



THE VETERANS' FOUNDATION

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

COMPANY REGISTRATION NUMBER: 10099309

CHARITY COMMISSION NUMBER: 1166953

OSCR CHARITY NUMBER: SC046571

THE VETERANS' FOUNDATION

ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Reference and administrative details

Trustees (Directors for company law purposes)

P. Mountford, FCA (Chair)
R. Farndale, FRGS, MCI Arb (Deputy Chair)
S.A. Banks-Cooper, FCMA
G.R. Brewer
E. M. Lofgren Skeide, MCISI
M. F. Tulloch
B. Walker, MA, ED, FRICS

CEO

Major General D.A.H. Shaw CBE, FCIPD

Registered office

First Floor International House
20 Hatherton Street
Walsall, WS4 2LA

Correspondence address

Thistle Court
1-2 Thistle Street
Edinburgh, EH2 1DD

Independent Auditor

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew, PA4 8WF

Bankers

The Co-operative Bank
3rd Floor,
1 Balloon Street
Manchester, M60 4EP

Solicitors

Weightmans (Corporate)
100 Old Hall Street
Liverpool, L3 9QJ

Poppleston Allen (Gambling, Licensing and Regulatory)
Price House
37 Stoney Street
Nottingham, NG1 1LS

Company Registration Number: 10099309

Charity Commission Charity Number: 1166953

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THE VETERANS' FOUNDATION

**ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022

The Trustees of The Veterans' Foundation (VF) present their annual report with the financial statements of the charitable company for the financial year ended 30 June 2022.

Chairman's Overview

I'm delighted to report that we awarded grants of £4.4M in the year ended 30 June 2022, being a total of 202 grants to 160 organisations. The total amount of our grants increased by a third in the year compared to the last year, a tremendous achievement, especially considering all the challenges associated with the pandemic and the various lockdowns which had a major adverse impact on fundraising activities in the charity sector.

Since we started in 2016, up to 30 June 2022 we have given a total of £11.5M to support charities and other charitable organisations who support the Armed Forces community including veterans, qualifying merchant seafarers and their dependants, who are in need. We delivered all of this funding through 642 grants to 341 different organisations.

Our success in expanding our grants programme is due mainly to the continuing growth of our Veterans' Lottery, which remains our main source of income and now has almost 80,000 subscribers. We continue to promote the Veterans' Lottery by marketing it through online, Face-to-Face (F2F), and Door-to-Door (D2D) sales. Our total lottery income increased by 33% in the year, which included a larger contribution from our F2F and D2D sales activities, as a result of fewer lockdowns. To ensure future growth in our lottery income, we focus our efforts not only on attracting new subscribers but in seeking to retain our subscribers for longer, thereby reducing attrition.

To reduce our reliance on funds raised through the Veterans' Lottery, we are developing our donations' strategy. While we have attracted some corporate and private donations, we realise that we can develop this function and raise more funds for the causes we support. We now have a variety of donation-attracting activities including our Memorial Wall.

While we continued to direct our grant-giving during the year to address pandemic-induced requirements, our focus shifted back to supporting a variety of small and medium-sized organisations that deliver help to those in need. We focus on these organisations as they have the greatest need for funds and, in many cases, they are being innovative, responsive, adaptable in addressing veteran needs, and deliver their services without incurring extensive overheads. When funding is available, and needs warrant our support, we also award grants to some of the larger charitable service organisations.

Guided by the Government's "Strategy for our Veterans", and the "Veterans Strategy Action Plan", our grants were given to a wide range of organisations that are conducting beneficial work to help and support people linked to the Armed Forces who are facing difficult challenges. For instance, we have supported organisations who tackle poor mental and physical health, social isolation and loneliness, family welfare, employment and self-employment, and addictions. Where possible, we link organisations that are delivering similar services in the hope they can collaborate, and reduce overheads, while maximizing good outcomes.

A charity's good reputation depends on applying high standards in governance. We are subject to a wide range of regulators, which include the Charity Commission, OSCR, the Gambling Commission, Companies House, the Information Commissioner and the Fundraising Regulator. One of the key tasks of our Board is to ensure that the Veterans' Foundation complies with all the relevant regulations at all times. We also continue to develop the good governance initiative sponsored by the Confederation of Service Charities ("Cobseo").

In considering any bids for grants, our Trustees also expect high standards of management from applicants. During the year we added three more staff to cover our increased grant-giving and the associated need for due diligence. With only seven part-time employees our team remains small.

Finally, I would like to thank my fellow Trustees and, most importantly, the Veterans' Foundation's executive team, for their unstinting work, as well as the excellent team at our external lottery manager, Bee Ethical Limited.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Veterans' Foundation (VF) is a charitable company limited by guarantee and not having a share capital, with registration number 10099309. It is recognised as a charity for tax purposes by HMRC and is registered with the Charity Commission under charity number 1166953 and the Office of the Scottish Charity Regulator (OSCR) under charity number SC046571.

Vision and Objects

The vision of the VF is that it becomes a significant source of funds for serving or former members of the Armed Forces, qualifying merchant seafarers and their dependants, who are in need, in order to help those beneficiaries experience a better quality of life.

In particular, its objects are as follows:

- To assist people who are serving or who have served in the British Armed Forces, including UK merchant seafaring veterans, and their dependants by advancing any lawful charitable purposes at the discretion of the Trustees; and
- In particular, but not exclusively, to make grants to other charities who assist serving and former members of the Armed Forces and their dependants who are in need.

Governance

Key points with regard to governance are as follows:

- The VF has a Memorandum and Articles of Association which establish the objects and powers of the charitable company and is governed under its Articles of Association of 16 February 2016, as subsequently amended on 1 October, 2019 and on 10 January, 2022.
- The VF raises funds, currently mainly through the Veterans' Lottery (VL) but, increasingly, through donations too, with the objective of making grants and donations to beneficiaries through charities and other organisations; and
- The VF is governed by its Board of Trustees.

The Trustees who served during the year and up to the signing of the financial statements were:

P. Mountford, FCA (Chair)
R. Farndale, FRGS, MCI Arb (Deputy Chair)
S.A. Banks-Cooper, FCMA
G.R. Brewer
E. M. Lofgren Skeide, MCISI
M. F. Tulloch
B. Walker, MA, ED, FRICS

The VF recruited G.R Brewer and S.A Banks-Cooper on 14 January 2022. There were no other changes to the Board in the year.

The Trustees meet on a quarterly basis to consider items such as achievements, partnering arrangements, risks, regulations and finances, as well as to confirm the allocation of grants. They occasionally consider matters out of committee. Due to the effects of the pandemic, all Trustees' Board Meetings up to January 2022 were carried out virtually; thereafter, our Board Meetings were held at our office in Edinburgh. Subject to any unexpected circumstances, we expect to continue to hold our Board Meetings in Edinburgh.

The VF has two Committees, as follows:-

Audit Committee:

- In the financial year this comprised E.M. Lofgren Skeide (Chair), S.A. Banks-Cooper and P. Mountford. Since the year end E.M. Lofgren Skeide has stepped down from the Audit Committee. Pending the appointment of the new chair S.A. Banks-Cooper has been appointed interim chair.

Grants Committee:

- This comprises R. Farndale (Chair), G.R. Brewer, M. F. Tulloch and B. Walker.

**ANNUAL REPORT OF THE TRUSTEES
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Governance (continued)

The VF recruits its Trustees after advertising, using appropriate procedures to ensure it has the breadth of experience among the Trustees to suit the requirements of the VF. New Trustees can be appointed following decisions by the Trustees, who are the only Members of the VF, at Board Meetings.

Given that the VF is responsible for allocating funds subscribed or donated by the public, the Trustees place the utmost importance on good governance. Further to carrying out the Cobseo Governance self-reporting tool in the 2019/20 financial year when we achieved 'green' status, being the highest standard of governance, the VF continues to review its practices with regard to Cobseo's Governance self-reporting tool from time to time. We continue to monitor best practice in charity governance and adapt as necessary. Recently we have refined our complaints' process and scrutiny of contractors to ensure they are following regulatory guidance and best practice.

Management

The VF's executive team consists of founder Major General David Shaw CBE (CEO), Paul Heward, (CFO) and a further five staff members working within grants management, finance and fundraising.

Given the growth of the VF, especially reflecting the increase in the grants' programme, we appointed two new members to the grants team during the year, to provide expert resource to evaluate and scrutinise bids and to monitor the impacts of our grantees. In addition, we recruited a fundraising manager to develop all of our non-lottery fund raising activities.

The CEO, supported by the rest of the VF's executive team, conducts the day-to-day business of the VF, working under strategic objectives agreed with the Trustees. This includes, implementing the VF's key policies including fundraising, managing the grants programme, liaising with grantee organisations and other stakeholders, managing the VF's reputation, as well as overseeing contractors and other partner organisations.

The VF contracts the running of the VL and its advertising and marketing to two organisations, Bee Ethical Limited (BE) and Bee Ethical Active Limited (BEA). BE manages and advertises the VL to attract new subscribers and to maintain the support of existing subscribers. BEA attracts new players to join the VL through its direct sales activity, which involves F2F and D2D sales activities.

The CEO of the VF works closely with BE and BEA. As part of its service to the VF, BE provides weekly and monthly reports to the CEO who discusses key points with the Chairman of the Board.

The VF meets BE and BEA every six months for a formal review, at which the VF considers contractual issues, assesses performance and develops plans. The relationships between the VF with BE and with BEA are open and mutually supportive. All three organisations are highly motivated to maximise the support we are able to give beneficiaries.

During the last year, the VF has developed links with a number of major and well-established charities in order to exchange information about veterans' groups and to identify where support is most needed. The VF will continue this liaison to ensure we work with the principal Armed Forces' members in the Third Sector.

The VF communicates through its website at www.veteransfoundation.org.uk, newsletters and on other social media, particularly Facebook, Instagram and Twitter.

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Risk management

Trustees place considerable importance on compliance with charity, gambling legislation, other legislation and regulations. The Board examines all risks annually and new risks or significant changes in risk at every quarterly meeting and it reviews policies at regular intervals to ensure risks are mitigated. Risks are considered by likelihood and severity. The VF actively monitors the cash levels to ensure that sufficient funds are available.

All risks documented in the risk register have been mitigated to an acceptable level by internal control systems, insurance cover and other factors as appropriate.

The Trustees devolve responsibility for preparing financial budgets and cash flow forecasts to management, which are reviewed at Board Meetings. Management accounts are produced by the VF's accountants, Azets, on a monthly basis and are then reviewed by the VF who use a cloud accounting and management information package to facilitate in-depth financial monitoring and analysis. The Trustees review the VF's financial performance at their quarterly Board Meetings and review the VF's budgets at least annually, alongside projected income and expenditure.

The principal risks associated with the VF's major source of income, the VL, are: -

- Our main routes to market, being online subscriptions and direct sales (F2F or D2D) subscriptions to the VL, becomes uneconomic or unusable. This risk is being mitigated through the diversification of our routes to market.
- Regulatory or legislative changes affecting our ability to run the VL or recruit new players. We work with BE and third-party experts to ensure we are aware of any changes and ensure the VF and BE are up to date and compliant.
- Cyber threats or other IT Systems failure. Expert-recommended precautions and defences are used to mitigate these risks.

Wider Network

The VF is a member of Cobseo, Veterans Scotland and the Lotteries Council. It is registered with the Charity Commission, OSCR, the Gambling Commission, the Fundraising Regulator and the Information Commissioner. The VF and the VL follow the guidance and regulation of these organisations.

OBJECTIVES AND ACTIVITIES IN THE REPORTING YEAR

Objectives

The VF started operating in July 2016. Its objectives continue to be to raise funds with which to make grants to beneficiaries through charities and other organisations. In the past, the VF has raised funds mainly through attracting direct debit subscriptions to the VL; it has also encouraged and received donations. Furthermore, the VF intends to grow income from donations and other fundraising activities, not related to the VL, significantly in the future.

Currently, the VF aims to pass all non-corporate donations to grantees. Corporate donations are used to cover the costs of fundraising or are passed to grantees, with the exception of donations used for restricted purposes.

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Activities

The recipients of the VF's grants include serving or retired members (and immediate dependants) of the Armed Forces – Royal Navy, Royal Air Force, Army and Royal Marines – and qualifying merchant seafarers, e.g. those who served during the Falklands War of 1982, and dependants.

The Grants Committee (GC), considers applications submitted by organisations and in some limited cases by individuals to help beneficiaries and make grants according to the following non-exclusive factors:

- Needs of the potential beneficiaries;
- Number of beneficiaries who will benefit from the grant;
- Other funds held by the applicant; and
- Suitability of the applicant to deliver the project for which funds are applied.

The GC takes great care when analysing the validity of the bids for grants, weighing up carefully the benefit proposed to beneficiaries but also the competence of those delivering the benefit. In addition, at the request of the GC, the VF's management has reviewed the terms and conditions which govern grant awards and carries out thorough financial scrutiny and evaluation of bids, as well as monitoring of the applications of the grants.

In 2022, the Board delegated responsibility for awarding small grants, up to £20K, to the CEO and executive team subject to certain controls. This has spread the peak approval period and enabled prompt processing of bids while maintaining the same level of due diligence checks. All non-delegated grants are approved by the Board of Trustees quarterly and they are briefed on delegated grants.

ACHIEVEMENTS AND PERFORMANCE

Fundraising

The VF has to raise money competently and legally so that it can make grants. Almost all of the VF's income comes from the VL which continued to grow significantly, increasing total income by 33%. The number of subscribers grew by 25%, from c.64,000 at the beginning of the financial year to c.80,000 by the end of June 2022.

Historically, the VF's major route to market for the VL has been through social media. This trend continued in the first half of the year but, as a result of a more challenging market environment, the performance of online sales was relatively flat in the second half. In recognition of this, we've grown our Direct Sales capability using F2F and D2D marketing methods which have been successful, even though the cost per acquisition is higher than for online sales.

As a result of the ending of lockdown restrictions, our Direct Sales activity has been able to operate effectively, without a break, for most of the year. As a result, it has almost doubled monthly income to around £120,000 and annual income increased to £1.1M.

Maintaining the support of our lottery subscribers is very important, so we decided to change our prize draw arrangements in the year, increasing the rollover to £45,000, which enables a first prize winner to win £50,000 in the event of a rollover. No other changes were made to the prize draw arrangements, which were previously changed in December 2020.

As the external lottery manager to the VF, BE receives monthly fees from the VF for their work in developing, advertising and managing the lottery. These fees are subject to a rolling five-year contract with the VF that is reviewed at six monthly review meetings between the two organisations.

In addition, the direct sales activities, managed by BEA, are subject to a contract between the VF and BEA that is reviewed at six monthly review meetings between our organisations.

The VF has secured trademarks for both the VF and the VL, with and without logos, to protect its brand.

The VF receives donations through its website payment system and has occasionally received donations either from corporates or individuals and via legacies. As the VF is registered with HMRC, it is also eligible to receive Gift Aid on donations.

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Fundraising (continued)

A significant development in the year was the introduction of the Memorial Wall on the VF website which enables members of the public to make postings of deceased veterans (either friends or family) on the Memorial Wall and to make a donation.

We received £201,762 (2021: £42,210) in donations in the latest financial year. With the exception of certain donations from corporate donors, all of these donations have been paid out in grants.

We recognise that it is important to develop this source of fund-raising and, following the appointment of our Fundraising Manager, we are actively considering expanding our capability to attract donations directly to the VF. Apart from continuing to work with several affiliate partners, we are currently progressing several innovative plans to deliver in the next financial year.

Public benefit and Impact

The VF has made grants to many frontline charities and organisations that are delivering necessary support to beneficiaries, principally veterans in need, but also serving/reservist members of the Armed Forces and immediate dependants. Very occasionally, the VF might support an individual but there are other charitable organisations who would normally do this.

During the year, the Trustees approved 202 grants for a total amount of £4.4M to 160 different organisations/individuals, mostly registered charities. We have given grants to a wide range of charities or organisations that are carrying out charitable activities that match the VF's objects – to help service people, and qualifying merchant seafarers, and their dependants, who are in need. The VF continues to ensure the VF grants not only provide direct benefit to those in need but also, where possible, maximise benefit by facilitating collaboration amongst grantees and other organisations within the Third Sector supporting the Armed Forces community.

We have listed the grant recipients in the Notes to the Accounts (Note 9). Together, they are tackling the following challenges facing our beneficiaries:

	Grants Awarded 2022 £'000	Grantees* 2022 No.	Grants Awarded 2021 £'000	Grantees* 2021 No.
Challenges of Service Life				
Health and Wellbeing**	2,257	107	1,110	55
Community Hubs/Signposting/Advice	711	31	592	32
Family Welfare and Wellbeing	359	19	282	12
Homelessness/Housing	329	12	363	12
Mental Health Clinical Support	313	11	125	7
Employment/Self-employment/Education	305	15	674	29
Other Aspects of Service Life***	170	7	208	10
Total****	4,444	202	3,354	157

* Includes multiple grantees.

** Includes grants for Promoting Fellowship/Camaraderie, Reduction in Loneliness/Social Isolation.

*** Includes grants for challenge categories including support for Care Homes; Education, Conservation and Remembrance; Financial Assistance/Debt Assistance; Addiction; and Justice System needs.

**** The above table does not reflect adjustments/refunds of unused grants totalling £680 in respect of 1 award made during the year.

Each of the VF's regular grants are up to £30,000 each spread over 1 to 3 years, or £40,000 (£20,000 over two years) for grants to fund only salary costs.

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Public benefit and Impact (continued)

The Trustees agreed to continue providing annual funding to certain organisations that match the VF's objects closely. Trustees approved an annual grant arrangement inviting The Contact Group, Tom Harrison House, Royal British Legion Industries Limited ("RBLI") and AF&V Launchpad Limited ("Launchpad") to submit quarterly grant bids. There is no guarantee these applications will be met.

Full details of the VF's grants to Launchpad and Heropreneurs, where related parties are involved, are set out in Note 20.

We have not applied a limit to the number of bids that a single organisation can make, preferring to judge each bid on its merits. Where there is a choice between supporting small and medium-sized organisations over larger ones, we support the former, as long as they pass our due diligence review.

Whenever we agree to provide funds in the future and communicate this to the grantee, these commitments are recognised within accruals and grants committed within creditors in accordance with applicable accounting rules.

The VF has an established process for receiving feedback from the grantees regarding the impact and benefits of its grants. Grantees are required to complete and submit a report six months after receipt of the grant and upon conclusion of the funding period which sets out, inter alia, the outcomes and benefits of the grants.

This feedback is then summarised and reviewed at the GC quarterly meetings. Whenever possible and practicable, the VF's executive team and/or Trustees will visit grantee organisations to assess how the VF's grants are making a difference.

The following tables provide details of the income and costs of (1) the VL and (2) the VF's charitable operations.

	2022 £'000	2021 £'000
The VL:		
Lottery income	8,819	6,618
Prizes paid out	(277)	(303)
External lottery management services	(2,209)	(1,673)
Direct sales activities	(680)	(316)
Social media advertising	(750)	(771)
Other Costs (mainly bank charges)	(34)	(32)
Surplus from the VL passed to the VF	4,869	3,523
Other income and costs relating to charitable operations are as follows:		
Income from donations and other investment income	204	43
Will writing services	(46)	-
Head office costs	(258)	(192)
Grants paid to charities/good causes	(4,443)	(3,304)
Overall VF net income	326	70

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Reserves Policy

Following the Board's decision in December, the VF has increased the level of reserves to cover not only three months' worth of operating costs amounting to £256,938 (including the costs of the operations of the VF, prizes and rollovers in the unlikely event of closure) but also a further £200,000 to cover any potential risks in the event of a change of circumstances affecting the VL.

In addition, the Board has agreed to hold £61,022 of certain corporate donations in reserves to contribute to future costs relating to growth of the VF fundraising activities.

The VF's Reserves policy is reviewed every six months.

Strategy and Plans

The VF's strategy is that it will become a significant source of funds for its beneficiaries by maximising public subscriptions to the VL and by attracting donations. The good reputation of the VF will be enhanced through the benefit it brings through its grants and responsible relations with the public, partner organisations and sector authorities.

The VF operates within national and international law, as is relevant, and by abiding with relevant regulations. It will remain a member of Cobseo and follow Cobseo's code of conduct. It also follows the guidance and regulations of the Gambling Commission, the Charity Commission, OSCR, the Information Commissioner, The Fundraising Regulator and Companies House.

Post Year End

Major changes that have occurred since the year end are as follows:

- We have signed a new contract with BEA regarding the marketing and management of BEA's Direct Sales activities; and
- We are taking further actions to secure relevant trademarks.

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Statement of Trustees' responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the relevant Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are Trustees at the time this report is approved.

- a) so far as each Trustee is aware there is no relevant information of which the charitable company's auditor is unaware; and
- b) 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 charitable company's auditor is aware of the information.

Auditor

A tendering exercise for the provision of external audit services was undertaken during the year.

Following the tender process, the Trustees have decided to appoint Saffery Champness as the auditor for the financial year 2022/23.

For and on behalf of the Trustees on 11 November 2022.



Peter Mountford
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE
VETERANS' FOUNDATION
FOR THE YEAR ENDED 30 JUNE 2022**

Opinion

We have audited the financial statements of the Veterans' Foundation (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including 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 state of the charitable company's affairs as at 30 June 2022 and of 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 United Kingdom, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE
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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 Annual Report of the Trustees, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Annual Report of the Trustees 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 Directors' report included within the Annual Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper 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 take advantage of the small companies' exemption in preparing the Annual Report of the Trustees and from the requirement to prepare a Strategic Report.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustee's Responsibilities set out on page 9, the Trustees (who are also directors of the charitable company for the purpose 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 but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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VETERANS' FOUNDATION
FOR THE YEAR ENDED 30 JUNE 2022**

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 is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charitable company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

THE VETERANS' FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE VETERANS' FOUNDATION FOR THE YEAR ENDED 30 JUNE 2022

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in these financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 and to the charitable company's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the Trustees, as a body, 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, the charitable company's members, as a body, and the charitable company's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

James McBride, Senior Statutory Auditor

For and on behalf of

Azets Audit Services, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: 11 November 2022

THE VETERANS' FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2022**

		2022	2022	2022	<i>2021 Total</i>
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	<i>Unrestricted Funds £</i>
Income from:					
Donations and legacies	4	186,379	15,383	201,762	42,210
Charitable activities	5	8,819,260	-	8,819,260	6,618,086
Investment income		1,638	-	1,638	1,173
Total income		9,007,277	15,383	9,022,660	6,661,469
Expenditure on:					
Raising funds	7	(3,936,219)	-	(3,936,219)	(3,101,312)
Charitable activities	7	(4,745,430)	(15,383)	(4,760,813)	(3,490,169)
Total expenditure		(8,681,649)	(15,383)	(8,697,032)	(6,591,481)
Net income and movement in funds		325,628	-	325,628	69,988
Reconciliation of funds:					
Total funds brought forward		192,332	-	192,332	122,344
Total funds carried forward	18	517,960	-	517,960	192,332

The Statement of Financial Activities includes all gains and losses in the year.

All results relate to continued activities.

The notes form part of these financial statements.

THE VETERANS' FOUNDATION

BALANCE SHEET AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	3,412	621
Intangible assets	12	34,639	18,200
		<u>38,051</u>	<u>18,821</u>
Current assets			
Debtors	13	14,647	33,624
Cash and cash equivalents	14	1,630,680	1,467,586
		<u>1,645,327</u>	<u>1,501,210</u>
Creditors: amounts falling due within one year	15	<u>(1,054,289)</u>	<u>(1,287,819)</u>
Net current assets		<u>591,038</u>	<u>213,391</u>
Total assets less current liabilities		629,089	232,212
Creditors: amounts fully due in more than one year	16	<u>(111,129)</u>	<u>(39,880)</u>
Net assets		<u><u>517,960</u></u>	<u><u>192,332</u></u>
Funds			
Unrestricted funds	18	517,960	192,332
Restricted funds	18	-	-
		<u><u>517,960</u></u>	<u><u>192,332</u></u>

The Financial Statements were authorised for issue by the Trustees on 11 November 2022 and signed on their behalf by:



P. Mountford FCA (Chair)

Company Registration Number 10099309

The notes form part of these financial statements.

THE VETERANS' FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net income for the year	325,628	69,988
Amortisation of intangible assets	10,147	7,000
Depreciation of tangible assets	436	430
Decrease/(Increase) in debtors	18,977	(29,736)
(Decrease)/Increase in creditors	(162,281)	556,763
Interest received	(1,638)	(1,173)
Loss on disposal of tangible fixed assets	378	-
Net cash generated from operating activities	191,647	603,272
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,605)	-
Purchase of intangible fixed assets	(26,586)	(3,780)
Net cash (used in) investing activities	(30,191)	(3,780)
Cash flows from financing activities		
Interest received	1,638	1,173
Net cash generated in financing activities	1,638	1,173
Net increase in cash and cash equivalents	163,094	600,665
Cash and cash equivalents at 1 July	1,467,586	866,921
Cash and cash equivalents at 30 June	1,630,680	1,467,586

(i) Analysis of changes in net debt

	At 1 July 2021 £	Cash flows £	Other non- cash changes £	At 30 June 2022 £
Cash and cash equivalents				
Cash	1,467,586	163,094	-	1,630,680
	<u>1,467,586</u>	<u>163,094</u>	<u>-</u>	<u>1,630,680</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. General information

These Financial Statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. These Financial Statements are of the Veterans' Foundation only and cover the year ended 30 June 2022.

The principal activity of the Veterans' Foundation is to make grants to charities which help veterans in need.

The Veterans' Foundation is a private charitable company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. It is recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC046571 and with The Charity Commission under charity number 1166953. Details of the registered office can be found on the reference and administrative details page of these financial statements.

2. Accounting policies

Basis of accounting

The Financial Statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) '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)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated otherwise in the relevant accounting policy notes.

The principal accounting policies applied in the preparation of these Financial Statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's Financial Statements.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in applying the accounting policies (see note 3).

Going concern

The Trustees have considered a period of at least 12 months from the date of signing the Financial Statements. The Trustees believe that the charitable company will continue to meet its obligations as they fall due for the foreseeable future and on this basis, believe that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Income

Income is included in the Statement of Financial Activities when the charitable company is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

Income (continued)

Donations and legacies

Donations, grants and gifts are included in full in the Statement of Financial Activities when the charitable company becomes entitled to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities are included at the value to the charitable company where this can be quantified. The value of services provided by volunteers has not been included in these accounts in line with the Statement of Recommended SORP "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)".

Income from charitable activities

Income raised from charitable activities is accounted for when earned and comprises lottery ticket sales.

Investment income

Investment income is recognised when received and the amount can be measured reliably by the charitable company.

Expenditure

Expenditure is recognised on an accrual basis when a legal or constructive obligation arises. Expenditure includes VAT which cannot be recovered.

All liabilities are recognised when a contractual obligation is in place.

Raising funds

Raising funds costs comprise the costs associated with attracting lottery ticket sales.

Charitable activities

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated to such activities and those costs of an indirect nature necessary to support them. All costs relate to a single activity.

Grants payable

During the course of the business, the charitable company makes grant contributions to organisations and individuals to further its strategic objectives.

Value added tax and corporation tax

As the Veterans' Foundation does not make taxable supplies, and is thus not registered for VAT. The charitable company is exempt from corporation tax on its charitable activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the charitable company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	33.3%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Amortisation is provided as follows:

Website development	33.3%
Trademarks	10%

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term highly liquid investments with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

Creditors

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments that are payable or receivable within one year are initially and subsequently measured at the undiscounted amount of cash expected to be paid or received. Debt instruments payable or receivable after more than one year are initially measured at the net present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Funds

Unrestricted funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives, including corporate stewardship.

Designated Funds

Trustees may choose during the reporting period to set aside a part of the unrestricted funds to be used for a particular future project or commitment. By earmarking funds in this way, the Trustees set up a designated fund that remains part of the unrestricted funds of the charitable company. This is because the designation has an administrative purpose only and does not legally restrict the Trustees' discretion in how to apply the unrestricted funds that they have earmarked.

Restricted funds

Restricted funds comprise those funds which the Trustees are restricted in how they might be used in the furtherance of the charitable objectives, including corporate stewardship.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

4. Donations and legacies	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
General donations	53,845	-	53,845	42,210
Memorial wall donations	15,878	-	15,878	-
Corporate donations	111,656	15,383	127,039	-
Legacy income	5,000	-	5,000	-
	<u>186,379</u>	<u>15,383</u>	<u>201,762</u>	<u>42,210</u>

In 2020/21, all of the general donations were unrestricted.

5. Charitable income	2022 £	2021 £
Lottery income	<u>8,819,260</u>	<u>6,618,086</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

6. Staff Costs	2022	2021
	£	£
Wages & Salaries	126,790	93,929
Social Security Costs	12,226	8,093
Pension costs	3,420	1,458
	<u>142,436</u>	<u>103,480</u>

No employees earned over £60,000 (2021: nil).

There are 7 individuals employed by the charitable company (2021: 4).

The average number of persons (full time equivalent) employed by the charitable company during the year was 2.3 (2021: 1.7).

The key management personnel are considered to be the CEO, the CFO, the Finance Managers, the Fundraising Manager and the Grants Managers. The total payments made to key management personnel during the year were £142,436 (2021: £103,480). None of the Trustees received remuneration in the year, as per note 10.

7. Expenditure	Unrestricted expenditure on raising funds	Restricted expenditure on raising funds	Unrestricted expenditure on charitable activities	Restricted expenditure on charitable activities	2022
	£	£	£	£	£
Prizes and rollover	276,600	-	-	-	276,600
Lottery management and marketing	2,209,045	-	-	-	2,209,045
Online and direct advertising	1,430,149	-	-	-	1,430,149
Website and rebranding	134	-	-	-	134
Bank charges	33,843	-	-	-	33,843
Will writing services	46,080	-	-	-	46,080
Grants awarded (note 9)	-	-	4,429,882	13,189	4,443,071
Support costs (note 8)	11,378	-	244,538	2,194	258,110
	<u>3,936,219</u>	<u>-</u>	<u>4,745,430</u>	<u>15,383</u>	<u>8,697,032</u>
	Unrestricted expenditure on raising funds	Restricted expenditure on raising funds	Unrestricted Expenditure on charitable activities	Restricted expenditure on charitable activities	2021
	£	£	£	£	£
Prizes and rollover	302,600	-	-	-	302,600
Lottery management and marketing	1,672,607	-	-	-	1,672,607
Website and rebranding	78	-	-	-	78
Online and direct advertising	1,087,268	-	-	-	1,087,268
Bank charges	32,489	-	-	-	32,489
Grants awarded (note 9)	-	-	3,304,425	-	3,304,425
Support costs (note 8)	6,270	-	185,744	-	192,014
	<u>3,101,312</u>	<u>-</u>	<u>3,490,169</u>	<u>-</u>	<u>6,591,481</u>

THE VETERANS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. Support costs	Unrestricted expenditure on raising funds £	Restricted expenditure on raising funds £	Unrestricted expenditure on charitable activities £	Restricted expenditure on charitable activities £	2022 £
Insurance	-	-	1,678	-	1,678
Fundraising expenses	3,309	-	-	-	3,309
Subscriptions	8,069	-	-	-	8,069
Sundry expenses	-	-	10,339	-	10,339
Postage	-	-	980	-	980
Accountancy fees	-	-	9,914	-	9,914
Legal and professional fees	-	-	33,117	-	33,117
Independent auditor's fees (incl. VAT)	-	-	10,620	-	10,620
Travel and subsistence	-	-	6,260	-	6,260
Memorial wall overheads	-	-	1,824	2,194	4,018
Depreciation	-	-	436	-	436
Amortisation	-	-	10,147	-	10,147
Rent	-	-	9,950	-	9,950
Staff costs	-	-	142,436	-	142,436
Telephone and IT costs	-	-	5,957	-	5,957
Consultancy fees	-	-	880	-	880
	11,378	-	244,538	2,194	258,110
	<i>Unrestricted expenditure on raising funds £</i>	<i>Restricted Expenditure on raising funds £</i>	<i>Unrestricted Expenditure on charitable activities £</i>	<i>Restricted Expenditure on charitable activities £</i>	<i>2021 £</i>
Insurance	-	-	876	-	876
Subscriptions	6,270	-	-	-	6,270
Sundry expenses	-	-	5,815	-	5,815
Postage	-	-	778	-	778
Accountancy fees	-	-	9,670	-	9,670
Legal and professional fees	-	-	28,769	-	28,769
Independent auditor's fees (incl. VAT)	-	-	9,480	-	9,480
Donations	-	-	180	-	180
Memorial wall overheads	-	-	8,873	-	8,873
Depreciation	-	-	430	-	430
Amortisation	-	-	7,000	-	7,000
Rent	-	-	7,707	-	7,707
Staff costs	-	-	103,480	-	103,480
Telephone and IT costs	-	-	1,336	-	1,336
Consultancy fees	-	-	1,350	-	1,350
	6,270	-	185,744	-	192,014

THE VETERANS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. Grants awarded	Total 2022 £	Total 2021 £
Grants to organisations	4,434,967	3,304,425
Grants to individuals	8,104	-
	4,443,071	3,304,425

Grants awarded to the following organisations in the reporting year:

1st Battalion, The Yorkshire Regiment	Food is Fun CIC
Accrington Stanley Football in the Community Trust Limited	For the Fallen CIC
ACVC Hub	Forgotten Veterans UK
AF&V Launchpad Limited	Foundation 92
Age Cymru Dyfed	Friends of the Allied Special Forces Memorial Grove
Age UK North Yorkshire and Darlington	Friends of the Royal British Legion Band of Wales
Age Well East Ltd	Healthier Heroes CIC
Alabare Christian Care and Support	Heropreneurs
Anxious Minds	HighGround Projects Limited
Armed Forces Community HQ CIC	Home-Start Medway Limited
Association of Service Drop-In Centres Ltd (ASDIC)	Hornsea ExService Mens Club Limited
B.A.S.I.C. Brain And Spinal Injury Centre Limited	HorseBack UK
Belisama's Retreat CIC	Housing Options Scotland
Blind Veterans UK	Hull 4 Heroes
BRAVEHOUND	Hull FC Rugby Community Sports & Education Foundation
British Ex-Services Wheelchair Sports Association	Icarus Online SCIO
British Nuclear Test Veterans Association	ILM (Highland)
Brixham Future CIC	Islay & Jura Community Enterprises Ltd
Broughton House - Veteran Care Village	LABRATS (Legacy of The Atomic Bomb.
Building Heroes Education Foundation	Recognition For Atomic Test Survivors) CIC
Bulldogs Boxing & Community Activities	Libanus Lifestyle (Wales) CIC
Canine Partners for Independence	Little Troopers
Cardiff City FC Community Foundation	Lothians Veterans' Centre Limited
Care After Combat	Made by Mortals CIC
CatZero	Medway District Citizens Advice Bureau Service
Citizens Advice Hillingdon Ltd	Mid Ulster Victims' Empowerment Project
Climb2Recovery	Military Assistance Social Hub (M.A.S.H.)
Combat Stress	Millburn Community Association
Community Solutions North West Ltd	Mode Rehabilitation
Curzon Ashton Community Foundation	No Duff UK CIC
DeafBlind UK	Norland Crew
Defence Gardens Scheme CIC	Okehampton Community and Recreation Association
Depththerapy & Depththerapy Education	On Course Foundation
Disability Stockport CIO	Operation Veteran CIC
Dundee Therapy Garden	Outpost Highlands SCIO
East Durham Veterans Trust	Pain Association Scotland
Erskine Hospital	Plymouth Sports Charity Limited
Fares4Free	Positive Adventure CIC
Felix Fund – The Bomb Disposal Charity	PTSD Resolution Ltd
Fife Employment Access Trust	Reading Force
FirstLight Trust	Recruit For Spouses Academy CIC
Fisher House, part of the University Hospitals Birmingham Charity	RFEA - The Forces Employment Charity (now Forces Employment Charity)
	Rock 2 Recovery CIC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

9. Grants awarded (continued)

Royal Air Forces Association - Corporate Body	The Ulysses Trust
Royal British Legion Industries (RBLI)	The Veterans Community Cooperative CIC
Sale Sharks Foundation	The Veterans Contact Point
SCiP Alliance hosted by Winchester University	The Veterans Hub - Weymouth and Plymouth CIC
Scotty's Little Soldiers	The Vine Centre
Service Dogs UK	The Warrior Programme
Shropshire Council Veterans Outreach Programme	The Well Being Centre (Saltburn) CIC
Smart Savings South West Community Interest Company	The White Horse Federation, Larkhill Primary
Sporting Force Ltd	Tickets For Troops
SSAFA Scotland	Tom Harrison House
Stand Easy Productions	Tonic Health
Step Together Volunteering	Transatlantic Warrior Cup
STEPWAY	Tri Services and Veterans Support Centre
Suffolk Family Carers	UK Veterans Hearing Foundation
Supporting Wounded Veterans Ltd.	Valkyrie Wilderness Workshops CIC
Team Endeavour Racing UK CIC	Veterans at Ease Ltd
Tedworth Equestrian	Veterans' Growth
The Bradford Bulls Foundation	Veterans In Action Ltd
The Bridge for Heroes	Veterans In Crisis Community Interest Company
The Burma Star Memorial Fund	Veterans Outdoors
The Contact Group	Veterans Outreach Support
The Gurkha Centre	Veterans Skills Academy CIC
The Gwennili Trust	Veterans Tribe CIC
The Military Wives Choirs Foundation	Veterans With Dogs
The M.M National Gulf Veterans and Families Benevolent Association	Veterans Wood Craft CIC
The Not Forgotten Association (NFA)	Voluntary Action - Swindon
The Open University	Walking with the Wounded
The Orchestra of the Swan	Waterloo Uncovered
The Princess of Wales's Royal Regiment (Queen's and Royal Hampshires) Benevolent Fund	We Are With You
The Royal Naval Association	West Lancashire Crisis and Information Centre
The Royal Scots Regimental Trust	West London Mission Methodist Circuit
The Royal Star & Garter Homes	Wetwheels Solent CIC
The Scar Free Foundation	Wings for Warriors
The Sir Oswald Stoll Foundation	Wintergreen-UK CIC
The Soldiers' Arts Academy CIC	Woodland Xperiences CIC
The St John & Red Cross Defence Medical Welfare Service (DMWS)	Woody's Lodge
	Workplace Chaplaincy Scotland

Grants were made to three individuals in 2021/2022.

Grants were awarded to the following organisations in 2020/21:

AFC Fylde Community Foundation	Brixham Future CIC
AF&V Launchpad Limited	Broughton House
Age Cymru Dyfed	BuildForce Group CIC
Age UK Devon	Building Heroes Education Foundation
Age UK Nottingham/shire	Burnley FC in the Community
Age UK Teeside	Bury Veterans Hub Cafe
Alzhimers Support	C-54 Skymaster Trust, Save the Skymaster project
Anxious Minds	CAIS
Association of Benefits & Pension Claimants, Sailing Wellness project	Care After Combat
Association of Ex-Service Drop-In Centres (ASDIC)	Care for Veterans
Beyond the Battlefield	Carer Support Wiltshire
Blackpool FC Community Trust	Changing Faces
Bravehound	Changing Lives
British Ex-Services Wheelchair Sports Association	Community Drug and Alcohol Recovery Services CDARS
British Forces Foundation	Community Solutions North West Ltd
	Community Veterans Support - The Coming Home Centre

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

9. Grants awarded (continued)

Crawford House Community Partnership	Royal Star and Garter
Deafblind UK	Scotland's Bravest Manufacturing Company (A Division of Royal British Legion Industries)
Debyshire Alcohol Advice Service	Scotty's Little Soldiers
Durham County Cricket	Service Dogs UK
East Durham Veterans Trust	SHAID Veterans Project
Elaine Waterfield	Soldiers' Art Academy
Epic Gigability	Southwest Family Values CIC
EVA Women's Aid	Sporting Force
Everton in the Community	SSVC (Operating as BFBS)
Felix Fund – the Bomb Disposal Charity	St Helens Chamber
Fighting With Pride	Stand Easy Military Support
Finchale Training College t/a Finchale Group	Step Together
Flying For Freedom Ltd	Stoll
Forces in the Community	Supporting Wounded Veterans
Garelochhead Station Trust	SWS RnR
Give Us Time	Team Endeavour Racing UK
Hats Off For Bootsie	Team Endeavour Wheelchair Rugby
Healthier Heroes	The Bridge for Heroes
Help 4 Homeless Veterans	The Game Change Project CIC
Heropreneurs	The Gurkha Centre
HighGround Projects Limited	The League of Remembrance
Hire a Hero	The Octopus Foundation
Hull 4 Heroes	The Open University
ICARUS Online	The Princess of Wales' Royal Regiment Benevolent Fund
Improving Lives Plymouth	The Rugby Football League Limited
Jonathan Thomsonn (Paid to PTSD Resolution)	The St John & Red Cross Defence Medical Welfare Service (DMWS)
Liverpool FC Foundation	The Veterans Charity
Made by Mortals	The Veterans Farm-Able Foundation
Maurilla Simpson Wheelchair	The White Ensign Association
National Gulf Veterans & Families Association	Tonic Health
On Course Foundation	UK Homes 4 Heroes
Only a Pavement Away	UK Veterans Hearing Foundation
Operation Veteran CIC	Ulysseses Trust
Pain Assoc. Scotland	Venture Trust
PATT Foundation	Veterans Garage
Penparcau Community Forum Ltd Phoenix Heroes CIC	Veterans in Action
Plymouth Sports Charity	Veterans into Logistics CIC
Preston North End Community and Education Trust	Veterans Living History Museum CIC
Prisoners Education Trust	Veterans Outreach Support
Plymouth Sports Charity	Veterans Woodcraft CIC
Preston North End Community and Education Trust	Veterans' Growth
Prisoners Education Trust	Walking with the Wounded
PTSD Resolution Ltd	Waterloo Uncovered
Reading Force	WCADA
Recruit for Spouses Academy CIC	Wings for Warriors
Remount T/A Future for Heroes	Woodland Xperiences CIC
Resume Foundation	Work Place Chaplaincy Scotland
RFEA - The Forces Employment Charity	
Rhondda Hub for Veterans	
Ripple Pond	
RMA - RM Charity	
Rock2Recovery	
Royal British Legion Ballymoney Branch	
Royal British Legion Industries (RBLI)	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. Trustees

Trustees received £nil remuneration during the year (2021: £nil). Trustees were reimbursed with expenses of £1,503 (2021: £1,673). There are no amounts outstanding at the year end.

11. Tangible Assets

	Office Equipment £
Cost	
At 1 July 2021	1,303
Additions	3,605
Disposals	(709)
At 30 June 2022	4,199
Depreciation	
At 1 July 2021	682
Charge in year	436
Disposals	(331)
At 30 June 2022	787
Net book value at 30 June 2022	3,412
Net book value at 30 June 2021	621

12. Intangible Assets

	Website development £	Trademark £	Total £
Cost			
At 1 July 2021	25,200	-	25,200
Additions	-	26,586	26,586
At 30 June 2022	25,200	26,586	51,786
Amortisation			
At 1 July 2021	7,000	-	7,000
Charge in year	8,400	1,747	10,147
At 30 June 2022	15,400	1,747	17,147
Net book value at 30 June 2022	9,800	24,839	34,639
Net book value at 30 June 2021	18,200	-	18,200

THE VETERANS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

13. Debtors	2022 £	2021 £
Other debtors	4,623	810
Prepayments	10,024	32,814
	<u>14,647</u>	<u>33,624</u>

14. Cash and cash equivalents	2022 £	2021 £
Cash at bank and in hand	<u>1,630,680</u>	<u>1,467,586</u>

15. Creditors	2022 £	2021 £
Accruals and deferred grants committed	1,044,927	1,125,581
Trade creditors	8,944	162,238
Other creditors	418	-
	<u>1,054,289</u>	<u>1,287,819</u>

Included within accruals and deferred grants committed are grants awarded not yet paid of £833,137 (2021: £1,058,059). These are expected to be paid within the year to 30 June 2022 and will be funded by the charitable company's unrestricted funds.

16. Creditors: Amounts due in over 1 year	2022 £	2021 £
Grants committed	<u>111,129</u>	<u>39,880</u>

The above grants committed relate to grants awarded over multiple years. These are expected to be paid after 30 June 2022 but before 30 June 2023.

17. Liability of members

The charitable company is limited by guarantee and has no share capital. The liability of each Member in the event of a winding-up is limited to £1. As at 30 June 2022, there were 5 Members.

18. Funds

	Fund Balance Brought Forward £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 30 June 2022 £
Unrestricted funds	192,332	9,007,277	(8,681,649)	-	517,960
Restricted funds	-	15,383	(15,383)	-	-
	<u>192,332</u>	<u>9,022,660</u>	<u>(8,697,032)</u>	<u>-</u>	<u>517,960</u>

The Board of Trustees has agreed to hold £61,022 of certain corporate donations in a designated fund which is included as part of unrestricted reserves.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Fund balances at 30 June 2022 are represented by:				
Tangible fixed assets	3,412	-	3,412	621
Intangible fixed assets	34,639	-	34,639	18,200
Current assets	1,645,327	-	1,645,327	1,501,210
Current liabilities	(1,054,289)	-	(1,054,289)	(1,287,819)
			)	
Non-current liabilities	(111,129)	-	(111,129)	(39,880)
Total net assets	517,960	-	517,960	192,332

20. Related parties

The Veterans' Foundation made grants in the year to two charities which involve related parties, as follows:-

1. Two grants of £30,000, a total of £60,000, (2021 - £50,000) to Heropreneurs, Charity Registration No. 1136671, in the year. No amounts were outstanding at 30 June 2022 (2021 - £nil).

Two Trustees of the charity are also Trustees of Heropreneurs. Neither receive remuneration for their services nor do they vote on proposals to provide grants to Heropreneurs.

Heropreneurs (<https://heropreneurs.co.uk>) is a successful charity founded in 2009 to help military veterans, and their dependants, create their own businesses. People leaving the Armed Forces that wish to create their own businesses may lack the necessary commercial skills and experience, as well as the networks that are essential to creating a successful business. Heropreneurs seeks to provide essential help in these areas, helping able-bodied veterans as well as those that have suffered physical or mental injuries during their service in the Armed Forces.

2. Four grants of £40,200, a total of £160,800, (2021 - four grants totalling £190,200) to AF&V Launchpad Limited ("Launchpad"), Charity Registration No. 1153185, in the year. £40,200 of these grant awards (2021 - £40,200) was awaiting payment at 30 June 2022.

The CEO of the Charity is also CEO of Launchpad and receives remuneration for his services.

The CEO does not vote at meetings of the Board of Trustees.

Launchpad (<https://www.veteranslaunchpad.org.uk>) provides accommodation and other support to mainly homeless veterans in Liverpool and Newcastle upon Tyne and Durham. Once accommodated, Launchpad works with each of the 101 or so residents to stabilise their lives, then to carry out interventions that get them to independent living and where possible, employment, within 2 years. Residents' challenges include complex issues such as: homelessness, poverty, unemployment, ex-offenders, addictions, physical and mental health, family welfare.

THE VETERANS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

21. Revenue commitments	2022	2021
	£	£
	Office	Office
< 1 year	811	811

22. Contingent asset

Bee Ethical Active Limited ("BEA"), the external organisation that provides D2D and F2F selling services, has undertaken a VAT review with an independent VAT specialist. The review concluded that services BEA has provided to The Veterans' Foundation ("VF") in connection with signing up new subscribers to the VF Lottery, which have been accounted for as standard rated, may qualify as VAT exempt services.

BEA intends to make a retrospective claim to HMRC for the VAT charged to the VF (and paid to HMRC). When this VAT has been repaid by HMRC, BEA intends to refund this VAT to the VF. The timing and value of the refund to the VF is uncertain and therefore no amount has been recognised in these financial statements.