope others feel the same way.

....
Wing Commander Dr Hugh Milroy OBE, BTh, MA, PhD DCL (h.c.)
Chief Executive

20th May 2021

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 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic Ireland (FRS 102).

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 among those who graduate from its facilities are minimised and that, through a policy of swift intervention, the numbers who require longer-term assistance are reduced before they become hardened street-dwellers. The Charity continues to place great emphasis on preventative work. The public benefits of VA's work are multiple and demonstrable. They can be classed as direct (i.e. where the charity prevents or addresses homelessness, social isolation and its consequences for clients) and indirect (i.e. where interventions to restore an individual to health and independence result in a family being reunited and domestic support networks being restored).

Below the line metrics such as 'Savings to society' can be calculated through referencing the lifetime distribution of care and support costs – to the NHS, the Criminal Justice System, and the Department for Work and Pensions, as well as other charities and social enterprises – associated with social isolation.

Overall statement of public benefit (continued)
For example, one of the key findings in the independent Pro Bono Economics Report (2018) on Veterans Aid is that the potential economic value of the successful outcomes in the client sample of 166 veterans rises to £965k per annum. This figure is derived by multiplying the number of successful outcomes in each of the intervention areas by the relevant value estimate in the Unit Cost Database.

- **Substance misuse.**
During the reporting year 70 clients were placed in substance misuse programmes across the country, compared to 66 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, by contrast, offers a powerhouse of diverse in-house expertise (social workers, substance misuse counsellor, military psychiatrist) that is augmented by access to an even wider network of external specialists (barristers, solicitors, academics etc.) who can be called upon to work in concert and minimise the prospect of VA "graduates" failing. This external network operates on a national basis and embraces all manner of agencies and support services. In 2020 the Charity placed 113 clients into some form of sustainable accommodation (2019: 177), very few of whom returned to their previous existence.

- **Raising awareness and appreciation of the Charity's capability**
Lockdown did not halt the Charity's ability to provide the transformative and life-saving services, that had been delivered, without interruption, since the beginning of the outbreak. As in the previous year, much of its media and PR activity was dedicated to highlighting the Charity's role in keeping ex-service personnel and their families off the streets and protecting the health of those already in the Charity's care.

  Veterans Aid operates in an increasingly competitive environment; one in which it is critically important to maintain public trust. Research shows that public expectations go well beyond mere compliance with charity law. Consequently the Pro Bono Economics study (The Costs and Benefit) remains a particularly valuable third-party endorsement; one that validates the Charity's unique W2WB© model and endorses its 90% success rate. Our tailored (and ever developing) database continues to support our transparent, competence-based and cost-effective methodology.

- **Raising awareness and appreciation of the Charity's capability** (continued)
  Regarding external media activity, we continue to be proactive and sensitive to the COVID-19 affected market, responding to topical events (if and when appropriate) as they arise. Editorial content generated in-house for external and internal publications remains well-received and gives us the advantage of being in control of the VA brand. In particular, accurate, humane interest stories continue to have a huge impact. Our Politics Home article, featuring former Royal Engineer Stanley, a vulnerable individual let down by statutory support services, performed far above the average for PH member articles. In fact, our pieces consistently outperform the average 500 views. As the only veteran charity belonging to Politics Home, we hold unparalleled access to those in Parliament. Our articles regularly appear on the website's homepage, as well as the Breakfast Briefing, which has over 6,000 subscribers in The Westminster Bubble, including MPs, lobbyists and researchers.

  Our Welfare to Wellbeing© (W2WB) model and work continue to attract domestic and international recognition. This year, the CEO led and attended remotely high-profile briefings with the Shadow Veterans Minister UK Sharon Hodgson MP, Independent Veterans Advisor David Richmond CBE, Northern Ireland Veterans Commissioner Danny Kinahan, Shadow Minister for Veterans' Affairs in South Australia Blair Boyer MP and Embassy of Israel (Civil Society Affairs Department). Separately, the policymakers from the Conservative Friends of the Armed Forces asked the charity to consult and share our experience on key issues concerning veterans and available support systems.

  Growing and expanding our world-wide network of valuable connections helps the charity to export the knowledge, that the broader care community for the ex-military and homeless can benefit from. As ever, we do not restrict promoting our methodology to a single sector and have joined and contributed to the World Economic Forum discussion, thanks to an invitation from the HSBC-run initiative based in Singapore.

  VA's strategic partnerships with key agencies in the LBTH are going from strength to strength. Thanks to our strong reputation and presence in the area, we are delighted to have established a direct access to the local test and vaccination centres, where our clients and staff are being supported to book their appointments swiftly and as required.

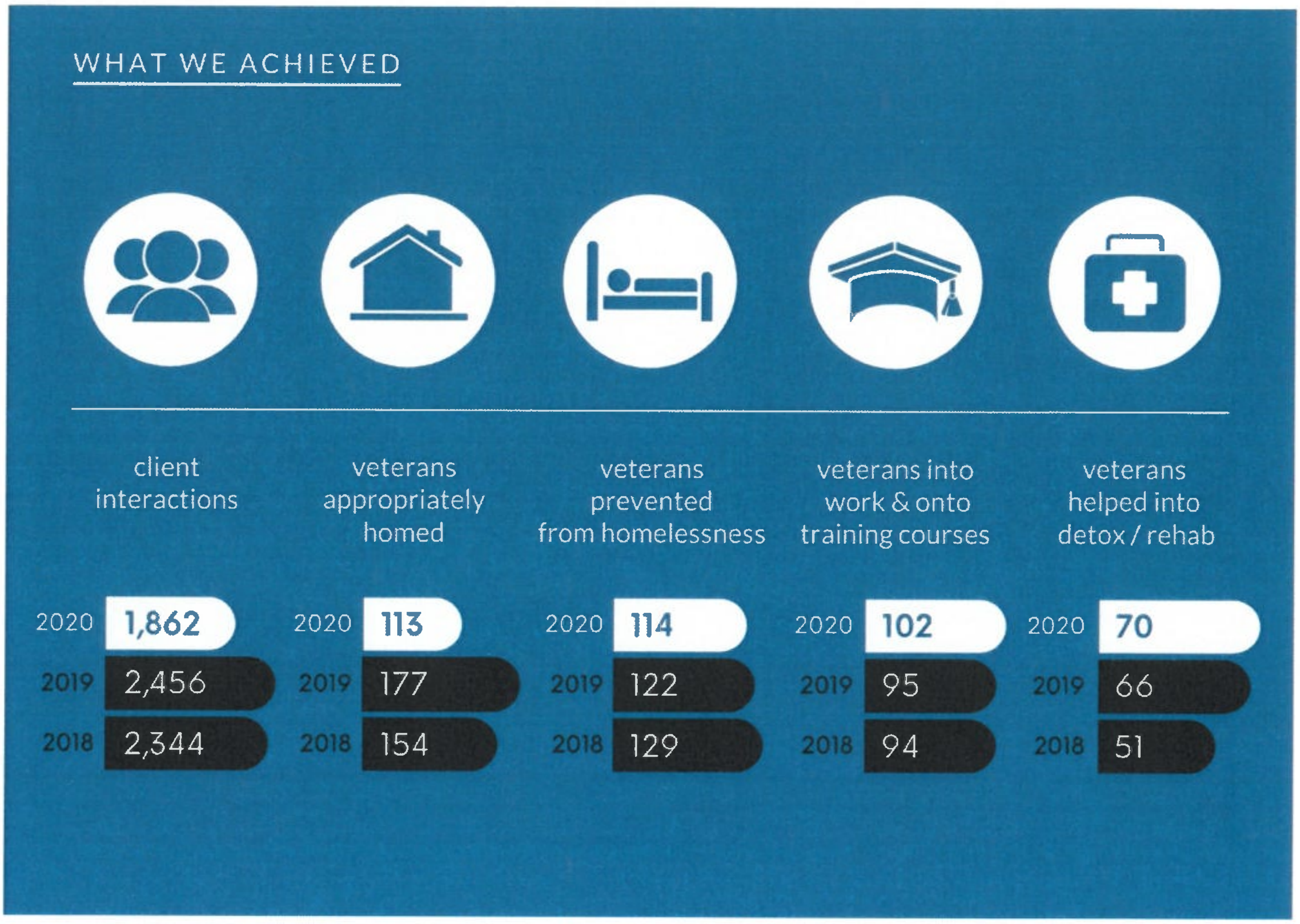
  In other local news – we have maintained and nurtured our close relationship with the Westminster City Council and their Armed Forces lead, who is kept up to date with our operations.

  Our in-house Media and Communications team continues to deliver cost-effective and flexible media coverage for a range of offline and online initiatives. Social media presence is measured by two key metrics - awareness and engagement - this year we recorded a considerable growth of VA's fanbase across all digital platforms. For example, the number of our Instagram followers increased by 111% alongside engagement that soared by 285%. Facebook traffic is up by 97% and the reactions, comments, shares and clicks reached 11k.

We provided

19,243

nights of emergency accommodation for veterans in crisis.


WHAT WE ACHIEVED
client interactions
2020 1,862
2019 2,456
2018 2,344
veterans appropriately homed
2020 113
2019 177
2018 154
veterans prevented from homelessness
2020 114
2019 122
2018 129
veterans into work & onto training courses
2020 102
2019 95
2018 94
veterans helped into detox / rehab
2020 70
2019 66
2018 51


WHERE WE'VE SUPPORTED UK VETERANS DURING THE PANDEMIC
AUSTRALIA
BOLIVIA
CAMBODIA
CYPRUS
DENMARK
FIJI
FRANCE
GERMANY
GHANA
HONG KONG
INDIA
NETHERLANDS
NORWAY
PHILIPPINES
PORTUGAL
ROMANIA
SVG
SERBIA
SOUTH AFRICA
SPAIN
SYRIA
UAE
UK
USA

Governance
The Trustees are committed to strong governance and the importance of a robust regime is something that the Chairman regularly emphasises. The Charity is fortunate in that various of its Trustees are engaged on an almost daily basis with the Chief Executive, thus providing both oversight and expertise. The Trustees are able to offer a wealth of experience from the military, business and third sectors and collectively constitute a well-balanced board. Its 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. In particular, the CEO has a very strong working relationship with the Deputy Chair, Dr Paul Dyer, who is responsible for governance.

Organisational structure
The Charity is exclusively UK-based. Its Head Office and Operations Centre is situated in Victoria, and its New Belvedere House residential facility is in Stepney, both in London. Although its geographical footprint is in the capital, the Charity supports UK Veterans in London and across the country, as well as providing advice to those 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 Company Secretary & Head of Administration, Head of Financial Services, NBH Manager and Head of Fundraising.

Strategic plan
The Board has agreed that during the next 5 years the Charity should marshal its resources, focus on ability to provide tangibles that benefit clients and cultivate VA's successful Welfare to Wellbeing© methodology. The model is exportable and we should continue seizing this historic opportunity to allow others to follow our example and to make lives better and fulfilled in similar situations across the globe. The pandemic has brought a plethora of challenges to the sector, but the well-timed modernisation of New Belvedere House is a success that we can build on. It was a key asset in dealing with the Covid-19 crisis. To remain relevant, we will continue delivering operations that are strictly based on need.

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 skills and commitment to provide the good governance to achieve its objectives.

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 objectives. Equally, trustees are actively encouraged to engage with the CEO on a regular basis to provide support when necessary and to increase understanding of the Charity's daily business.

Review of activities
Veterans Aid is one of the few agencies that remained fully operational throughout the start of the pandemic. The Faculty for Homeless and Inclusion Health - a multi-disciplinary network focused on health care for people experiencing homelessness - of which the Charity is a member, endorsed our efforts and model on multiple occasions in its newsletters:

'Veterans Aid continue to correct the narrative on homelessness and the military. Remaining fully operational throughout the pandemic, they point out that only 19 of the 1,400 people sheltered in London by the GLA claimed to have served. Their Impact Report also highlights (p14) the help they gave to a veteran single mother threatened with homelessness'.

'Old friend and ally, Hugh from Veterans Aid, validates many of these points about the need to do things differently, and again reminds us that old school night shelters are not a safe option'.

'This charity is based in London but has a national and international reach for ex-servicemen and women who have served in HM Armed Forces'.

The Charity remains proactive in building and cultivating partnerships, however some collaborative initiatives had to be rescheduled. Due to the health and safety protocols, that continue to be observed in full at the HQ and NBH, we were unable to host the Police Officers from the Police Now Graduate Scheme. In August, the Administration team attended (remotely) the Police Now Summer Academy Visitor Days. We are now looking forward to welcoming a new cohort of participants by the end of 2021.

Veterans Aid's reputation and position are consistently growing – this year we responded to 127 enquiries from individuals and organisations who sought our guidance, information or support; these related to several fields and projects concerning research, collaborations, volunteering, media, partnerships and fundraising. Advising other agencies and reaching out to key partners such as COBSEO, whose Chief Executive was kept informed of our operations, is something that the Charity engages in routinely.

The Charity's exchanges with the world of academia are of particular note and value – the CEO briefs at the University of East Anglia and the much-respected King's College Institute of Psychiatry, Psychology & Neuroscience. The Centre for Defence Management and Leadership and Ministry of Justice have contacted us to contribute to the discussion on their latest work.

The Amazon Smile programme, that the charity belongs to, has performed very well and the number of our supporters has grown exponentially from 2,955 to 4,855. The donations that the Charity receives through this scheme have also increased, from £624 to £5,382. Accessing this revenue stream requires relatively little energy and helps to diversify our broad base of funding sources.

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

New Belvedere House accommodates up to 66 residents, with rooms prepared for re-occupancy as soon as they become vacant; NB since the start of the pandemic ten (10) bedrooms have been kept empty to allow self-isolation, for any residents displaying symptoms or testing positive.

Accommodation provision is augmented by the temporary use of hotels, B&Bs, small lodgings and military clubs, where appropriate. Based on an average aggregate the Charity looks after 60-70 clients and their families each night. (NB - not all clients require accommodation).

New Belvedere House, our flagship residential accommodation, dealt outstandingly well under crisis conditions, with the quality of care provided remaining extremely high. The emergency plans and procedures that had been formed and aligned with the successful modernisation of the facility, enabled us to operate in full swing throughout the pandemic. Additionally, the experience of working with infectious diseases and the health and safety standards that the organisation is committed to, allowed us to incorporate COVID-19 protection measures at speed and in line with the Government and NHS advice.

After nine months of no confirmed COVID-19 cases across two sites, a minor outbreak developed at the NBH that the management and staff controlled expertly and in accordance with the emergency protocols that included self-isolation, food provision, communications, cleaning, hands-washing and face-mask regimes. Advice and support were sought from the London Coronavirus Response Cell (North East London Team), NHS Tower Hamlets CCG and NHS England COVID-19 Team who were kept up to date with latest developments at the time.

HQ and Ops Centre staff had been brought back to Victoria offices in a staggered and controlled manner before the end of the first lockdown. The robust safety protocols that are periodically reviewed go beyond mere compliance, instead the wellbeing of our team and clients underpins every decision that is made to safeguard their health.

The charity is always keen on finding innovative ways to support its clients and staff, particularly at these unprecedented times. This year we welcomed an exclusive series of personalised recordings from a celebrity wellbeing guru Paul McKenna. The audio programme deals with anxiety, sleep deprivation, lack of confidence and motivation. It can be accessed remotely and privately at any time and has proved to be very popular amongst the team and clients.

Undoubtedly, COVID-19 poses extra considerations to any business but with the aid of the vaccines, on demand-PCR tests and comprehensive safety measures our critical frontline services have been and are being provided successfully and without break.

Performance (continued)
In fact, we have operated business as usual – expanded and invested in the team, successfully completed garden redesign at the NBH and launched a brand-new VA Clients Mentoring Programme through collaboration with CAPCO. The latter is a practical extension of our employment and training services and provides us with a unique opportunity to work alongside corporate professionals from a global management and technology consultancy firm.

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.

Investments
Veterans Aid investments stand at £841k (2019: £849k), with a further £72k (2019: £90k) 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 assets are unrestricted, as detailed in note 14 to the Accounts.
- Restricted Funds. A proportion of the Charity's tangible fixed assets are apportioned to the restricted funds, as detailed in note 13 to the accounts.

Analysis (continued)
Liquid Assets (continued)

- Permanent Endowment. The proceeds of the sale of the Hollenden House site are held under permanent endowment and are represented by the value of the freehold land on which New Belvedere House stands.

Income and expenditure balance
The annual income of the charity is £1,852k (2019: £1,890k), excluding unrealised (losses) / 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 2020, the unrestricted funds showed a surplus of £52k (2019 : surplus of £116k) and the restricted funds showed a deficit of £111k (2019 : deficit of £114k), the latter arising principally due to depreciation charged on the freehold buildings at New Belvedere House in Stepney. Combined, the funds showed a deficit for the year of £58k (2019: surplus of £2k).

Income Policy
General
The overall policy regarding the income of the Charity is the generation - through the income it obtains via 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 narrow any gap between annual income and expenditure that may arise.

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 portfolios 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 is to achieve a balanced return to preserve and possibly enhance the capital value whilst ensuring a reasonable level of income, 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.

Investment Policy (continued)

- There shall be no investments in any company the aims of which are contrary to the objectives of the Charity and the Trustees shall notify the managers of any specific exclusions which they might wish to apply 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 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 reserves policy in relation to the current financial position and degree of risk.

The actual value of unrestricted reserves of the Charity at 30 September 2020 is £1,093k (2019: £1,041k) which represents an estimated seven months operating costs. For this purpose operating costs represent expenditure on both unrestricted and restricted funds.

Going Concern

The trustees have considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the charity's ability to continue as a going concern.

The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity might be significant and might therefore require disclosure in the financial statements, but the trustees have determined that they do not create a material uncertainty that casts significant doubt upon the Charity's ability to continue as growing concern.

Remuneration Policy

The remuneration of key management personnel is reviewed by the Remuneration Committee comprising the Honorary Treasurer, Deputy Chair and the Chairman. Their remuneration policy is set during the annual salary review for the whole team and it takes into account the following:

- Benchmarking with similar roles in the sector;
- The Charity's financial position;
- Changes to cost of living and inflation; and
- Changes in roles and responsibilities.

Fundraising

To help guarantee the availability of ongoing funds to solely pay for its work, Veterans Aid seeks to maintain broad and diverse sources of funding. We aim to raise cash income, both restricted and general, source support-in-kind and build strong local, national and international partnerships.

Our fundraising practices follow the provisions of the Charities Act 2016 (Protection and Social Investment), other relevant legislation, and local government by-laws.

Veterans Aid is a member of the Fundraising Regulator, which is an independent self-regulatory organisation. As a member, Veterans Aid is committed to the highest standards in fundraising. We strictly adhere to the Fundraising Regulator's Code of Fundraising Practice. The Code is underpinned by the fundraising promise which stipulates that all fundraising must be legal, open, honest and respectful to the public. We use the Fundraising Regulator badge to publicly show that we are following these standards.

We operate the Charity Commission's 'Know your Donor' principle and make reasonable and appropriate attempts to identify any individual or organisation that gives us financial support, especially where significant sums are being donated or the circumstances of the donation give cause for concern. Veterans Aid will not accept anonymous corporate donations. However, we may accept anonymous individual or trust donations where there has been a rigorous third-party due diligence process, to confirm that Veterans Aid's reputation is not potentially compromised. Should a supporter make themselves known to Veterans Aid, but wish to remain anonymous, we will honour these wishes, on the basis that the donation carries no reputational risk to the charity.

Veterans Aid respects the privacy and contact preferences of all supporters and, in line with the GDPR, responds promptly to complaints or requests to cease interaction. If any individual or organisation asks to be excluded from fundraising approaches, this is recorded on the database and acted upon immediately so that they are excluded from all forms of solicitation, or those forms from which they have asked to be excluded.

Our in-house fundraising team does not engage in cold-calling, wealth-screening or buying/selling sensitive data. As things stand, the Charity does not use other agencies in its fundraising activities.

Veterans Aid believes and maintains the principle that, wherever possible:

All gifts should be made without coercion and as a result of an informed decision.
All gifts should be made with full transparency and agreement regarding the use of the gift.
In cases where donations are made, without the fundraiser's knowledge, at a time when the donor was not able to make an informed decision, donations will be returned.
Donors will be acknowledged and recognised according to their wishes, as defined under the GDPR.

Fundraising (continued)
All relevant donor data is stored securely on our centralised fundraising database which is a web-integrated CRM (Customer Relationship Management) system. Use of this helps us to reduce duplication, minimise the risk of errors and provide an essential and accurate information hub for analysis and reporting.

We are committed to safe data handling practices and have robust security measures in place to protect this highly sensitive information, namely:

- The data is encrypted and stored on the VA Cloud,
- Daily online and offline back-ups are arranged,
- Access to the database is severely restricted (only members of fundraising staff are granted admission and the system cannot be accessed remotely).
- VA's network and PCs have firewalls, anti-virus and anti-malware software installed that monitors and immediately flags up potential and harmful activities 24/7.

Risk management

Risk
The diverse nature of our work naturally exposes us to many risks; some obvious and others less so. Our approach to risk over the last 10 years has been to go beyond a superficial reporting process and to concentrate on building strength and depth into our protective risk minimisation. In particular, the Board member for Governance is actively involved in this process. All standard workplace legislation is adhered to, but we are always seeking to go above and beyond statutory requirements. This year, to take risk management to the next level and mitigate vulnerability in a more intelligent way, we have employed an online-based agency that is flexible and available 24/7. It provides tailored and needs-centred advice to the Administration team, who can rely on expert consultants. This practical and customised support guides us through ad-hoc / minor issues as well as helping us to maintain best practice policies. In addition, we have deliberately focused on Governance to ensure a progressive reduction of risk.

In essence, we have concentrated on 7 main areas:

Damage to reputation
A badly handled PR crisis involving a charity can seriously tarnish its reputation. To mitigate this, we have developed a sophisticated and effective communications process that utilises the skills of a dedicated team. We utilise social media judiciously to optimum effect and have excellent working relationships with key media outlets to get our message across. As a result we are regarded as a transparent, credible and trustworthy organisation. Our reputation-enhancing efforts are allied with major and relevant working agencies, whose operations directly affect the lives of our clients, such as the GLA, Westminster Council and LBTH. Of particular relevance here has been the runaway success of our work with Politics Home which provides timely access to policy makers and key influencers.

Risk Management (continued)

Damage to reputation (continued)
Our Board Member for governance was very keen for us to enhance our reputation as a strong delivery-agency with organisations which were distinctively relevant to our future as opposed to courting popularity. We have chosen to work with agencies which have a common goal for the benefit of the Charity. If necessary, we seek legal aid to protect our name, clients and staff.

Robust insurance cover
Accidents can happen, and our charitable status is not enough to stop someone from making a claim against the charity.

An accident involving a member of the public at a fundraising event, or an employee injuring themselves at the charity's premises, could result in legal action taken against the organisation. We have therefore ensured that our annual insurance review is thorough, far-reaching, comprehensive and reflective of all our activity.

Health & Safety and HR & Employment Law
A decision to contract a market-leading consulting platform that offers comprehensive advice services covering the areas of facilities management, health and safety, human resources and employment legislation has proved to be of invaluable help since the outbreak of the pandemic. This interactive system continues to shape our COVID-19 specific policies and work plans. Additionally, with every major update from the Government we seek guidance from an independent health and safety professional. As far as personnel matters are concerned, the charity is privileged to have received expert pro-bono support from a leading UK employment lawyer, who acts as our Principal HR Advisor.

Cyber security & Data Protection
Data security is now a significant risk for all organisations. We understand the importance of taking appropriate steps to safeguard information assets and are committed to protecting sensitive and personal information of all the data subjects. While we do not hold huge volumes of sensitive information, we have adopted sophisticated controls.

Human error can of course be a great danger in respect of data loss but very few members of staff use portable data. It is self-evident that cyber security is directly linked to this issue and as a direct result we have placed great emphasis on cyber security to minimise our risks using external experts as required. Our approach to information security does not rely merely upon written policies. We maintain the confidentiality, integrity and availability of information through the protection of our technology resources and assets. Encryption, keeping back-ups and installing all the latest protective measures helps us manage these risks.

Cyber security and data protection are being closely monitored by the internal working group that consists of the CEO, Honorary Compliance Advisor and Company Secretary who report to the Board in detail on the current position and future plans.

Risk Management (continued)

Cyber security & Data Protection (continued)
In a world of competing demands, cultural emphasis on costs and savings, Veterans Aid sees data protection and cyber security expenditure as both justifiable and essential. We will continue investing and reviewing our activities to make sure we have adequate layers of protection and safeguarding procedures.

Funding and donations
The COVID-19 pandemic continues to hamper the sector's ability to raise funds through voluntary income. Veterans Aid has always insisted on diversified income streams; our viable business model is largely supported by the housing benefit system and topped-up by our sound reputation.

This year we have strengthened our fundraising team to better meet the demands of keeping the existing and attracting new sources of financial support. As always, we are actively pursuing innovative fundraising initiatives and are currently exploring opportunities around our intellectual property. Our fundraising efforts have always centred around effectiveness and sustainability rather than populism and we will continue to work independently with key partners.

Fraud
The Trustees and management are aware of the possibilities of fraud, both internally and externally. Strict controls are in place to ensure that no one individual is able to divert large sums via false invoicing or invoicing for works not undertaken, and there is a separation of responsibility between the incurring of expenditure and making payments. The Honorary Treasurer receives regular reports of all significant outgoings. Transparency is the key to our approach.

In addition, we have chosen our auditors, Saffery Champness, as a firm with a substantial reputation and knowledge of the charity sector, which enhances our credibility when prospective funders carry out due diligence.

The value-added aspect of this relationship is that we are allowed significant interactivity with them throughout the year thereby minimising risk. We have taken a deliberately controlled approach as we understand the impact not only of financial loss but also possible damage to reputation and a lack of public confidence if fraud were to take place.

Governance
Interaction between the Chief Executive and Specialist board is dynamic, responsive, and constant. It has proved to be a highly effective working model referencing internal and external issues. The former includes HR, organisational structure, charity culture, management issues, oversight of assets and financial strength. The latter references economic conditions, market competition, legislative changes, media, politics, reputation and demographics.

Finance and accounting review
The Charity has net assets of £8,797,086 (2019: £8,855,462), of which £7,748,930 (2019: £7,897,703) are tangible fixed assets.

Finance and accounting review (continued)
The charity has £172,962 of cash balances available at one month's notice or less (2019: £57,603). The majority of the cash balances are held in deposit accounts.

Funds
As detailed in notes 12 to 13 of the financial statements, the charity has reserves classified as follows:

- Permanent endowment (note 12)
  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 Whitworth House stands, was sold in September 2009. Under the terms of the endowment, its primary purpose is for investment in real estate to be held and used by the charity, and it is now represented by the freehold land at New Belvedere House.

- Restricted funds (note 13)
  Total restricted funds are £5,191,629 (2019: £5,302,491). The decrease is mainly due to the depreciation of the freehold buildings of New Belvedere House.

- Unrestricted Funds
  Unrestricted funds are as follows:
  - General Fund – represents an estimated seven 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.

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.

Statement of Trustees' responsibilities (continued)
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.

This report was prepared under the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The trustees are closely involved and meet formally twice a year to review management accounts, fundraising forecasts and cashflow analyses. The trustees believe that the charity is a going concern and for this reason, the going concern basis of the preparation of the financial statements is considered valid.

Auditors
A resolution proposing the re-appointment of Saffery Champness LLP will be put to the Annual General Meeting in May 2021.

Approved by the Trustees on 20th May 2021 and signed on their behalf by

....
A G Wallis MBE OL DL
Chair of Trustees

....
G J Holbourn
Trustee

20th May 2021

Opinion

We have audited the financial statements of Veterans Aid for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 30 September 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees
As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Turtington

Cara Turtington (Senior Statutory Auditor)
For and on behalf of
Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

20 May 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account) FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Unrestricted Funds £	Restricted – Revenue £	Restricted – Property £	Permanent Endowment £	Total 2020 £	Total 2019 £
Income and Endowments							
Donations & Legacies		545,630	-	-	-	545,630	637,193
Charitable activities							
Rents		818,588	-	-	-	818,588	842,976
Grants		296,300	159,808	-	-	456,108	344,094
Other trading activities		9,157	-	-	-	9,157	41,233
Investments	8	22,511	-	-	-	22,511	24,561
Total income		1,692,186	159,808	-	-	1,851,994	1,890,057
Expenditure							
Raising Funds		138,190	-	-	-	138,190	143,702
Charitable activities		1,480,135	162,511	108,159	-	1,750,805	1,786,436
Total expenditure	2	1,618,325	162,511	108,159	-	1,888,995	1,930,138
Net (losses)/ gains on investments	8	(20,695)	-	-	-	(20,695)	41,965
Net income/ (expenditure)		53,166	(2,703)	(108,159)	-	(57,696)	1,884
Actuarial (losses)/ gains on defined benefit pension scheme	26	(680)	-	-	-	(680)	9,230
Net movement in funds		52,486	(2,703)	(108,159)	-	(58,376)	11,114
Total funds brought forward		1,040,918	2,703	5,299,788	2,512,053	8,855,462	8,844,348
Total funds carried forward	14	1,093,404	-	5,191,629	2,512,053	8,797,086	8,855,462

The statement of financial activities contains all gains and losses for the year. All activities relate to continuing operations. The notes on pages 30 to 45 form part of these financial statements.

The whole of the charity's permanent endowment is represented by freehold land and no transactions in the property have taken place. Therefore, total income and expenditure for the year also represents an income and expenditure account for the purposes of the Companies Act 2006.

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible fixed assets	7		7,748,930		7,897,703
Investments	8		913,429		939,079
			8,662,359		8,836,782
Current assets					
Stock	9	5,984		6,851	
Debtors	10	90,449		90,758	
Cash at bank and in hand		172,962		57,603	
		269,395		155,212	
Current liabilities					
Creditors: Amounts falling due in less than one year	11	(99,112)		(93,979)	
Net current assets			170,283		61,233
Less: Pension deficit provision	26		(35,556)		(42,553)
Net assets			8,797,086		8,855,462
Funds					
Property Funds:					
Permanent Endowment	12		2,512,053		2,512,053
Restricted funds	13		5,191,629		5,299,788
Revenue Funds:					
Restricted funds	13		-		2,703
General funds			1,093,404		1,040,918
Total funds	14		8,797,086		8,855,462

The notes on pages 30 to 45 form part of these financial statements.

Approved by the trustees on 20th May 2021 and signed on their behalf by

G Holbourn

G J Holbourn
Trustee
Company Number 4544532

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Net cash provided by operating activities	**22**	100,070	126,947
Cash flows from investing activities			
Dividends, interest and rents from investments		22,511	25,691
Purchase of property, plant and equipment		(12,177)	(35,835)
Proceeds from sale of investments		244,108	231,208
Purchase of investments		(256,391)	(250,208)
Net cash used in investing activities		(1,949)	(29,144)
Net (decrease)/increase in cash & cash equivalents		98,122	97,803
Cash and cash equivalents at the beginning of the year		147,307	49,504
Cash and cash equivalents at end of the year	**23,24**	245,429	147,307

The notes on pages 30 to 45 form part of these financial statements.

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared under the historical cost convention, as modified for the inclusion of fixed asset investments at market value, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with the Companies Act 2006 and the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All income is accounted for as soon as the charity has entitlement to the income and there is probability of receipt and the amount is quantifiable.

All 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 in 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 raising funds

Expenses are included as costs of raising 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 Accommodation and support for Veterans in crisis

The charity runs New Belvedere House 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:

Freehold buildings	over fifty years straight-line
Fittings & equipment	over three years straight-line

No depreciation is charged on land.

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 2018 and the accounts reflect this figure (see Note 7). It is intended that a valuation will take place every five years, the next being due in September 2023.

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.

1.10 Stock

Stock comprises goods for resale and is valued at the lower of cost or net realisable value (see Note 9).

1.11 Pension costs

The Charity contributes to a defined contribution scheme and The Pensions Trust Growth Plan, a defined benefit multi-employer scheme. The pension costs charged in the SOFA are determined as follows:

(i) The costs relating to the defined contribution scheme are charged to the SOFA when they are incurred.

(ii) The Pensions Trust Growth Plan is an occupational defined benefit scheme. The current service costs are charged to the SOFA within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. The scheme liabilities are measured on an actual basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

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. Following a review of the terms of the endowment, the trustees have determined that its primary purpose was for investment in real estate to be held by the charity, and that this is represented by the freehold land at New Belvedere House. No income is earned on the endowment.

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 13)

1.14 Unrestricted funds

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

Trustees can designate a portion of the unrestricted funds to reflect their intention to invest strategically in future plans.

The balance in the General Fund at 30 September 2020 represents an estimated seven months operating costs.

1.15 Revaluations

Investments are revalued to market value as at 30 September 2020 and the gain or loss is shown on the SOFA as a separate item not forming part of the incoming/(outgoing) resources as the trustees feel that including unrealised gains or losses would not show a true and fair view of the charity's activities during the year.

1.16 Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.17 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements in applying the Charity's accounting policies

There are no critical accounting judgements in 2020 or 2019.

Critical accounting estimates and assumptions

(i) Defined benefit pension schemes

The Charity has an obligation to pay pension benefits to certain employees and former employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the Balance Sheet. The assumptions reflect the historical experience and current trends. The valuation is particularly sensitive to the impact of the discount rate on the schemes' liabilities. See note 26 for the disclosures relating to the defined benefit scheme.

2 Resources expended

	Direct expenses		Support costs		Total
	Staff	Other	Staff	Other	2020
	£	£	£	£	£
Raising Funds					
Fundraising costs	-	9,541	94,619	27,243	131,403
Investment management costs	-	5,749	-	-	5,749
Cost of goods sold	-	-	-	1,038	1,038
Charitable Activities					
Accommodation and support for homeless veterans	320,489	199,925	113,426	184,874	818,714
Rehabilitation and emergency care for homeless veterans	-	339,604	456,346	136,141	932,091
	320,489	554,819	664,391	349,296	1,888,995

	Direct expenses		Support costs		Total
	Staff	Other	Staff	Other	2019
	£	£	£	£	£
Raising Funds					
Fundraising costs	-	10,802	94,456	32,155	137,413
Investment management costs	-	4,718	-	-	4,718
Cost of goods sold	-	-	-	1,571	1,571
Charitable Activities					
Accommodation and support for homeless veterans	294,256	260,210	109,382	203,229	867,077
Rehabilitation and emergency care for homeless veterans	-	326,256	439,686	153,417	919,359
	294,256	601,986	643,524	390,372	1,930,138

Total resources expended are stated after charging:

	2020	2019
	£	£
Depreciation (see note 1.8 and 7)	160,950	167,008
Auditors remuneration	16,320	16,860
Amounts payable under operating leases	104,599	104,316

Governance (included in Support Costs above)

	2020	2019
Audit fees	16,320	16,860
Trustee expenses	63	298
Staff Costs allocation	24,611	22,524
Office Costs allocation	5,980	6,522
Other	790	875
	47,764	47,079

3 Staff costs

	2020 £	2019 £
Wages and salaries	848,931	809,654
Social security	77,251	66,638
Pension costs	40,003	36,370
Pension deficit contributions	-	-
	966,185	912,662
Other staff costs	18,695	25,118
	984,880	937,780

One member of staff (2019: 1) was provided on full-time secondment. This donation in kind has been valued based on the costs of a staff member undertaking the same role. Salaries of £31,300 (2019: £30,800) and social security costs of £3,150 (2019: £3,200) for this secondee are included in the above figures.

Average number of staff:

The average number of staff, based on average head count, working during the year was	2020 Number	2019 Number
NBH staff and care workers	14	13
Administration	10	11

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

£60,000 to £69,999	1	1
£90,000 to £99,999	1	1

During the year the pension contributions on behalf of these members of staff amounted to £12,270 (2019: £12,196).

	2020 £	2019 £
The total remuneration of key management personnel, who comprise the CEO and the NBH Manager, was	168,712	167,573

4 Donations in Kind

	2020 £	2019 £
Donations in Kind	55,274	34,994
	55,274	34,994

In addition to the seconded member of staff (note 3) 18 other organisations and individuals donated food and other items totalling £20,824 during the year (note 13).

5 Trustees

No trustees received any remuneration in the current or preceding year. Expenses totalling £63 (2019: £298) were reimbursed to 1 (2019: 4) trustees in respect of travel and accommodation expenses when attending meetings and fundraising events.

Donations totalling £6,000 (2019: £nil) were received from Trustees during the year.

6 Corporation tax

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

7 Tangible fixed assets

	Freehold land and buildings £	Fittings and Equipment £	Total £
Cost			
At 1 October 2019	7,920,000	667,653	8,587,653
Additions	-	12,177	12,177
Transfers	-	-	-
Revaluations	-	-	-
At 30 September 2020	7,920,000	679,830	8,599,830
Depreciation			
At 1 October 2019	108,159	581,791	689,950
Charge for the year	108,159	52,791	160,950
Write-back on revaluation	-	-	-
At 30 September 2020	216,318	634,582	850,900
Net Book value			
At 30 September 2020	7,703,682	45,248	7,748,930
At 30 September 2019	7,811,841	85,862	7,897,703

All fixed assets are used for charitable purposes.

A professional valuation of the New Belvedere House/Old Rectory freehold premises in Stepney was undertaken at 30 September 2018 and the accounts reflect this figure. The historical cost of the building is £9,273,653. See Note 1.8.

Capital commitments
The charity had the following capital commitments at 30 September 2020:

	2020 £	2019 £
Authorised, contracted but not provided for	Nil	Nil

8 Investments

	2020 £	2019 £
Quoted securities – UK	426,610	500,050
Quoted securities – Overseas	414,349	349,324
	840,959	849,374
Investment in subsidiary	2	2
Cash balances	72,468	89,703
Total	913,429	939,079

8 Investments (continued)

	Subsidiary undertakings £	Listed investments £	Total 2020 £	Total 2019 £
Quoted/unquoted securities:				
Market value at 1 October 2019	2	849,374	849,376	788,410
Additions at cost	-	256,391	256,391	250,208
Disposal at market value brought forward	-	(256,454)	(256,454)	(221,462)
Unrealised (losses)/gains	-	(8,352)	(8,352)	32,220
Market value at 30 September 2020	2	840,959	840,961	849,376
Historic cost of securities			640,101	618,673

	2020 £	2019 £
Investment income is made up of-		
Bank interest	318	395
Dividends	22,193	24,166
	22,511	24,561

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 remained dormant throughout the year; it's aggregate capital and reserves at 30 September 2020 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.

9 Stock

	2020 £	2019 £
Clothing stock	5,984	6,444
Christmas cards stock	-	407
	5,984	6,851

10 Debtors

	2020 £	2019 £
Rent and housing benefits	18,918	16,149
Prepayments	42,133	16,534
Other debtors	29,398	58,075
	90,449	90,758

11 Creditors falling due in less than one year

	2020 £	2019 £
Trade creditors	28,733	52,045
Accruals	42,672	27,106
Other creditors	27,707	14,828
	99,112	93,979

12 Permanent Endowment

This fund of £2,512,053 is represented by the value of the freehold land in Stepney occupied by New Belvedere House. There has been no movement in the fund since 1 October 2018.

13 Restricted funds

		At 1 October 2019 £	Income £	Expenditure £	At 30 September 2020 £
a	New Belvedere House Development fund	5,299,788	-	(108,159)	5,191,629
	Property Funds	5,299,788	-	(108,159)	5,191,629
b	Outreach workers (donation in kind)	-	34,450	(34,450)	-
c	Not Forgotten Association (donation in kind)	-	158	(158)	-
d	Grants for individuals	2,703	54,534	(57,237)	-
e	Substance Misuse	-	50,000	(50,000)	-
f	Other donations in kind	-	20,666	(20,666)	-
	Revenue Funds	2,703	159,808	(162,511)	-
		5,302,491	159,808	(270,670)	5,191,629

		At 1 October 2018 £	Income £	Expenditure £	At 30 September 2019 £
a	New Belvedere House Development fund	5,407,947	-	(108,159)	5,299,788
	Property Funds	5,407,947	-	(108,159)	5,299,788
b	Outreach workers (donation in kind)	-	40,228	(40,228)	-
c	Not Forgotten Association (donation in kind)	-	155	(155)	-
d	Grants for individuals	-	68,396	(65,693)	2,703
e	Substance Misuse	-	50,000	(50,000)	-
f	Other donations in kind	8,580	3,839	(12,419)	-
	Tax advice	-	14,000	(14,000)	
	Revenue Funds	8,580	176,618	(182,495)	2,703
		5,416,527	176,618	(290,654)	5,302,491

Funds for the purchase and development of New Belvedere House (Property Funds):

a. The New Belvedere House Development Fund represents monies raised for the purchase and refurbishment of New Belvedere House (NBH) between 1973 and 2018. NBH is an integral part of the charity's operations and long-term plans and it is therefore felt that it is appropriate to show its value as a single consolidated fund including the various phases of its purchase and development. In the event of NBH being sold, grants from the GLA (£155,865) and Housing Association (£400,000) may become repayable. See Note 19.

Funds for operational expenses (Revenue Funds):

b. Support for the Outreach Worker posts has come from SSAFA (donations in kind £34,450).

c. A donation in kind from the Not Forgotten Association.

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

e. A grant from an anonymous charitable trust for the Substance Misuse programme.

f. Donations in kind - food, clothing etc.

14 Analysis of net assets between funds

	Unrestricted funds £	New Belvedere House Development Fund £	Hollenden Endowment Reserve £	2020 £
Tangible fixed assets	45,248	5,191,629	2,512,053	7,748,930
Investments	913,429	-	-	913,429
Pension deficit provision	(35,556)	-	-	(35,556)
Net current assets	170,283	-	-	170,283
	1,093,404	5,191,629	2,512,053	8,797,086

	Unrestricted funds £	Grants for individuals	New Belvedere House Development Fund £	Hollenden Endowment Reserve £	2019 £
Tangible fixed assets	85,862	-	5,299,788	2,512,053	7,897,703
Investments	939,079	-	-	-	939,079
Pension deficit provision	(42,553)	-	-	-	(42,553)
Net current assets	58,530	2,703	-	-	61,233
	1,040,918	2,703	5,299,788	2,512,053	8,855,462

15 Revaluation reserves

	2020 £	2019 £
Quoted securities	200,858	230,701
	200,858	230,701

The revaluation reserves form part of unrestricted funds in both years.

16 Commitments under operating leases

	Land and buildings	Other	Total 2020
	£	£	£
Due within one year	15,402	3,892	19,294
Between 2 and 5 years	-	4,033	4,033
	15,402	7,925	23,327

	Land and buildings	Other	Total 2019
	£	£	£
Due within one year	98,794	5,580	104,374
Between 2 and 5 years	15,428	7,772	23,200
	114,222	13,352	127,574

The premises at 27 Victoria Square are leased at a cost of £24,698 (including irrecoverable VAT) per quarter. The lease ended on 26 November 2020 and was subsequently renewed.

Photocopiers are leased from BNP Paribas (ending 15 March 2022) and CF Corporate Finance (ending 14 March 2023).

CCTV equipment is leased from Tower Leasing (ending 24 December 2020).

17 Related party transactions

There were no related party transactions in either 2020 or 2019, other than the donations totalling £6,000 from a Trustee (note 5).

18 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 2020, the total of these guarantees was £60 (2019: £60).

19 Contingent liabilities

Several grants have been received in prior years to be used on the construction and maintenance of the charity's New Belvedere House freehold premises, 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.

20 Housing Corporation disclosure

The Charity is a Registered Provider of Social Housing, registered with the Homes and Communities Agency in England (registration number LH0674). In preparing these accounts the trustees have considered whether the charity ought to prepare its financial statements in accordance with Housing SORP 2014: Statement of Recommended Practice for registered social housing providers (RSL SORP). They consider the activities of the charity to be much wider than the provision of social housing and have considered the status of the occupants of New Belvedere House, who are beneficiaries of the charity rather than tenants with rights under the Landlord and Tenant Act. They have therefore concluded that it is appropriate for the charity to prepare its financial statements under the Charities SORP. Further details of the changes that would be required were the RSL SORP to be used are not included on the basis that they provide no additional useful information to the users of the financial statements. However, reference is made to the RSL SORP where the charity SORP is silent on any particular issue.

21 Income from government grants

The charity was in receipt of amounts from national and local government sources as follows:

	2020 £	2019 £
Revenue grants (credited to unrestricted funds)	130,379	167,476
	130,379	167,476

22 Reconciliation of net movement in funds to net cash flow from operating activities

Reconciliation of net movement in funds to net cash flow from operating activities	**2020** **£**	**2019** **£**
Net (expenditure)/income	(57,696)	1,884
Depreciation charges	160,950	167,008
Investment income	(22,511)	(24,561)
Loss/(gain) on investments	20,695	(41,965)
Decrease/(increase) in stocks	867	(3,295)
Decrease/(increase) in debtors	309	311,666
Increase/(decrease) in creditors	5,133	(275,928)
Movement in pension scheme provision	(7,677)	(7,862)
Net cash provided by operating activities	100,070	126,947

23 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand and at bank	172,737	57,274
Cash with investment managers	72,467	89,703
Cash equivalents - vouchers	225	330
Total cash and cash equivalents	245,429	147,307

24 Analysis of changes in net debt

	At 1 October 2019	Cashflows	At 30 September 2020
Cash at bank and in hand	57,274	115,463	172,737
Cash with investment managers	89,703	(17,236)	72,467
Cash equivalents - vouchers	330	(105)	225
Total	147,307	98,122	245,429

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

25 Comparative statement of financial activities

	Unrestricted Funds £	Restricted – Revenue £	Restricted – Property £	Permanent Endowment £	Total 2019 £
Income and Endowments					
Donations & Legacies	637,193	-	-	-	637,193
Charitable activities					
Rents	842,976	-	-	-	842,976
Grants	167,476	176,618	-	-	344,094
Other trading activities	41,233	-	-	-	41,233
Investments	24,561	-	-	-	24,561
Total income	1,713,439	176,618	-	-	1,890,057
Expenditure					
Raising Funds	143,702	-	-	-	143,702
Charitable activities	1,495,782	182,495	108,159	-	1,786,436
Total expenditure	1,639,484	182,495	108,159	-	1,930,138
Net (losses)/ gains on investments	41,965	-	-	-	41,965
Net (expenditure)/ income	115,920	(5,877)	(108,159)	-	1,884
Actuarial losses on defined benefit pension scheme	9,230	-	-	-	9,230
Net movement in funds	125,150	(5,877)	(108,159)	-	11,114
Total funds brought forward	915,768	8,580	5,407,947	2,512,053	8,844,348
Total funds carried forward	1,040,918	2,703	5,299,788	2,512,053	8,855,462

26 Pension Plans

26.1 The Pensions Trust

Veterans Aid participates in The Pension Trust (TPT)'s Growth Plan, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, TPT has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions			
From 1 April 2019 to 30 September 2025:	£11,243,000 annum	per	(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with TPT the term to 30 September 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, TPT has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions			
From 1 April 2016 to 30 September 2025:	£12,945,440 annum	per	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 annum	per	(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Pension Plans (continued)

26.1.1 Reconciliation of opening and closing provisions for Veterans Aid

	2020 £	2019 £
Provision at start of period	42,553	59,644
Unwinding of the discount factor (interest expense)	377	981
Deficit contribution paid by Veterans Aid during the year	(7,677)	(7,861)
Remeasurements - impact of any change in assumptions	303	863
Remeasurements - amendments to the contribution schedule	-	(11,074)
Provision at end of period	35,556	42,553

The income/(cost) recognised in the Statement of Financial Activities for the year was £680 (2019: (£9,230).

26.1.2 Assumptions

	30 September 2020	30 September 2019
	% per annum	% per annum
Rate of discount	0.58	0.98

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Members paid contributions at rates between 5% and 30% of gross salary during the accounting period. Veterans Aid matched the members contributions up to a maximum of 10%.

As at the balance sheet date there were 3 (2019: 3) active members of the Plan employed by Veterans Aid. Veterans Aid has closed the Plan to new entrants.

26.2 Royal London

26.2.1 Veterans Aid now offers a defined contribution plan with Royal London to its employees; at the balance sheet date there were 11 (2019: 10) active members of this plan employed by Veterans Aid. Under this scheme the charity incurs no further liabilities.

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