THE VICTORY (SERVICES) ASSOCIATION

England & Wales · Charity number 261307

Details

Other names	THE VICTORY (SERVICES) ASSOCIATION LIMITED, THE VICTORY SERVICES CLUB
Status	Registered
Legal form	Charitable company
Company number	00429298
Registered	1970-06-24
Register	View on the Charity Commission register

Contact

Address	63-79 Seymour Street London W2 2HF
Phone	02076168310
Email	info@vsc.co.uk
Website	http://www.vsc.co.uk

Activities

Objects: TO PROMOTE MILITARY EFFICIENCY AND ESPRIT DE CORPS BY BRINGING TOGETHER MEMBERS OF THE ARMED FORCES OF THE CROWN, FORMER MEMBERS OF THE ARMED FORCES OF THE CROWN AND MEMBERS OF THE ARMED FORCES OF THE COMMONWEALTH AND FOREIGN COUNTRIES WITH WHOM THEY ARE CURRENTLY ALLIED AND BY IMPROVING THE CONDITIONS OF LIFE OF SUCH PERSONS AND TO RELIEVE NEED, HARDSHIP OR DISTRESS AMONG PERSONS WHO HAVE SERVED IN THE ARMED FORCES OF THE CROWN AND THEIR DEPENDANTS

Activities: Residential Club for Servicemen and Women both serving and ex-service and their families providing accommodation,restaurants,conference,banqueting,exhibition and social events to members and others.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Other Defined Groups

Geography

- City Of Westminster

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,861,419	£10,904,107	£17,927,316	145
2024-03-31	£11,247,008	£9,876,833	£16,960,386	140
2023-03-31	£9,470,912	£8,593,629	£15,277,389	119
2022-03-31	£6,183,263	£6,188,388	£14,587,184	90
2021-03-31	£2,705,969	£5,352,078	£14,201,154	118

Trustees

Name	Role	Appointed
Edward Hendin		2025-03-24
Gethin Pritchard Roberts		2018-04-23
Heather Lishman		2026-07-02
Joanne Taylor-Stagg		2024-10-28
Katherine Gent		2024-10-28
Major General Celia Harvey		2023-03-27
Major General Jeffrey Sinclair Mason		2022-06-15
Petra Louise Clayton		2021-03-29
Rear Admiral Jonathan Pentreath CB OBE		2025-07-02
Rupert James Spencer Johnson		2024-03-25
Stuart Gunning		2023-10-10
Tamara Jennings		2026-07-02

Accounts

THE VICTORY (SERVICES) ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Registered Company No. 429298

Registered Charity No. 261307

THE VICTORY (SERVICES) ASSOCIATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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THE VICTORY (SERVICES) ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

PATRON-IN-CHIEF
Her Majesty the Queen

PRESIDENT
General Sir Richard Barrons KCB CBE (retired 8th October 2024)
Air Marshal Sir Gerry Mayhew KCB CBE (appointed 8th October 2024)

CHAIR
Major General J S Kerr CBE

VICE-CHAIR
Colonel P R Rossiter (retired 3rd July 2024)
Mr G Roberts (appointed 3rd July 2024)

HONORARY TREASURER
Mr S Gunning

DIRECTORS
Mr P Brackley (retired 28th October 2024)
Air Vice-Marshal S Chisnall CB
Mrs P Clayton
Mrs K Gent (appointed 28th October 2024)
Mr S Gunning
Major General C J Harvey OBE QVRM TD
Mr E Hendin (appointed 24th March 2025)
Mr R Johnson
Major General J S Kerr CBE
Major C Marment FCSI (retired 24th March 2025)
Major General J S Mason MBE RM
Mrs C Newhall-Caiger
Mr G Roberts
Colonel P R Rossiter (retired 3rd July 2024)
Mrs J Taylor-Stagg (appointed 28th October 2024)

SECRETARY
Air Commodore N P Beet CBE (retired 31st May 2024)
Colonel C Francis CBE (appointed 3rd June 2024)

BANKERS
NatWest plc
69 Baker Street
PO Box No 2
London W1U 6AT

AUDITORS
Moore Kingston Smith
9 Appold Street
London EC2A 2AP

SOLICITORS
Charles Russell Speechlys
5 Fleet Place
London EC4M 7RD

Bates Wells LLP
10 Queens Street Place
London EC4R 1BE

REGISTERED ADDRESS
63-79 Seymour Street
London W2 2HF

I am delighted to submit my report on the financial statements for the year which ended on 31st of March 2025.

The Board of Trustees, the Directors, the Senior Management Team and the Staff, have, once again, delivered a successful year for the Victory (Services) Association. Despite the ongoing geopolitical environment, which included a General Election in the UK and similar in the US, plus the ongoing global economic uncertainty, the charity has continued to deliver against its objectives and met all of its financial targets as set out in the 2024-25 Business Plan (BP). The Club achieved this without placing greater financial burden on our members.

For the first time since COVID, the Club's operation has resembled something akin to a 'normal' operating year. It has seen the Club have >87% occupancy of the available bedrooms, seen increased covers in the restaurant and had significantly more events held in the Club's seven event spaces. Success in these areas of the business are central to the charity's long-term future and have been delivered by the extremely professional staff in the Club. The culture they generate and the standards they maintain make the Club the amazing place it is today. The change of CEO early in the year was seamless, and the work completed by the new incumbent develops upon the strong foundations laid by his predecessor. There has been a continued focus on the staff, and they have warmed to his arrival. Given the aforementioned economic challenges, which the staff are not immune too, the Remuneration Committee, and the Board, responded with several measures to help ease the burden including an above inflation pay rise, the award of a discretionary extra week's pay and several other measures to support them; retention has improved significantly as a result.

Our members remain the central focus of the charity. Despite the aforementioned challenging economic circumstances, the Club has maintained an attractive pricing strategy for accommodation and food and beverage services. This approach, coupled with high occupancy rates and careful cost management, enabled us to increase our cash reserves while keeping membership charges competitive. This has made the VSC an appealing option compared to other military clubs, contributing to a healthy level of new membership applications. Membership numbers have grown from 62,001 on 1st April 2024 to 63,339 by 31st March 2025, an increase of 1,338. We continue to do all that we can to maintain an affordable offer to all members and we have continued to evolve the member offer throughout the year. We have made significant capital investment in the infrastructure with a complete refurbishment of the Carisbrooke Hall, following the damage caused by a significant leak; we have upgraded the pot wash facilities in the Grill Restaurant kitchen, generating a vastly improved kitchen operation; and we have upgraded all of the bathrooms on the third and fourth floors of the Centenary Wing. These were all delivered on time and under budget. Similarly, a renewed focus on Member events also saw the delivery of an excellent D-Day 80 lunch, attended by more than 140 members, and there has been greater attendance at the annual events, such as the Trafalgar Night dinner, which, due to demand, had to be moved to the Carisbrooke Hall to accommodate all who wished to attend. The year has also seen a marked increase in Association led military reunions and members' family focussed events such as Birthday and Anniversary lunches and dinners.

We have also introduced an additional two new family bedrooms this year to enable greater focus on the Respite and Welfare breaks, which are central to our charitable aims. We are proud to report that this has allowed us to deliver 193 Welfare and Respite breaks for serving personnel and their families whilst also delivering breaks (30 available per Service) for personnel who have been recommended by the Armed Forces for Reward and Recognition. In total 625 individuals have stayed with us for free during the year. The feedback that we receive following these stays is heartwarming, as is the number of letters that regularly arrive from our members in recognition of the Club and the quality of service and professionalism that the staff constantly deliver. Our members also demonstrate their gratitude by donating to the Staff Fund. Their generosity saw donations of £34,376 in December 2024. This amazing amount, which has been the largest ever donated, was extremely well received by the staff. The Club has again provided discounted event spaces for all sizes of charitable activities including award evenings, conferences, and small meetings. Wherever possible the Club also continues to provide free meeting rooms to assist other charities, particularly the smaller and those new to market, to help them deliver their objectives.

A combination of all the operating areas has led to an increase of income from £11,247,008 in 2023/24 to £11,861,419 in the 2024-25 financial year, a net increase of £614,411. Thanks to our members' loyalty, the hard work of our staff, and effective operational oversight, we therefore closed the financial year on 31st March 2025 with a strong cash position of £4,245,922. The Board took the decision to invest £2M so that we can grow a contingency fund to protect the charity from such events as the 2020 Global Pandemic. This year end position, which again includes our residual and declining Coronavirus Loan, which remains untouched, sees the Charity in a strong financial position as we prepare for the new financial year. In 2025-26 we look forward to continuing to deliver our charitable activities and making further improvements to our building infrastructure, with new carpets throughout, an upgrade programme for the 67 bathrooms in the Memorial Wing and upgrading the Air Conditioning units throughout the Club. The retention and recruitment of high-quality staff will continue to be a constant feature, where there will be an increased focus in improving the welfare facilities of the staff, including a refurbished staff canteen, the introduction of a multi-faith room and improvements to the staff Housekeeping and staff changing facilities.

The Board of the Victory (Services) Association has every confidence that we are very much a going concern, and we look forward to another successful year in 2025-26.

Major General Seumas Kerr CBE,

Chair The Board of Trustees, submits its report together with the audited financial statements of the Association for the year ended 31st March 2025.

THE VICTORY (SERVICES) ASSOCIATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also the Directors for the purposes of the Companies Act) present their report, incorporating the Strategic Report, for the year ended 31st March 2025.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and Administrative Information

The Victory Services Club was founded in 1907 and is registered with the Charity Commission of England and Wales under charity number 261307. The Trustees, Secretary, principal advisors and addresses are listed on page 1.

The Victory (Services) Association, company registration number 429298, was incorporated on the 7th February 1947 and it controls the Victory Services Club. The Victory (Services) Association is a charitable company limited by guarantee and does not have a share capital. The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The Trustees are Directors of the company for the purposes of the Companies Act 2006.

Board of Trustees

The Board of Trustees determines the general policy of the Association. The Trustees are legally responsible for the overall management, finances and control of the Club. The recruitment and selection of new Trustees to serve on the Board and the Association's sub-committees is first considered by the Governance and Audit Committee, prior to the submission of recommendations to the Board of Trustees and necessary approval. Potential new Trustees, and all appointees to sub-committees and senior Trustee roles, are assessed for their suitability in terms of knowledge, skills, experience and availability. New Trustees are inducted into the workings of the Charity by the Chair and Chief Executive/Club Secretary, with the latter providing a pack including the Charity Commission's guidance for Trustees and the Club's Business Plan. Trustees attend up to five meetings a year and all Trustees receive the minutes of each meeting.

Changes to the Board of Trustees within the year are highlighted as follows:

Mr P Brackley (retired 28th October 2024)
Mrs K Gent (appointed 28th October 2024)
Mr E Hendin (appointed 24th March 2025)
Major C Marment FCSI (retired 24th March 2025)
Colonel P R Rossiter (retired 3rd July 2024)
Mrs J Taylor-Stagg (appointed 28th October 2024)

No Trustee has any financial interest in the Association, nor draws any benefits. The Association reimbursed travelling expenses of £4,068 (2024: £307) to certain Trustees for attendance at meetings.

The Association operates the following sub-committees:

Committee	Chaired by
Governance and Audit Committee	Mr G Roberts
Investment Committee	Mr E Hendin
Marketing and Communications Committee	Mrs P Clayton
Membership Committee	Major General J S Mason MBE RM
Remuneration Committee	Major General S Kerr
Trading Committee	Mr S Gunning

The day-to-day management of the Association is delegated to the Chief Executive/Club Secretary, who is supported by the Operations Director and the Finance and HR Director, who together comprise the Senior Management Team. The Chief Executive/Club Secretary attends all Trustee meetings and meetings of the Association's Sub-committees. Relevant members of the Senior Management Team also attend meetings of sub-committees when required.

VSC (Trading) Limited

The Association holds 100% of the share capital of VSC (Trading) Limited, registered number 03532841. This company is responsible for using the Association's facilities and resources which fall outside the charitable objectives of the Association by generating income to support the charitable objectives. All trading surpluses are donated by Gift Aid to the Association. A summary of the results of the company are shown in note 11 of the financial statements.

Investment powers and policy

Powers

In furtherance of the objects of the Association, but not otherwise, the Association shall have the power to invest monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being, be imposed or required by law. The investments of Victory (Services) Association Limited are managed by Rathbones, Blackrock and M&G.

Policy

It is the policy of the Association to run the Club from trading surpluses and only to call upon investment reserves when essential for capital improvements. For the present it is the Association's aim to achieve maximum growth while at the same time protecting the real value of investments. The Investment Committee re-invests the dividends in the fund. The value of the Association's long-term investments should not be reduced below £1,000,000 at market value unless exceptional circumstances are approved by the Board of Trustees.

Risk management

The Board of Trustees is required to include a statement that the major risks to which the Association is exposed, as identified by the Board of Trustees, have been reviewed and that the systems in place will mitigate those risks. The Board of Trustees reviews the formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, listing them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The Board of Trustees fully recognises the significant importance of effective internal controls on expenditure and payment and takes every action to minimise this risk. At each Trustees' meeting one risk is considered in detail. The Senior Management Team is responsible for day-to-day monitoring of all risks on behalf of the Board of Trustees. The principal risks the Association faces and their mitigation strategies are as follows:-

Risk	**Mitigation and Controls**
Risk 1: Business Downturn. Supplier price increases, competition from other Clubs/hotels, erosion of prices and inflation affecting consumer.	- Due to global economic unrest and a new UK Prime Minister, the Club aims to continue monitoring prices for best value-for-money (VFM) contracts. - Unlike London Hotels that use dynamic pricing, the VSC cannot. - The Club's energy bill is fixed until 2027 under a Blend and Extend contract, allowing cost reductions if market prices drop. - Gas prices are being monitored due to the Middle East unrest. - SMT manage Member expectations and provide effective enhancements while maintaining value.
Risk 2: HSAW Failure. Impact on Members, Staff, and Events, Investments and Cashflow. Health and Safety breach leading to injury/adverse publicity and sanctions.	- HSAW (Health, Safety, and Wellbeing) remains a top priority for the SMT. - All identified HSAW-related work services are being acted upon. - The Club's HR IT system effectively tracks HSAW training compliance. - Following the March 2024 Business Continuity exercise, the Club's Business Continuity Plan has been updated. - The CEO, GM, and FM conduct weekly floor-by-floor inspections to address HSAW concerns with staff and occupants. - An external Health & Safety Audit conducted on 10th September 2024 scored the Club at 93%.
Risk 3: Failure to retain and then recruit a quality, motivated workforce which causes the Club to be unable to deliver our three values of Value, Service and Courtesy.	- Monitor staff turnover, pay, benefits, and facilities. - Benchmark against London hospitality sector for competitive pay. - Track leave, sickness, and overtime. - Monitor staff retention and unfilled vacancies. - Close engagement with managers to understand staff morale and workload. - REMCOM and the Board to receive regular reports to guide remuneration decisions. - HR department tasked with monitoring staff engagement and reasons for staff departures.

Risk 4: Cyber-crime or inadequate IT policies leading to reputational risk and an inability to manage the Club.	- IT and Disaster Recovery policies developed with advice from third-party consultants (e.g. BCN) and suppliers, covering systems and users across the business. - Managed IT support - Automated patching and updates (Microsoft Windows Security, AV, Malware) - 3rd Generation SonicWall Firewall with DPI-SSL - DNS protection - User email security training - Cyber Essentials certification - Application patch management - Failover internet lines - Disaster Recovery consultancy completed - Cyber insurance in place and regularly reviewed with broker; coverage increased. - Continuous cyber security awareness training (tracked, scored, monitored) - Regular external and on-site IT health checks - Quarterly meetings with IT experts - Annual review with BCN Managing Director

CHARITABLE OBJECTIVES, VISION, MISSION AND ACTIVITIES

The objectives of the Charity are:

(i) To promote military efficiency and esprit de corps by bringing together members of the Armed Forces of the Crown, former members of the Armed Forces of the Crown and members of the Armed Forces of the Commonwealth and Foreign countries with whom they are currently allied and by improving the conditions of life of such persons.

(ii) To relieve need, hardship or distress among persons who have served in the Armed Forces of the Crown and their dependants.

The Club's Vision is to be the leading military members' Club, where membership is cherished, and outstanding standards of services are the norm.

The Club's Mission is to deliver outstanding Value, Service and Courtesy.

Public Benefit

The Board of Trustees has had due regard to the Charity Commission guidance in deciding how to implement the Charity's objects for the benefit of the public. The work carried out by the Charity to further the charitable objectives is highlighted in the Chair's statement.

By way of expansion on those points the Trustees and staff have been focused on our two objectives to ensure that we continue to provide a benefit to our members and the wider military 'family'. To meet the Charity's first objective we provide a smart, comfortable, and modern venue for esprit de corps activities. Specifically, these include informal and formal meetings, and Ships, Regimental and Squadron dinners, and conferences. The Club hosts an increasing number of military Association events due to an effective marketing programme, and a pricing model which is 25% cheaper than a commercial non-military event being held in the Club. The intent of providing an enjoyable event that is affordable, which allows individuals from all ranks to participate and be accommodated at very reasonable prices has again been maintained. In FY 2024/25 single shared facility bedrooms which are only available for members were £77.50.

Our RWB scheme, as mentioned by the Chair earlier, is a unique offer in London which provides free accommodation and all meals for a two-night stay to a family consisting of two adults and usually up to three school age children; this offer is extended to an accompanying carer if necessary. Over the last seven years we have hosted 3,008 individuals under this scheme. Our Trustees are committed to annually increasing the numbers benefitting from this offer. This is achieved by the Club's staff frequently engaging with the leading military charities and the single Service and Defence Medical Rehabilitation staff to seek nominations. The Club also continues to offer 90 free weekend Reward and Recognition breaks to members of the serving Armed Forces who are recommended to us. Over the last seven years we have hosted 490 individuals as part of this scheme. This scheme is generously funded by the Nuffield Trust for the Forces of the Crown. With the previously noted support for other charities the Club has given discounted charges for meeting and event rooms.

Remuneration of senior staff

The Board of Trustees, supported by the salaried Senior Management Team, comprise the key management personnel of the charity in charge of directing, controlling, running and operating the Association on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts. The pay of the Senior Management Team and all staff is reviewed bi-annually by the Remuneration Committee which reports to the Board of Trustees. The Remuneration Committee considers comparative data from several external sources including the Association of London Clubs, and the Institute of Hospitality.

Capital and Works Expenditure

In the reporting period the Club carried out a range of capital and maintenance projects. The Chair has highlighted the refurbishment of the Centenary Wing 3rd and 4th Floor Bathrooms. This project was completed in March 2025 at a cost of £778,000. Following this upgrade improvements were made to the Air Conditioning infrastructure on those floors costing £75,000. In August 2024 the Ground Floor kitchen was closed to allow for the installation of a new pot wash area along with pass through dishwashing equipment at a cost of £82,000. In addition, the Club created two new family bedrooms. We are grateful to our members for their patience and understanding while we carried out these disruptive but necessary works.

Plans for the Future.

The Club's linkages to the Armed Forces community, both serving and retired, will continue to be developed through the Membership Committee, which has increased the number of invitations to garrison family days and military conferences. A programme of actions has been developed with an increased marketing budget which will see the continuing increase in membership numbers going forward. We also anticipate hosting higher numbers of the free respite breaks which the Club provides, owing to the increasing awareness of these special opportunities at the VSC.

In FY 2025-26 the Club will invest £140,000 in new carpeting replacing the existing one which has endured 12 years of wear and tear. In addition, staff changing rooms and housekeeping facilities on the first floor will be upgraded at a cost of £200,000. Further upgrades are planned to bathrooms in the Memorial Wing and our rolling Air Conditioning upgrade plan will continue.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities reveals income in the financial year of £11,881,419 (2024: £11,247,008) and expenditure of £10,909,868 (2024: £9,876,833) which after gains on investments of £15,378 (2024: £312,822) has resulted in a net surplus of £966,929 (2024: £1,682,997). As the Investments are held for the long term, the Investment Committee does not propose a change in investment strategy. The accumulated funds at the balance sheet date total £17,927,315 (2024: £16,960,386).

Fixed assets

In the opinion of the Board of Trustees the market value of the leasehold premises is significantly higher than the book value, details of which are given in the notes to the financial statements. However, because of the various covenants in the lease, it is not practicable to ascertain with any degree of precision, the market value of the leasehold premises.

The investments held by the Association have been acquired in accordance with the powers available to the Trustees.

Fundraising

The Association does not actively fundraise from the public although grants are sought from grant making bodies. Some members have left bequests to the Association, and have voluntarily made some donations, for which we are most grateful. We have not received any complaints in respect of fundraising activity.

Reserves policy

The VSC Reserves Policy as approved by the Trustees consists of the following elements:

- The Charity's unrestricted reserve to cover business downturn, property and staff risk would be built up to twelve months of operating costs (currently calculated at £10.9m);

- At 31st March 2025 the designated fixed asset fund at net book value was £8,308,301 (2024: £8,254,337);

- At 31st March 2025, the Charity had total reserves of £17,927,315 (2024: £16,960,386). Of the total, £111,880 relates to restricted funds (2024: £117,641) and £8,383,301 is held in designated funds which reflects the net book value of tangible fixed assets and the Respite and Welfare breaks reserve (2024: £8,329,337). The Trustees have decided to build a reserve which will be utilised to secure the Club premises for the foreseeable future. The Club building is currently occupied under a lease agreement with the Church Commissioners which has 101 years remaining. The value of the lease will diminish exponentially as the lease approaches 80 years remaining. The General reserves will therefore be needed to provide security of tenure to protect the future of the Club.

The Trustees further decided to review the Reserves Policy going forward as part of the annual budgeting process, or when the Charity's strategy is reviewed and when the risks faced by the Charity significantly change.

As at 31st March 2025, the Charity had general, unrestricted reserves, excluding restricted and designated reserves of £9,432,134 (2024: £8,513,408).

Investment performance

At 31st March 2025 investment balances were:

- Armed Forces Common Investment Fund: £635,010 (2024: £638,010).
- M&G Charifund: £3,342,333 (2024: £2,073,576).
- M&G Charibond: £299,245 (2024: £292,408).
- Investec Wealth & Investment Limited: £2,498,549 (2024: £1,577,660).

The gain on investments was £15,378 (2024: £312,822). At the end of the financial year, the Charity's total investments stood at £6,775,137 (2024: £4,581,654).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing Trustees' Report and the financial statements in accordance with applicable law and regulations**.**

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the group and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charities SORP.
- Make judgements and 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.

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with 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 Companies Act 2006.

The financial statements that follow have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

BY ORDER OF THE BOARD

Seumas Kerr **63-79 Seymour Street London W2 2HF**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE VICTORY (SERVICES) ASSOCIATION

Opinion

We have audited the financial statements of The Victory (Services) Association Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Association Balance Sheets, the Consolidated Statement of Cash Flows and 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 FRS 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 group's and the parent charitable company's affairs as at 31 March 2025 and of the group's 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 requirements of the Companies Act 2006 and the Charities Act 2011.

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

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 group's and parent 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 there is 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.

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 group and parent charitable company and their 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 and the Charities Act 2011 require us to report t you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches visited by us; or
- the parent charitable company's 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 Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the 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 group and parent 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 group or parent 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 the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Jonathan Aikens (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
6th Floor, 9 Appold Street London
EC2A 2AP

Date:

Moore Kingston Smith LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
INCOME FROM:					
Donations and legacies	3	357,458	-	357,458	306,166
Charitable activities					
Membership		1,388,095	-	1,388,095	1,313,790
Catering and accommodation		8,199,965	-	8,199,965	7,976,937
Trading activities		1,342,650	-	1,342,650	1,306,805
Investments	4	573,251	-	573,251	343,310
TOTAL INCOME		11,861,419	-	11,861,419	11,247,008
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity		1,715,766	-	1,715,766	1,542,128
Charitable activities					
Catering and accommodation		7,416,839	-	7,416,839	6,787,167
Membership and central allocation		1,771,502	5,761	1,777,263	1,547,538
TOTAL EXPENDITURE	6	10,904,107	5,761	10,909,868	9,876,833
Net gains on investments	10	15,378	-	15,378	312,822
NET INCOME /(EXPENDITURE)	5	972,690	(5,761)	966,929	1,682,997
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		972,690	(5,761)	966,929	1,682,997
Total funds brought forward		16,842,745	117,641	16,960,386	15,277,389
TOTAL FUNDS CARRIED FORWARD		17,815,435	111,880	17,927,315	16,960,386

All transactions are derived from continuing activities. The split between unrestricted and restricted donations and legacies for the current and previous year is shown in note 3.

All recognised gains and losses are included in the Statement of Financial Activities.

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2025

		2025		2024	
	Note	**£**	**£**	**£**	**£**
FIXED ASSETS					
Tangible assets	9		8,308,301		8,254,337
Investments	10		6,775,137		4,581,654
			15,083,438		12,835,991
CURRENT ASSETS					
Stocks	12	77,775		62,140	
Debtors	13	438,396		244,252	
Cash at bank and in hand		4,245,992		5,434,551	
		4,762,163		5,740,943	
CREDITORS: amounts falling due within one year	14	(1,818,285)		(1,216,549)	
NET CURRENT ASSETS			2,943,878		4,524,394
TOTAL ASSETS LESS CURRENT LIABILITIES			18,027,316		17,360,386
CREDITORS: falling due after more than 1 year	14	(100,000)		(400,000)	
TOTAL NET ASSETS OR LIABILITIES			17,927,315		16,960,386
FUNDS	15				
Restricted funds			111,880		117,641
Unrestricted funds:					
Designated funds			8,383,301		8,329,337
General funds			9,432,134		8,513,408
			17,815,435		16,842,745
			17,927,315	-	16,960,386

A separate statement of financial activities and income and expenditure account are not represented for the charity itself following the exemption afforded by section 408 of the Companies Act 2006.

The consolidated surplus of the Association was £966,929 (2024: surplus of £1,682,997).

The financial statements were approved and authorised for issue by the members of the Council on 2nd July 2025 and were signed below on its behalf by:

Major General Seumas Kerr
Chairman

Mr S Gunning
Honorary Treasurer

ASSOCIATION BALANCE SHEET

AT 31 MARCH 2025

	Note	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS					
Tangible assets	9		8,308,301		8,254,337
Investments	10		6,775,137		4,581,654
Investment in trading company	11		2		2
			15,083,440		12,835,993
CURRENT ASSETS					
Stocks	12	77,775		62,140	
Debtors	13	734,143		2,450,169	
Cash at bank and in hand		3,516,014		2,871,483	
		4,327,932		5,383,792	
CREDITORS: amounts falling within one year	14	(1,519,281)		(1,013,919)	
NET CURRENT ASSETS			2,808,651		4,369,873
TOTAL ASSETS LESS CURRENT LIABILITIES			17,892,091		17,205,866
Creditors falling due after more than 1 year	14	(100,000)		(400,000)	
NET ASSETS			17,792,091		16,805,866
FUNDS					
Restricted funds			111,880		117,641
Unrestricted funds:					
Designated funds			8,383,301		8,329,337
General funds			9,296,910		8,358,888
			17,680,211		16,688,225
			17,792,091		16,805,866

The financial statements were approved and authorised for issue by the members of the Council on 2nd July 2025 and were signed below on its behalf by:

Major General Seumas Kerr
Chairman

Mr S Gunning
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025		2024	
		£	£	£	£
Cash Flow from operating activities	21		1,773,732		1,819,506
Cash flows from investing activities					
Rents receivable		281,874		242,626	
Income from investments		193,675		19,508	
Other interest receivable		97,702		81,176	
Interest paid		(11,969)		(18,217)	
Payments to acquire tangible fixed assets		(1,050,849)		(667,410)	
Disposal of tangible fixed assets		5,381		-	
Purchase of investments		(2,291,470)		(459,569)	
Proceeds from sale of investments		233,523		451,885	
Net cash (used in)/provided by investing activities			(2,542,133)		(350,001)
Cash flows from financing activities					
Cash(outflows)/inflows from borrowing			(300,000)		(300,000)
Change in cash and cash equivalents in the year			(1,068,401)		1,169,505
Cash and cash equivalents at the beginning of the year			5,462,006		4,265,045
Total cash and cash equivalents at the end of the year			4,393,605		5,462,006

Analysis of changes in net debt

	At start of year	Cash-flows	Other non-cash changes	At end of year
Cash and cash equivalents	5,462,006	(1,068,401)	-	4,393,605
Loans falling due within one year	(300,000)	300,000	(300,000)	(300,000)
Loans falling due after more than one year	(400,000)	-	300,000	(100,000)
Total	4,762,006	(768,401)	-	3,993,605

Analysis of cash and cash equivalents	**2025**	**2024**
	£	£
Cash at bank and in hand	3,745,992	4,934,551
Notice deposits (less than 3 months)	500,000	500,000
Cash held as part of investment portfolio	147,613	27,455
Total Cash and cash equivalents	4,393,605	5,462,006

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.

Group financial statements have been prepared in respect of the Association and its wholly owned trading subsidiary, VSC (Trading) Limited. The subsidiary has the same accounting reference date as the Association. No separate profit and loss account is presented for The Victory (Services) Association as provided by Section 408 of the Companies Act 2006.

(b) Subscriptions

Subscription income due is recognised in the period in which it is received. Subscription fees paid in advance are treated as deferred income in Other Creditors

(c) Grants, legacies and donations

Grants, legacies and donations are recognised when when there is entitlement to the funds, the receipt to the Association is probable or confirmed and the amount quantifiable.

(d) Investment income

Investment income and interest receivable are accounted for in the period it is receivable. Realised and unrealised gains and losses are recognised in the Statement of Financial Activities are Investments are classifed under Fixed Assets in accordance with the Charities SORP.

(e) Other income

Other income is accounted for in the period in which it falls due. Income received in advance is treated as deferred income and included in creditors.

(f) Allocation of Expenditure

Expenditure is charged directly to the cost centre to which it relates. Support costs area allocated based on income generated. Governance costs consist of those costs which relate to the overall running of the Association, including meeting statutory and regulatory requirements.

(g) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(h) Investments

Investments are included at market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

(i) Tangible fixed assets

Expenditure on fixed assets more than £1,000 is capitalised and depreciated over the asset's expected useful life as follows:

- Leasehold premium is amortised over 60 years.
- Improvements to the Front Façade of the building are depreciated over 7 years to align with the terms of the lease.
- Furniture, fittings, sundry equipment, electrical works and improvements to premises are depreciated by equal annual instalments over 5 & 10 years (where appropriate)
- En suite bedrooms, lifts and other leasehold improvements are depreciated by equal instalments over 10 to 25 years
- Computer equipment is depreciated by equal instalments over 5 years.

(j) Stocks
Stocks are valued at the lower of cost or net realisable value.

(k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(l) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Fund Accounting
Unrestricted funds comprise accumulated surpluses and deficits on general funds - they are available for use at the discretion of the Council in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Council. At the year-end they comprise a fixed asset fund which represents the extent to which funds are invested in fixed assets for use by the charity and therefore not available for other purposes (see note 15).

Restricted funds are funds subject to specific restricted conditions imposed by the donors or the Council.

(n) Leasing and hire purchase commitments
Provision is made annually for the estimated cost of obligations under the lease of the Association's premises.

Rentals under operating leases have been charged to the Statement of Financial Activities on a straight-line basis.

(o) Preparation of accounts on a going concern basis
The Trustees have assessed the financial position and performance of the Victory Services Club and have a reasonable expectation that the Club has adequate resources to continue in operational existence for the foreseeable future. The Club continues to benefit successfully from trading surpluses and maintains a policy of calling upon investment reserves only when essential for capital improvements. The Trustees also note the Club's prudent investment strategy, robust risk management framework, and fixed energy cost arrangements through to 2027, which collectively support financial stability. In addition, forward plans for capital investment are well within the Club's financial capacity, and the lease on the premises extends for another 101 years. On this basis, the Trustees are confident in the continued viability of the Club and have prepared the financial statements on a going concern basis.

(p) Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, Council Members are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main item within the financial statements where judgements and estimates have been made is in relation to estimating the useful economic life of tangible fixed assets.

(q) Pension arrangements
a) *Group personal pensions*

The Association provides group personal pension arrangements for certain employees. Contributions are made both by the Association and the employee into individual pension plans with a leading pension provider.

b) *Automatic enrolment*

The Association joined the Government auto enrolment scheme in May 2014. Eligible members of staff are automatically enrolled unless the staff member explicitly chooses to opt out. The Association currently contributes 5% (2024: 5%) of pensionable salary to the scheme.

2. INCOME

Income represents amounts receivable by the Association and its subsidiary from its membership and the services provided, net of value added tax recoverable. All income arose in the United Kingdom.

3. GRANTS, LEGACIES, DONATIONS AND FUNDRAISING

	2025	2024
	£	£
Unrestricted voluntary income		
Grants	-	33,250
Legacies	116,141	67,899
Gift Aid on membership subscriptions and donations	200,576	193,269
Donations	40,741	11,748
	357,458	306,166

4. INVESTMENT INCOME

	2025	2024
	£	£
Rents receivable	281,874	242,626
Investment income	193,675	19,508
Other interest receivable	97,702	81,176
	573,251	343,310

5. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2025	2024
	£	£
This is stated after charging the following:		
- Amortisation of leasehold property	12,654	13,079
- Depreciation on other fixed assets	978,850	1,086,004
- Auditors remuneration for audit services		
for audit services	36,802	32,396
for other services	1,250	1,050
- Operating lease rentals	31,870	54,686

6. EXPENDITURE

a) ANALYSIS OF EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2025			
	Support Costs	**Staff Costs**	**Other Direct**	**Total**
	£	**£**	**£**	**£**
Raising Funds				
Fundraising and publicity	340,179	824,615	550,972	1,715,766
Expenditure on charitable activities:				
Catering and accommodation	2,515,607	3,712,557	1,188,675	7,416,839
Membership and central allocation	412,624	1,275,516	89,123	1,777,263
TOTAL EXPENDITURE	3,268,410	5,812,688	1,828,770	10,909,868

Fundraising and publicity expenditure includes support, staffing and other costs associated with commericial events activity and marketing.

Expenditure includes £1,227,168 incurred by VSC (Trading) Limited (2024: £1,182,314). Of the total expenditure, £5,761 was restricted (2024: £nil).

b) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2025				
	Office expenses	**Property costs**	**Other support costs**	**Governance costs**	**Total**
	£	**£**	**£**	**£**	**£**
Raising Funds					
Fundraising and publicity	22,474	257,299	48,830	11,576	340,179
Expenditure on charitable activities:					
Catering and accommodation	164,239	1,880,351	356,855	114,161	2,515,607
Membership and central allocation	27,731	317,490	60,254	7,149	412,624
TOTAL SUPPORT COSTS:	214,444	2,455,140	465,939	132,886	3,268,410

c) GOVERNANCE COSTS

	2025	**2024**
	£	**£**
Wages and salaries	11,576	-
Legal and professional, including audit	114,161	72,666
Council and Committee expenses	7,149	2,314
	132,886	74,980

6. EXPENDITURE (COMPARATIVE)

	FOR THE YEAR ENDED 31 MARCH 2024			
	Support Costs	**Staff Costs**	**Other Direct**	**Total**
	£	**£**	**£**	**£**
d) ANALYSIS OF EXPENDITURE				
Raising Funds				
Fundraising and publicity	325,004	667,482	549,642	1,542,128
Expenditure on charitable activities:				
Catering and accommodation	2,447,804	3,161,344	1,178,019	6,787,167
Membership and central allocation	403,347	1,032,086	112,105	1,547,538
TOTAL EXPENDITURE	3,176,155	4,860,912	1,839,766	9,876,833

e) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2024				
	Office expenses	**Property costs**	**Other support costs**	**Governance costs**	**Total**
	£	**£**	**£**	**£**	**£**
Raising Funds					
Fundraising and publicity	25,440	228,578	70,986	-	325,004
Expenditure on charitable activities:					
Catering and accommodation	185,912	1,670,454	518,771	72,666	2,447,804
Membership and central allocation	31,391	282,050	87,593	2,314	403,347
TOTAL SUPPORT COSTS:	242,742	2,181,082	677,350	74,980	3,176,155

c) GOVERNANCE COSTS

	2024	**2023**
	£	**£**
Wages and salaries	-	10,454
Legal and professional, including audit	72,666	69,013
Council and Committee expenses	2,314	1,605
	74,980	81,072

7. STAFF NUMBERS AND COSTS

	2025	2024
	No.	No.
The average number of persons employed during the year were as follows		
Accommodation	75	72
Catering	57	48
Membership	3	3
Support	12	16
	147	139

The aggregate payroll costs of these persons were as follows	£	£
Salaries and wages	5,150,400	4,259,961
Social security costs	473,438	413,156
Pension scheme contributions	200,402	187,795
	5,824,240	4,860,912

The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2025	2024
	No.	No.
£60,000 - £69,999	1	1
£70,000 - £79,999	-	1
£80,000 - £89,999	2	1
£90,000 - £99,999	-	1
£110,000 - £119,999	1	-
£120,000 - £129,999	1	1
	5	5

Contributions of £51,479 were paid on behalf of these employees into a money purchase pension scheme (2024: £54,798)
Key management personnel includes the Trustees, Chief Executive and Senior Management Team.The total employee benefits of the key management personnel of the Charity were £346,434 (2024: £311,318).

8. COUNCIL MEMBERS' REMUNERATION AND REIMBURSED EXPENSES

No remuneration is paid to Trustees. Reimbursements of travelling expenses totalling £4,068 (2024: £307) were paid Trustees for attendance at the Charity's meetings. A further £3,081 (2024: £1,741) of committee expenses were incurred in the year as dislcosed in Note 6

9. TANGIBLE ASSETS

Consolidated and Association	Long Leasehold Buildings	Leasehold improvements, fixtures, fittings and equipment	Total
Cost or Valuation	£	£	£
At 1 April 2024	837,952	20,472,654	21,310,606
Additions	-	1,050,849	1,050,849
Disposals	-	(1,196,447)	(1,196,447)
At 31 March 2025	837,952	20,327,056	21,165,008
Depreciation & Amortisation			
At 1 April 2024	499,093	12,557,176	13,056,269
Charged in Year	12,654	978,850	991,504
Disposals	-	(1,191,066)	(1,191,066)
At 31 March 2025	511,747	12,344,960	12,856,707
Net Book Value			
At 31 March 2025	326,205	7,982,096	8,308,301
At 31 March 2024	338,859	7,915,478	8,254,337

Substantially all the fixed assets are for direct activities in furtherance of the Charity's objectives. The lease on the property at 63/79 Seymour Street, London, W2 2HF was renewed during 2001 for a further 125 years.

The subsidiary company did not own any fixed assets during the year (2024: None).

10. INVESTMENTS

	£
Market value at 1 April 2024	4,554,199
Additions	2,291,470
Disposal	(233,523)
Net gains/(losses) on investments	15,378
Market value at 31 March 2025	6,627,524
Cash held as part of the investment portfolio	147,613
Total Investments at 31 March 2025	6,775,137
Historical cost at 31 March 2025	5,213,206

Investments are held as units in managed funds operated by M & G Securities Limited, listed on the UK Stock Exchange and with the Armed Forces Common Investment Fund, managed by BlackRock Investment Management Limited and Investec Wealth & Investment Limited as follows:

	£
Armed Forces Common Investment Fund	635,010
M & G Charifund	3,342,333
M & G Charibond	299,245
Investec Wealth & Investment Limited	2,498,549
	6,775,137

At 31 March 2025 the investment revaluation reserve was £1,599,386 (2024: £1,579,001). The subsidiary company did not own any investments during the year (2024: None).

11. INVESTMENT IN TRADING COMPANY

The Association holds 100% of the share capital of VSC (Trading) Limited (Company registration number 03532841) which is responsible for the provision of accommodation, catering and conference facilities.

The Association's investment in the trading company was as follows:	2025	2024
	£	£
VSC (Trading) Limited	2	2

The subsidiary is registered in England and Wales and pays under Gift Aid its entire profits as computed for corporation tax purposes to the Association.

Profit and Loss Account	**2025**	**2024**
	£	£
Turnover	1,342,650	1,306,804
Cost of Sales	(260,317)	(279,240)
Gross profit	1,082,333	1,027,564
Administration expenses (net of interest receivable)	(966,851)	(903,074)
Operating profit	115,482	124,490
Interest receivable and similar income	19,742	29,476
Profit before tax	135,224	153,966
Profit for the financial year	135,224	153,966

	2025	**2024**
Balance sheet	£	£
Current assets	845,079	2,687,377
Current liabilities	(299,004)	(203,186)
Amounts owed to the Association	(410,849)	(2,330,224)
Net assets	**135,226**	**153,967**
Share capital	2	2
Profit and loss account brought forward	153,965	172,638
Profit for the year	135,224	153,965
Gift aid to parent charity	(153,965)	(172,638)
Profit and loss account carried forward	135,224	153,965
	135,226	**153,967**

12. STOCK

	2025	**2024**
Consolidated and Association	£	£
Food and wine	72,555	57,556
Club shop	5,220	4,584
	77,775	62,140

13. DEBTORS

	Consolidated		Association	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	179,217	104,301	74,003	21,700
Amounts due from group undertaking	-	-	410,849	2,330,225
Other debtors	58,071	19,717	58,071	19,717
Prepayments and accrued income	201,108	120,234	191,220	78,527
	438,396	244,252	734,143	2,450,169

14. CREDITORS: Amounts falling due within one year

	Consolidated		Association	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	373,393	117,333	373,393	117,333
Other creditors including taxation and social	757,545	688,441	477,662	500,484
CBIL Loan	300,000	300,000	300,000	300,000
Accruals and deferred income	387,347	110,775	368,226	96,102
	1,818,285	1,216,549	1,519,281	1,013,919
CREDITORS: Amounts falling due after one year				
CBIL Loan	100,000	400,000	100,000	400,000
Total	1,918,285	1,616,549	1,619,281	1,413,919

In April 2020, the Club obtained a government backed CBIL Loan for £1,500,000. The Trustees approved the loan to support the Club through the pandemic and maintain liquidity. The loan is for six years, with a fixed interest rate of 2.10% for five years, with no interest or repayments in the first year and a variable rate of 6.19% in the final year. Loan repayments commenced in July 2021.

15. FUNDS

	At 1 April 2024	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2025
	£	£	£	£	£
Unrestricted Funds					
Designated Funds					
Fixed Assets	8,254,337	-	-	53,964	8,308,301
Respite & Welfare Breaks Reserve	75,000	-	(36,404)	36,404	75,000
	8,329,337	-	(36,404)	90,368	8,383,301
General Funds	8,513,408	11,861,419	(10,867,703)	(74,990)	9,432,134
Restricted Funds					
The Nuffield Trust	17,641	-	(5,761)	-	11,880
Army Central Fund	-				-
Legacies	100,000	-	-	-	100,000
	117,641	-	(5,761)	-	111,880
	16,960,386	11,861,419	(10,909,868)	15,378	17,927,315

The year end restricted fund expenditure of £11,880 represents the balance of the Nuffield Trust funding of Reward and Recognition breaks, and a £100,000 legacy towards the refurbishment of adapted bedrooms. It is expected that this legacy will be spent on accessible bedrooms in the coming years. As part of our charitable objectives, the Club maintains its Respite & Welfare reserve of £75,000 to support those who take advantage of the Charity's respite and welfare breaks.

15. FUNDS (comparative)

	At 1 April 2023	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2024
	£	£	£	£	£
Unrestricted Funds					
Designated Funds					
Fixed Assets	8,686,010	-	-	(431,673)	8,254,337
Respite & Welfare Breaks Reserve	-	-	-	75,000	75,000
	8,686,010	-	-	(356,673)	8,329,337
General Funds	6,398,738	11,247,008	(9,876,833)	744,495	8,513,408
Restricted Funds					
Grants					
The Nuffield Trust	17,641	-	-	-	17,641
Respite & Welfare Breaks Reserve	75,000	-	-	(75,000)	-
Legacies	100,000	-	-	-	100,000
Other specific donations					
	192,641	-	-	(75,000)	117,641
	15,277,389	11,247,008	(9,876,833)	312,822	16,960,386

The year end restricted fund expenditure of £17,641 represents the balance of the Nuffield Trust funding of Reward and Recognition breaks, and a £100,000 legacy towards the refurbishment of adapted bedrooms. As part of our charitable objectives, the Club maintains its Respite & Welfare designated fund of £75,000 to support those who take advantage of the Charity's respite and welfare breaks. In 2024, the Club reclassifed its Respite & Welfare Reserve as a designated fund.

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	AT 31 MARCH 2025			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	8,308,301	8,308,301
Investments	-	6,627,524	-	6,627,524
Net current assets	111,880	2,904,610	75,000	3,091,490
Long term liabilities	-	(100,000)	-	(100,000)
	111,880	9,432,134	8,383,301	17,927,315

	AT 31 MARCH 2024			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	8,254,337	8,254,337
Investments	-	4,581,654	-	4,581,654
Net Current Assets	117,641	4,331,754	75,000	4,524,395
Long term liabilities	-	(400,000)	-	(400,000)
	117,641	8,513,408	8,329,337	16,960,386

17. CAPITAL COMMITMENTS

Commitments for capital expenditure for which no provisions have been made in these financial statements were as follows:

	2025	2024
	£	£
Authorised and contracted for works for Memorial Wing Carpet Replacement (Corridors), replacement AC units (Centenary Wing) and new card system for bedrooms.	214,511	Nil

18. OPERATING LEASE COMMITMENTS

	2025		2024	
	Land & Buildings	Other	Land & Buildings	Other
Leases which expire:	£	£	£	£
In one to five years	-	31,870	-	54,686
After five years	564,563	-	570,750	-
	564,563	31,870	570,750	54,686

19. MEMBERS' LIABILITY

The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Council are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

20. PENSION COMMITMENTS

The Association operates a Group pension arrangement. The overall pension charge for the year was £200,402 (2024: £187,795). At 31 March 2025, contributions of £26.443 were outstanding (2024: £30,195)

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2025	2024
	£	£
Net movement in funds	**966,929**	**1,682,997**
Dividends, interest and rents from investments	(573,251)	(343,310)
Interest Paid	11,969	18,217
Net losses/ (gains) on investments	(15,378)	(312,822)
Depreciation and amortisation charges	991,504	1,099,083
Increase/ (Decrease) in creditors	601,738	(240,890)
Decrease/ (Increase) in debtors	(194,144)	(70,535)
(Increase)/ Decrease in stocks	(15,635)	(13,234)
Net Cash generated by operating activities	**1,773,732**	**1,819,506**

22. RELATED PARTY TRANSACTIONS

At the year end VSC (Trading) Limited (the subsidiary) owed The Victory (Services) Association £410,849 (2024: £2,330,224).

There we no other related party transactions.

	2025	2024
	£	£
Payments from VSC (Trading) Limited to parent charity for shared resources	3,513,264	-
Profits donated by VSC (Trading) to The Victory (Services) Association	153,965	-

23. POST BALANCE SHEET EVENTS

There were no post balance sheet events to disclose.

THE VICTORY (SERVICES) ASSOCIATION

England & Wales - Charity number 261307

Accounts

THE VICTORY (SERVICES) ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Registered Company No. 429298

Registered Charity No. 261307

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THE VICTORY (SERVICES) ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

PATRON-IN-CHIEF
Her Majesty the Queen GCVO

PRESIDENT
General Sir Richard Barrons KCB CBE

CHAIR
Major General J S Kerr CBE

VICE-CHAIR
Colonel P R Rossiter

HONORARY TREASURER
Mr S Gunning (appointed 5th October 2023)

DIRECTORS
Mr P Brackley
Air Vice-Marshal S Chisnall CB
Mrs P Clayton
Mr S Gunning (appointed 5th October 2023)
Major General C J Harvey OBE QVRM TD
Mr R Johnson (appointed 25 March 2024)
Major General J S Kerr CBE
Mr C N B Lacey (retired 25th March 2024)
Major C Marment FCSI
Major General J S Mason MBE RM
Mrs C Newhall-Caiger
Mr G Roberts
Colonel P R Rossiter
Lieutenant Colonel R Ward (retired 5th October 2023)

SECRETARY
Air Commodore N P Beet CBE (retired 31st May 2024)
Colonel C Francis CBE (appointed 3rd June 2024)

BANKERS
NatWest plc
69 Baker Street
PO Box No 2
London W1U 6AT

AUDITORS
Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS
Charles Russell Speechlys
5 Fleet Place
London EC4M 7RD

Bates Wells LLP
10 Queens Street Place
London EC4R 1BE

REGISTERED ADDRESS
63-79 Seymour Street
London W2 2HF

THE VICTORY (SERVICES) ASSOCIATION

CHAIR'S STATEMENT AND THE STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

I am delighted to submit my report on the financial statements for the year which ended on 31st of March 2024.

The Directors of the Victory (Services) Association, which controls the Victory Services Club. together with the exceptional team of professional staff have all worked hard to deliver a successful year in the face of a challenging backdrop caused by geopolitical and national economic factors. I am extremely grateful for the resilience of the staff, the enduring support of the members of the Victory Services Club and all those who use our impressive facilities who collectively have ensured that our recovery has continued with a number of notable highlights which are detailed in the following paragraphs.

The war in Ukraine, continuing disruption caused by transport strikes, and the economic distress caused by financial uncertainty, sharply rising prices and inflation have had a marked effect on the Club's operations and our staff and members. The Club is nothing without our excellent staff and in response to the financial pressures the Remuneration Committee and the Board responded with a number of measures to ease the burden including pay rises, the award of a discretionary extra week's pay and a number of other measures to support the staff. Our members have repeatedly expressed their gratitude to the staff for their exceptionally high standards of work and loyalty. We are also very grateful to our diverse membership who repeatedly write in recognition of the staff. In December 2023, our membership donated £30,273 for the Staff Fund. In the year we saw membership increase from the 1st April 2023 by 2,177 to 626,011 members by 31st March 2024. Our members have engaged with the Club in considerable numbers and the average occupancy of our available bedrooms was 86% across the whole year. We have also witnessed an increasing use of the Club's seven event rooms for members functions (celebrating birthdays and anniversaries), in addition to an increase in utilisation by Regimental Associations and Corporate clients, many of which are return bookings which is a positive indicator of both the high levels of standards and value which we provide.

We are very proud that during the year we fulfilled our charitable objectives by providing an excellent venue for esprit de corps activities, but also the relief of hardship through the delivery of our Respite and Welfare Break scheme. In the year we provided 199 two-night free stays in the Club to families drawn from the UK Armed Forces and those who have recently left. A total of 614 individuals stayed with us for free during the year, and in addition we provided 42 breaks to servicemen and servicewomen (together with their children) who are recommended to us by the Armed Forces for Reward and Recognition breaks for their exceptional military service. The Club has again provided discounted event spaces for all sizes of charitable activities including award evenings, conferences, and small meetings. Wherever possible the Club continues to provide free meeting rooms to assist other charities to deliver their objectives.

The Club has undertaken a number of necessary infrastructure projects, the largest of which was the redecoration of the façade of the Centenary Wing, and the refurbishment of the en-suite bathrooms on the 2nd floor of the Centenary Wing. Other key notable projects included the replacement of Air Conditioning equipment in the Centenary Wing and the refurbishment of the Memorial Wing passenger lift.

The Club was able to achieve all of the aforementioned, without overburdening our members with high charges, while also increasing our cash position through increased utilisation of our bedrooms, event spaces and dining facilities. This led to an increase in income from FY 2022/23 from £9,470,912 to £11,247,009. Last year I reported our end-of-year cash position as £4,265,045 and through the loyalty of our members, sheer industry and effective cost control, our end-of year position on 31st March 2024 was £5,434,551, which again includes our residual and declining Coronavirus Loan which remains untouched. In Financial Year 2024-25 we look forward to continuing to deliver our charitable activities and take forward the works to re-absorb one of our sub-lets, in addition to the refurbishment of the Clubhouse's front facade on Seymour Street (which is a lease condition) and making further improvements to our bedroom stock for the enjoyment of our members. More detail will follow at page eight. The retention and recruitment of high-quality staff will be a constant feature as it has been during the reporting period.

The Board of the Victory (Services) Association has every confidence that we are very much a going concern and we look forward to another successful year in 2024-25.

Seumas Kerr

Major General Seumas Kerr CBE
Chair

The Board of Trustees submits its report together with the audited financial statements of the Association for the year ended 31st March 2024.

The Trustees (who are also the Directors for the purposes of the Companies Act) present their report, incorporating the Strategic Report, for the year ended 31st March 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and Administrative Information

The Victory Services Club was founded in 1907 and is registered with the Charity Commission of England and Wales under charity number 261307. The Trustees, Secretary, principal advisors and addresses are listed on page 1.

The Victory (Services) Association, company registration number 429298, was incorporated on the 7th February 1947 and it controls the Victory Services Club. The Victory (Services) Association is a charitable company limited by guarantee and does not have a share capital. The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The Trustees are Directors of the company for the purposes of the Companies Act 2006.

Board of Trustees

The Board of Trustees determines the general policy of the Association. The Trustees are legally responsible for the overall management, finances and control of the Club. The recruitment and selection of new Trustees to serve on the Board and the Association's sub-committees is first considered by the Governance and Audit Committee, prior to the submission of recommendations to the Board of Trustees and necessary approval. Potential new Trustees, and all appointees to sub-committees and senior Trustee roles, are assessed for their suitability in terms of knowledge, skills, experience and availability. New Trustees are inducted into the workings of the Charity by the Chair and Chief Executive/Club Secretary, with the latter providing a pack including the Charity Commission's guidance for Trustees and the Club's Business Plan. Trustees attend up to five meetings a year and all Trustees receive the minutes of each meeting.

Changes to the Board of Trustees within the year are highlighted as follows:

Mr S Gunning (appointed 5th October 2023)
Mr R Johnson (appointed 25 March 2024
Mr C N B Lacey (retired 25th March 2024)
Lieutenant Colonel R Ward (retired 5th October 2023)

No Trustee has any financial interest in the Association, nor draws any benefits. The Association reimbursed travelling expenses of £802 (2023: £764) to certain Trustees for attendance at meetings.

The Association operates the following sub-committees and working group:

Committee/Working Group	Chaired by
Nominations Committee (disbanded 25th March 2024)	Major General Seumas Kerr
Marketing and Communications Committee	Mrs Petra Clayton
Membership Committee	Mr Gethin Roberts
Remuneration Committee	Major General Seumas Kerr
Investment Committee	Major Charles Marment
Trading Committee	Mrs Catherine Newhall-Caiger
Governance and Audit Committee (Formerly Governance Working Group)	Colonel Philippe Rossiter

The day-to-day management of the Association is delegated to the Chief Executive/Club Secretary, who is supported by the Operations Director and the Finance and HR Director, who together comprise the Senior Management Team. The Chief Executive/Club Secretary attends all Trustee meetings and meetings of the Association's Sub-committees. Relevant members of the Senior Management Team also attend meetings of sub-committees when required.

VSC (Trading) Limited

The Association holds 100% of the share capital of VSC (Trading) Limited, registered number 03532841. This company is responsible for using the Association's facilities and resources which fall outside the charitable objectives of the Association by generating income to support the charitable objectives. All trading surpluses are distributed by Gift Aid to the Association. A summary of the results of the company are shown in note 11 of the financial statements.

Investment powers and policy

Powers

In furtherance of the objects of the Association, but not otherwise, the Association shall have the power to invest monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being, be imposed or required by law. The investments of the Victory Services Association Limited are managed by Investec, Blackrock and M&G.

Policy

It is the policy of the Association to run the Club from trading surpluses and only to call upon investment reserves when essential for capital improvements. For the present it is the Association's aim to achieve maximum growth while at the same time protecting the real value of investments. The Investment Committee re-invests the dividends in the fund. The value of the Association's long-term investments should not be reduced below £1,000,000 at market value unless exceptional circumstances are approved by the Board of Trustees.

Risk management

The Board of Trustees is required to include a statement that the major risks to which the Association is exposed, as identified by the Board of Trustees, have been reviewed and that the systems in place will mitigate those risks. The Board of Trustees reviews the formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, listing them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The Board of Trustees fully recognises the significant importance of effective internal controls on expenditure and payment and takes every action to minimise this risk. At each Trustees' meeting one risk is considered in detail. The Senior Management Team is responsible for day-to-day monitoring of all risks on behalf of the Board of Trustees. The principal risks the Association faces and their mitigation strategies are as follows:-

Risk	Mitigation and Controls
Risk 1: Business Downturn. Supplier price increases, competition from other Clubs/hotels, erosion of prices and inflation affecting consumer.	- Regular cashflow review by SMT and Honorary Treasurer. - Prompt identification and action on price increases through purchasing and stock control procedures. - Regular benchmarking with industry associations and competitors. - Comprehensive review process through various reports (End of Day, Weekly Sales, Monthly Management). - Cashflow and Business Performance Reports reviewed at every meeting by the Board.
Risk 2: HSAW Failure. Impact on Members, Staff, and Events, Investments and Cashflow. Health and Safety breach leading to injury/adverse publicity and sanctions.	- Ensure Club remains fully HSAW compliant. - Hold effective HSAW Staff Quarterly meetings attended by Managers. - SMT to ensure that appropriate investment in new equipment is made and staff training is completed. - Respond quickly and appropriately to Government changes and requirements. - Re-profile cashflow lines to ensure that expenditure on legal commitments are met.
Risk 3: Failure to retain and then recruit a quality, motivated workforce which causes the Club to be unable to deliver our three values of Value, Service and Courtesy.	- Ongoing monitoring of staff turnover, pay, benefits, and facilities. - Benchmarking with the London hospitality sector for appropriate compensation. - Monitoring of leave taken, sickness rates, and overtime worked. - Close engagement with Managers to gauge morale and workload.
Risk 4: Cyber-crime or inadequate IT policies leading to reputational risk and an inability to manage the Club.	- IT and Disaster Recovery policies developed with advice from 3rd party consultants. - Measures in place to minimise cyber risk: managed IT support, automated patching and updates, firewall, DNS protection, user email security training, cyber insurance. - Application patch management and failover internet lines. - Consultancy for Disaster Recovery.

Risk 5: The Club is unable to raise sufficient cash to pay the lease extension premium. The Church Commissioners decide not to renew our lease.	- Planned rebuilding of reserve funds to meet lease extension/purchase. - The Board of Trustees' focus on the matter and financial target setting. - Effective management of sub-let leases to fulfil contractual duties.

CHARITABLE OBJECTIVES, VISION, MISSION AND ACTIVITIES

The objectives of the Charity are:

(i) To promote military efficiency and esprit de corps by bringing together members of the Armed Forces of the Crown, former members of the Armed Forces of the Crown and members of the Armed Forces of the Commonwealth and Foreign countries with whom they are currently allied and by improving the conditions of life of such persons.

(ii) To relieve need, hardship or distress among persons who have served in the Armed Forces of the Crown and their dependants.

The Club's Vision is to be the leading military members' Club, where membership is cherished, and outstanding standards of services are the norm.

The Club's Mission is to deliver outstanding Value, Service and Courtesy.

Public Benefit

The Board of Trustees has had due regard to the Charity Commission guidance in deciding how to implement the Charity's object for the benefit of the public. The work carried out by the Charity to further the charitable objectives is highlighted in the Chair's statement.

By way of expansion on those points the Trustees and staff have been focused on our two objectives to ensure that we continue to provide a benefit to our members and the wider military 'family'. To meet the Charity's first objective we provide a smart, comfortable, and modern venue for esprit de corps activities. Specifically, these include informal and formal meetings, and Ships, Regimental and Squadron dinners, and conferences. The Club hosts an increasing number of military Association events due to a more effective marketing programme, and a pricing model which is 25% cheaper than a commercial non-military event being held in the Club. The intent of providing an enjoyable event that is affordable, which allows individuals from all ranks to participate and be accommodated at very reasonable prices has again been maintained. In FY 2023/24 single shared facility bedrooms which are only available for members were £70.

Our RWB scheme, as mentioned by the Chair earlier, is a unique offer in London which provides free accommodation and all meals for a two-night stay to a family consisting of two adults and usually up to three school age children; this offer is extended to an accompanying carer if necessary. Over the last six years we have hosted 2,555 individuals under this scheme. Our Trustees are committed to annually increasing the numbers benefitting from this offer. This is achieved by the Club's staff frequently engaging with the leading military charities and the single Service and Defence Medical Rehabilitation staff to seek nominations. The Club also continues to offer eighty free weekend Reward and Recognition breaks to members of the serving Armed Forces who are recommended to us. This scheme is generously funded by the Nuffield Trust for the Forces of the Crown. With the previously noted support for other charities the Club has given discounted charges for meeting and event rooms.

Remuneration of senior staff

The Board of Trustees, supported by the salaried Senior Management Team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Association on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts. The pay of the Senior Management Team and all staff is reviewed bi-annually by the Remuneration Committee which reports to the Board of Trustees. The Remuneration Committee considers comparative data from several external sources including the Association of London Clubs, and the Institute of Hospitality.

Capital and Works Expenditure

In the reporting period the Club carried out a range of capital and maintenance projects. The Chair highlighted the redecoration of the façade of the Centenary Wing. This project was completed in September 2023 at a cost of £326,000 and was work we were required to carry out as a condition of our lease. In February 2024 the Club completed the upgrade of the Memorial Wing passenger lift at a cost of £36,000. We are grateful to our members for their forbearance while we carried out these disruptive works. The Club completed the updating of the 2nd Floor Centenary Wing bathrooms at a cost of £142,000. These rooms were reopened in time for the King's coronation in May 2023. In addition, the rolling programme of air conditioning plant replacement commenced with the 2nd Floor Centenary Wing bedrooms at a cost of £65,000. The Club now has 154 bedrooms with air conditioning and increasing this number is a longer-term aim, which will be an expensive and complex project and undertaken in stages.

Plans for the Future.

The Club's linkages to the Armed Forces community, both serving and retired, will continue to be developed through the Membership Committee, which has increased the number of invitations to garrison family days and military conferences. A programme of actions has been developed with an increased marketing budget which will see the continuing increase in membership numbers going forward. We also anticipate hosting higher numbers of the free respite breaks which the Club provides, owing to the increasing awareness of these special opportunities at the VSC.

In FY 2024/25 the Club will carry out a project to refurbish the en-suite bathrooms on the 3rd Floor Centenary wing at a cost of £400,000. In August 2024 we will be closing the ground floor kitchen for three weeks in order to allow for some important plant and equipment to be installed. In FY 24/25 work will be undertaken to replace the air conditioning plant in the 3rd Floor Centenary Wing bedrooms at a cost of £80,000.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities reveals income in the financial year of £11,247,08 (2023: £9,470,912) and expenditure of £9,876,833 (2023: £8,630,943) which after gains on investments of £312,822 (2023: loss £149,765 has resulted in a net surplus of £1,682,997 (2023: £690,205). As the Investments are held for the long term, the Investment Committee does not propose a change in investment strategy. The accumulated funds at the balance sheet date total £16,842,745 (2023: £15,277,389).

Fixed assets

In the opinion of the Board of Trustees the market value of the leasehold premises is significantly higher than the book value, details of which are given in the notes to the financial statements. However, because of the various covenants in the lease, it is not practicable to ascertain with any degree of precision, the market value of the leasehold premises.

The investments held by the Association have been acquired in accordance with the powers available to the Trustees.

Fundraising

The Association does not actively fundraise from the public although grants are sought from grant making bodies. Some members have left bequests to the Association, and have voluntarily made some donations, for which we are most grateful. We have not received any complaints in respect of fundraising activity. In 2023/24 there were also no complaints.

Reserves policy

In the year to 31st March 2020 the Trustees carried out a review of the Reserves Policy. Using the Charity Commission guidance, the Trustees decided that the Charity needed to better ensure the long-term interests of the Charity and its beneficiaries were protected. The VSC Reserves Policy was approved in October 2019 and consists of the following elements:

- The Charity's unrestricted reserve to cover business downturn, property and staff risk would be built up to twelve months of operating costs (currently calculated at £9.9m);

- At 31st March 2024 the designated fixed asset fund at net book value was £8,254,337 (2023: £8,686,010);

- At 31st March 2024, the Charity had total reserves of £16,960,386 (2023: £15,277,389). Of the total, £117,641 relates to restricted funds (2023: £192,641) and £8,329,337 is held in designated funds which reflects the net book value of tangible fixed assets (2023: £8,686,010).

The Trustees further decided to review the Reserves Policy going forward as part of the annual budgeting process, or when the Charity's strategy is reviewed and when the risks faced by the Charity significantly change.

As at 31st March 2024, the Charity had general, unrestricted reserves, excluding restricted and designated reserves of £8,513,408 (2023: £6,398,738).

Investment performance

At 31st March 2024 investment balances were:

- Armed Forces Common Investment Fund: £638,010 (2023: £601,758).
- M&G Charifund: £2,073,576 (2023: £1,988,103).
- M&G Charibond: £292,408 (2023: £279,468).
- Investec Wealth & Investment Limited: £1,577,660 (2023: £1,393,650).

The gain on investments was £312,822 (2023: loss £149,765). At the end of the financial year, the Charity's total investments stood at £4,581,654 (2023: £4,262,979).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the group and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charities SORP.
- Make judgements and 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 assume that the charitable company will continue in operation.

The Trustees are also responsible for keeping proper 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. The Trustees also confirm that they have made all necessary enquiries and taken such steps that they ought to, to ensure that they become aware of any relevant audit information and that they confirm that the Association's auditors have been made aware of such information.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

BY ORDER OF THE BOARD

Seumas Kerr

Major General Seumas Kerr CBE

63/79 Seymour Street
London, W2 2HF

Independent auditor's report to the members of The Victory (Services) Association Limited

Opinion

We have audited the financial statements of The Victory (Services) Association Limited for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Association balance Sheet, the Consolidated Cash Flow Statement and 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 state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's net movement in funds, including the 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.

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 group 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

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 group'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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, incorporating the Strategic Report, and the Chair's Statement. 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' Report (which includes the strategic report and 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 strategic report and the directors' report included within the Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the 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 group's and the parent 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 group or the parent 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
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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales and Scotland , and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE VICTORY (SERVICES) ASSOCIATION

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular donation and legacy recognition.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Thomas Wilson (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen, Street Place, London EC4R 1AG

Date:

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
INCOME FROM:					
Donations and legacies	3	306,166		306,166	369,637
Charitable activities					
Membership		1,313,790	-	1,313,790	1,144,723
Catering and accommodation		7,976,937	-	7,976,937	6,779,690
Trading activities		1,306,805	-	1,306,805	932,513
Investments	4	343,310	-	343,310	244,349
TOTAL INCOME		11,247,008	-	11,247,008	9,470,912
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity		1,542,128	-	1,542,128	1,166,599
Charitable activities					
Catering and accommodation		6,787,167	-	6,787,167	6,122,289
Membership and central allocation		1,547,538	-	1,547,538	1,342,055
TOTAL EXPENDITURE	6	9,876,833	-	9,876,833	8,630,943
Net gains/(losses) on investments	10	312,822	-	312,822	(149,765)
NET INCOME /(EXPENDITURE)	5	1,682,997	-	1,682,997	690,205
Transfer between funds		75,000	(75,000)	-	-
NET MOVEMENT IN FUNDS		1,757,997	(75,000)	1,682,997	690,205
Total funds brought forward		15,084,748	192,641	15,277,389	14,587,184
TOTAL FUNDS CARRIED FORWARD		16,842,745	117,641	16,960,386	15,277,389

All transactions are derived from continuing activities. The split between unrestricted and restricted donations and legacies for the current and previous year is shown in note 3.

All recognised gains and losses are included in the Statement of Financial Activities.

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2024

		2024		2023	
	Note	**£**	**£**	**£**	**£**
FIXED ASSETS					
Tangible assets	9		8,254,337		8,686,010
Investments	10		4,581,654		4,262,979
			12,835,991		12,948,989
CURRENT ASSETS					
Stocks	12	62,140		48,906	
Debtors	13	244,252		314,787	
Cash at bank and in hand		5,434,551		4,265,045	
		5,740,943		4,628,738	
CREDITORS: amounts falling due within one year	14	(1,216,549)		(1,600,338)	
NET CURRENT ASSETS			4,524,395		3,028,400
TOTAL ASSETS LESS CURRENT LIABILITIES			17,360,386		15,977,389
CREDITORS: falling due after more than 1 year	14	(400,000)		(700,000)	
TOTAL NET ASSETS OR LIABILITIES			16,960,386		15,277,389
FUNDS	15				
Restricted funds			117,641		192,641
Unrestricted funds:					
Designated funds			8,329,337		8,686,010
General funds			8,513,408		6,398,738
			16,842,745		
			16,960,386		192,641

The consolidated surplus of the Association was £1,682,997 (2023: surplus of £690,205).

The financial statements were approved and authorised for issue by the members of the Council on 5th July 2024 and were signed below on its behalf by:

Major General J S Kerr CBE
Chairman

Mr S Gunning
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION **Company Number: 429298**

ASSOCIATION BALANCE SHEET

AT 31 MARCH 2024

	Note	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible assets	9		8,254,337		8,686,010
Investments	10		4,581,656		4,262,979
Investment in trading company	11				2
			12,835,993		12,948,991
CURRENT ASSETS					
Stocks	12	62,140		48,906	
Debtors	13	2,450,169		1,614,391	
Cash at bank and in hand		2,871,483		2,834,361	
		5,383,792		4,497,658	
CREDITORS: amounts falling within one year	14	(1,013,919)		(1,469,260)	
NET CURRENT ASSETS			4,369,873		3,028,398
TOTAL ASSETS LESS CURRENT LIABILITIES			17,205,866		15,977,389
Creditors falling due after more than 1 year	14	(400,000)		(700,000)	
NET ASSETS			16,805,866		15,277,389
FUNDS	15				
Restricted funds			117,642		192,641
Unrestricted funds:					
Designated funds			8,329,337		8,686,010
General funds			8,358,888		6,398,738
			16,688,225		15,084,748
			16,805,866		15,277,389

The financial statements were approved and authorised for issue by the members of the Council on 5th July 2024 and were signed below on its behalf by:

Seumas Kerr

Major General Seumas Kerr
Chairman

Mr S Gunning
Honorary Treasurer

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024		2023	
		£	£	£	£
Cash Flow from operating activities	21		1,819,506		2,264,578
Cash flows from investing activities					
Rents receivable		242,626		205,975	
Income from investments		19,508		18,543	
Other interest receivable		81,176		19,831	
Interest paid		(18,217)		24,481	
Payments to acquire tangible fixed assets		(667,410)		(684,434)	
Purchase of investments		(459,569)		(216,156)	
Proceeds from sale of investments		451,885		207,187	
Net cash provided by (used in) investing activities			(350,001)		(424,573)
Cash flows from financing activities					
Cash inflows /(outflows) from borrowing			(300,000)		(300,000)
Change in cash and cash equivalents in the year			1,169,506		1,540,005
Cash and cash equivalents at the beginning of the year			4,265,045		2,725,041
Total cash and cash equivalents at the end of the year			5,434,551		4,265,045

Analysis of changes in net debt

	At start of year	Cash-flows	Other non-cash changes	At end of year
Cash and cash equivalents	4,265,045	1,169,506	-	5,434,551
	4,265,045	1,169,506	-	5,434,551
Loans falling due within one year	(300,000)	300,000	(300,000)	(300,000)
Loans falling due after more than one year	(700,000)	-	300,000	(400,000)
Total	3,265,045	1,469,506	-	4,734,551

Analysis of cash and cash equivalents	2024	2023
	£	£
Cash at bank and in hand	4,934,551	3,765,045
Notice deposits (less than 3 months)	500,000	500,000
Total Cash and cash equivalents	5,434,551	4,265,045

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Accounting
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.

Group financial statements have been prepared in respect of the Association and its wholly owned trading subsidiary, VSC (Trading) Limited. The subsidiary has the same accounting reference date as the Association. No separate profit and loss account is presented for The Victory (Services) Association as provided by Section 408 of the Companies Act 2006.

(b) Subscriptions
Subscription income is recognised in the period in which it is received.

(c) Grants, legacies and donations
Grants, legacies and donations are accounted for when their payment to the Association is confirmed and quantifiable.

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme. The income is accounted for in the period in which the associated salary costs are made to furloughed staff.

(d) Investment income
Investment income is accounted for in the period that it is receivable.

(e) Other income
Other income is accounted for in the period in which it falls due. Income received in advance is treated as deferred income and included in creditors.

(f) Allocation of Expenditure
Expenditure is charged directly to the cost centre to which it relates. Support costs area allocated based on an Expenditure pro-rota basis. Governance costs consist of those costs which relate to the overall running of the Association, including meeting statutory and regulatory requirements.

(g) Financial instruments
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at

(h) Investments
Investments are included at market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

(i) Tangible fixed assets
Expenditure on fixed assets more than £1,000 is capitalised and depreciated over the asset's expected useful life as follows:

- Leasehold premium is amortised over approximately 60 years.
- Furniture, equipment, electrical works and improvements to premises are depreciated by equal annual instalments over 5 to10 years
- Computer equipment is depreciated by equal instalments over 5 years.
- En suite bedrooms, lifts and other leasehold improvements are depreciated by equal instalments over 10 to 25 years

(j) Stocks
Stocks are valued at the lower of cost or net realisable value.

(k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.
Debtors are reviewed at the year-end for evidence of required impairment to their settlement amount. A bad debts provision is calculated on a conservative basis.

(l) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Fund Accounting
Unrestricted funds comprise accumulated surpluses and deficits on general funds - they are available for use at the discretion of the Council in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Council. At the year-end they comprise a fixed asset fund which represents the extent to which funds are invested in fixed assets for use by the charity and therefore not available for other purposes (see note 15).

Restricted funds are funds subject to specific restricted conditions imposed by the donors or the Council.

(n) Leasing and hire purchase commitments
Provision is made annually for the estimated cost of obligations under the lease of the Association's premises.

Rentals under operating leases have been charged to the Statement of Financial Activities on a straight-line basis.

(o) Preparation of accounts on a going concern basis
The Council Members consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives the Council confidence the charity remains a going concern for the foreseeable future.

(p) Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, Council Members are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main item within the financial statements where judgements and estimates have been made is in relation to estimating the useful economic life of tangible fixed assets.

(q) Pension arrangements
a) *Group personal pensions*

The Association provides group personal pension arrangements for certain employees. Contributions are made both by the Association and the employee into individual pension plans with a leading pension provider.

b) *Automatic enrolment*

The Association joined the Government auto enrolment scheme in May 2014. Eligible members of staff are automatically enrolled unless the staff member explicitly chooses to opt out. The Association currently contributes 5% (2023: 5%) of pensionable salary to the scheme.

2. INCOME

Income represents amounts receivable by the Association and its subsidiary from its membership and the services provided, net of value added tax recoverable. All income arose in the United Kingdom.

3. GRANTS, LEGACIES, DONATIONS AND FUNDRAISING

	2024	2023
	£	£
Restricted voluntary income		
Grants	-	-
	-	-
Unrestricted voluntary income		7,976,937
Grants	33,250	70,000
Legacies	67,899	93,528
Gift Aid on membership subscriptions and donations	193,269	175,278
Donations	11,748	30,831
	306,166	369,637

4. INVESTMENT INCOME

	2024	2023
	£	£
Rents receivable	242,626	205,975
Investment income	19,508	18,543
Other interest receivable	81,176	19,831
	343,310	244,349

5. NET (EXPENDITURE)/INCOME FOR THE YEAR

	2024	2023
	£	£
This is stated after charging the following:		
- Amortisation of leasehold property	13,079	12,654
- Depreciation on other fixed assets	1,086,004	1,114,884
- Auditors remuneration for audit services		
for audit services	32,396	20,385
for other services	1,050	-
- Operating lease rentals	54,686	60,124

6. EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2024			
	Support Costs	Staff Costs	Other Direct	Total
	£	£	£	£
a) ANALYSIS OF EXPENDITURE				
Raising Funds				
Fundraising and publicity	325,004	667,482	549,642	1,542,128
Expenditure on charitable activities:				
Catering and accommodation	2,447,804	3,161,344	1,178,019	6,787,167
Membership and central allocation	403,347	1,032,086	112,105	1,547,538
TOTAL EXPENDITURE	3,176,155	4,860,912	1,839,766	9,876,833

Fundraising and publicity expenditure includes support, staffing and other costs associated with commericial events activity and marketing.

Expenditure includes £1,182,314 incurred by VSC (Trading) Limited (2023: £764,575). Of the total expenditure, £nil was restricted (2023: £37,314).

b) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2024				
	Office expenses	Property costs	Other support costs	Governance costs	Total
	£	£	£	£	£
Raising Funds					
Fundraising and publicity	25,440	228,578	70,986	-	325,004
Expenditure on charitable activities:					
Catering and accommodation	185,912	1,670,454	518,771	72,666	2,447,804
Membership and central allocation	31,391	282,050	87,592	2,314	403,347
TOTAL SUPPORT COSTS:	242,743	2,181,082	677,350	74,980	3,176,155

c) GOVERNANCE COSTS

	2024	2023
	£	£
Wages and salaries	-	10,454
Legal and professional, including audit	72,666	69,013
Council and Committee expenses	2,314	1,605
	74,980	81,072

6. EXPENDITURE (COMPARATIVE)

d) ANALYSIS OF EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2023			
	Support Costs	**Staff Costs**	**Other Direct**	**Total**
	£	**£**	**£**	**£**
Raising Funds				
Fundraising and publicity	330,986	452,506	383,107	1,166,599
Expenditure on charitable activities:				
Catering and accommodation	2,411,471	2,701,185	1,009,633	6,122,289
Membership and central allocation	397,120	851,381	93,554	1,342,055
TOTAL EXPENDITURE	3,139,577	4,005,072	1,486,294	8,630,943

e) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	Office expenses	**Property costs**	**Other support costs**	**Governance costs**	**Total**
	£	**£**	**£**	**£**	**£**
Raising Funds					
Fundraising and publicity	23,481	223,377	73,674	10,454	330,986
Expenditure on charitable activities:					
Catering and accommodation	171,599	1,632,445	538,414	69,013	2,411,471
Membership and central allocation	28,974	275,632	90,909	1,605	397,120
TOTAL SUPPORT COSTS:	224,054	2,131,454	702,997	81,072	3,139,577

7. STAFF NUMBERS AND COSTS

	2024 No.	2023 No.
The average number of persons employed during the year were as follows		
Accommodation	72	61
Catering	48	48
Membership	3	3
Support	16	9
	139	119

	£	£
The aggregate payroll costs of these persons were as follows		
Salaries and wages	4,259,961	3,541,788
Social security costs	413,156	325,477
Pension scheme contributions	187,795	148,262
	4,860,912	4,015,527

Included in the above are termination payments of £nil (2023: £1,088). The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2024 No.	2023 No.
£60,000 - £69,999	1	-
£70,000 - £79,999	1	1
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1
£100,000 - £109,999	-	-
£120,000 - £129,999	1	1
	5	4

Contributions of £54,798 were paid on behalf of these employees into a money purchase pension scheme (2023: £43,948)

The total employee benefits of the key management personnel of the Charity were £311,318 (2023: £334,747).

8. COUNCIL MEMBERS' REMUNERATION AND REIMBURSED EXPENSES

No remuneration is paid to any member of the Board. Reimbursements of travelling expenses totalling £307 (2023: £764) were paid to certain Board members for attendance at the Charity's meetings.

9. TANGIBLE ASSETS

Consildated and Association	Long Leasehold Buildings	Leasehold improvements, fixtures, fittings and equipment	Total
Cost or Valuation	£	£	£
At 1 April 2023	837,952	19,805,244	20,643,196
Additions	-	667,410	667,410
Disposals	-	-	-
At 31 March 2024	837,952	20,472,654	21,310,606
Depreciation & Amortisation			
At 1 April 2023	486,014	11,471,172	11,957,186
Charged in Year	13,079	1,086,004	1,099,083
Disposals	-	-	-
At 31 March 2024	499,093	12,557,176	13,056,269
Net Book Value			
At 31 March 2024	338,859	7,915,478	8,254,337
At 31 March 2023	351,938	8,334,072	8,686,010

Substantially all the fixed assets are for direct activities in furtherance of the Charity's objectives. The lease on the property at 63/79 Seymour Street, London, W2 2HF was renewed during 2001 for a further 125 years.

The subsidiary company did not own any fixed assets during the year (2023: None).

10. INVESTMENTS

	£
Market value at 1 April 2023	4,262,979
Additions	457,738
Disposal	(451,885)
Net gains/(losses) on investments	312,822
Market value at 31 March 2024	4,581,654
Historical cost at 31 March 2024	2,951,716

Investments are held as units in managed funds operated by M & G Securities Limited, listed on the UK Stock Exchange and with the Armed Forces Common Investment Fund, managed by BlackRock Investment Management Limited and Investec Wealth & Investment Limited as follows:

	£
Armed Forces Common Investment Fund	638,010
M & G Charifund	2,073,576
M & G Charibond	292,408
Investec Wealth & Investment Limited	1,577,660
	4,581,654

At 31 March 2024 the investment revaluation reserve was £ 1,579,001 (2023: £1,553,828). The subsidiary company did not own any investments during the year (2023: None).

11. INVESTMENT IN TRADING COMPANY

The Association holds 100% of the share capital of VSC (Trading) Limited (Company registration number 03532841) which is responsible for the provision of accommodation, catering and conference facilities.

The Association's investment in the trading company was as follows:	2024	2023
	£	£
VSC (Trading) Limited	2	2

The subsidiary is registered in England and Wales and pays under Gift Aid its entire profits as computed for corporation tax purposes to the Association.

Profit and Loss Account	**2024**	**2023**
	£	£
Turnover	1,306,804	932,579
Cost of Sales	(279,241)	(180,620)
Gross profit	1,027,563	751,959
Administration expenses (net of interest receivable)	(903,074)	(583,955)
Operating profit	124,489	168,004
Interest receivable and similar income	29,476	4,634
Profit before tax	153,965	172,638
Profit for the financial year	153,965	172,638

	2024	**2023**
Balance sheet	£	£
Current assets	2,687,377	1,527,257
Current liabilities	(203,184)	(131,617)
Amounts owed to the Association	(2,157,588)	(1,223,000)
Net assets	**326,605**	**172,640**
Share capital	2	2
Profit and loss account brought forward	172,638	173,725
Profit for the year	153,965	172,638
Gift aid to parent charity	(172,638)	(173,725)
Profit and loss account carried forward	153,965	172,638
	153,967	**172,640**

12. STOCK

	2024	**2023**
Consolidated and Association	£	£
Food and wine	57,556	43,280
Club shop	4,584	5,626
	62,140	48,906

13. DEBTORS

	Consolidated		Association	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Trade debtors	104,301	135,861	21,700	43,797
Amounts due from group undertaking	-	-	2,330,225	1,223,000
Other debtors	19,717	30,623	19,717	197,237
Prepayments and accrued income	120,234	148,303	78,527	150,357
	244,252	314,787	2,450,169	1,614,391

14. CREDITORS: Amounts falling due within one year

	Consolidated		Association	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Trade creditors	117,333	524,204	117,333	524,204
Other creditors including taxation and social security	688,441	500,094	500,484	386,851
CBIL Loan	300,000	300,000	300,000	300,000
Accruals and deferred income	110,775	276,040	96,102	258,205
	1,216,549	1,600,338	1,013,919	1,469,260
CREDITORS: Amounts falling due after one year				
CBIL Loan	400,000	700,000	400,000	700,000
Total	1,616,549	2,300,338	1,413,919	2,169,260

In April 2020, the Club obtained a government backed CBIL Loan for £1,500,000. The Trustees approved the loan to support the Club through the pandemic and maintain

CBIL Loan	Consolidated		Association	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
CBIL Loan - amount falling due within one year	300,000	(240,890)	300,000	300,000
CBIL Loan - amount falling due after more than one year	400,000	700,000	400,000	700,000
	700,000	459,111	700,000	1,000,000

15. FUNDS

	At 1 April 2023	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2024
	£	**£**	**£**	**£**	**£**
Unrestricted Funds	#				
Designated Funds					
Fixed Assets	8,686,010	-	-	(431,673)	8,254,337
Respite & Welfare Breaks Reserve	75,000	-	-		75,000
Significant Capital Projects Fund	-	-	-	-	-
	8,761,010	-	-	(431,673)	8,329,337
		-			
General Funds	6,398,738	11,247,008	(9,876,833)	744,495	8,513,408
		-			
Restricted Funds					
The Nuffield Trust	17,641	-	-	-	17,641
Respite & Welfare Breaks Reserve	75,000			(75,000)	-
Legacies	100,000	-	-	-	100,000
	192,641	-	-	(75,000)	117,641
	15,352,389	11,247,008	(9,876,833)	237,822	16,960,386

The year end restricted fund balance represents £17,641 from the Nuffield Trust for the funding of Reward and Recognition breaks, and a £100,000 legacy towards the refurbishment of adapted bedrooms. As part of our charitable objectives, the Club maintains its Respite & Welfare reserve of £75,000 to support those who take advantage of the Charity's respite and welfare breaks.

15. FUNDS (comparative)

	At 1 April 2022	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2023
	£	£	£	£	£
Unrestricted Funds					
Designated Funds					
Fixed Assets	9,062,220	-	-	(451,210)	8,611,010
Respite & Welfare Breaks Reserve	75,000				75,000
	9,137,220	-	-	(451,210)	8,686,010
General Funds	5,327,119	9,470,912	(8,625,738)	301,445	6,473,738
	14,464,339	9,470,912	(8,625,738)	(149,765)	15,159,748
Restricted Funds					
Grants					
The Nuffield Trust	21,047	-	(3,406)	-	17,641
ABF Soldiers' Charities	1,798	-	(1,798)	-	-
Army Central Fund	-	-	-	-	-
Legacies	100,000	-	-	-	100,000
Other specific donations					
	122,845	-	(5,204)	-	117,641
	14,587,184	9,470,912	(8,630,942)	(149,765)	15,277,389

The year end restricted fund balance represents £17,641 from the Nuffield Trust for the funding of Reward and Recognition breaks and £75,000 to fund those who take advantage of the Charities respite and welfare breaks and a £100,000 legacy towards the refurbishment of adapted bedrooms.

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	AT 31 MARCH 2024			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	(240,890)	8,254,337	8,013,448
Investments	-	4,581,654	-	4,581,654
Net current assets	117,641	4,331,754	75,000	4,524,395
Long term liabilities #	-	(400,000)	-	(400,000)
	117,641	8,272,519	8,329,337	16,719,497

	AT 31 MARCH 2023			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	8,686,010	8,686,010
Investments	-	4,262,979	-	4,262,979
Net current assets	192,641	2,835,759	-	3,028,400
Long term liabilities	-	(700,000)	-	(700,000)
	385,282	12,797,476	17,372,020	30,554,778

17. CAPITAL COMMITMENTS

Commitments for capital expenditure for which no provisions have been made in these financial statements were as follows:

	2024	2023
	£	£
Authorised and contracted for works for the lift upgrades (Memorial Wing), replacement AC units (Centenary Wing) and new card system for bedrooms.	Nil	136,895

18. OPERATING LEASE COMMITMENTS

	2024		2023	
	Land & Buildings	Other	Land & Buildings	Other
Leases which expire:	£	£	£	£
In one to five years	-	54,686	-	60,124
After five years	570,750	-	577,500	-
	570,750	54,686	577,500	60,124

19. MEMBERS' LIABILITY

The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Council are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

20. PENSION COMMITMENTS

The Association operates a Group pension arrangement. The overall pension charge for the year was £187,795 (2023: £148,262. At 31 March 2023, contributions of £30,195 were outstanding (2023: £34,740)

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2024	2023
	£	£
Net movement in funds	**1,682,997**	**690,205**
Dividends, interest and rents from investments	(343,310)	(244,349)
Interest Paid	18,217	24,481
Net losses/ (gains) on investments	(312,822)	149,765
Depreciation and amortisation charges	1,099,083	1,127,538
Increase/ (Decrease) in creditors	(240,890)	582,588
Decrease/ (Increase) in debtors	(70,535)	(53,928)
(Increase)/ Decrease in stocks	(13,234)	(11,723)
Net Cash generated by operating activities	**1,819,506**	**2,264,578**

22. RELATED PARTY TRANSACTIONS

	2024	2023
	£	£
Payments from VSC (Trading) Limited to parent charity for shared resources	-	39,985
Profits donated by VSC (Trading) to The Victory (Services) Association	153,966	173,725

23. POST BALANCE SHEET EVENTS

There were no post balance sheet events to disclose.

Accounts

THE VICTORY (SERVICES) ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Registered Company No. 429298

Registered Charity No. 261307

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THE VICTORY (SERVICES) ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

PATRON-IN-CHIEF
Her Majesty the Queen GCVO

PRESIDENT
General Sir Richard Barrons KCB CBE

CHAIR
Major General J S Kerr CBE

VICE-CHAIR
Colonel P R Rossiter

HONORARY TREASURER
Lieutenant Colonel R Ward

DIRECTORS
Mr P Brackley
Air Vice-Marshal S Chisnall CB
Mrs P Clayton
Major General C J Harvey OBE QVRM TD (appointed 27th March 2023)
Air Commodore P Higgins (retired 27th March 2023)
Major General J S Kerr CBE
Mr C N B Lacey
Major C Marment FCSI
Major General J S Mason MBE RM (appointed 15th June 2022)
Mrs C Newhall-Caiger
Mr G Roberts
Colonel P R Rossiter
Lieutenant Colonel R Ward

SECRETARY
Air Commodore N P Beet CBE

BANKERS
NatWest plc
69 Baker Street
PO Box No 2
London W1U 6AT

AUDITORS
Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

SOLICITORS
Charles Russell Speechlys
5 Fleet Place
London EC4M 7RD

Bates Wells LLP
10 Queens Street Place
London EC4R 1BE

REGISTERED ADDRESS
63-79 Seymour Street
London W2 2HF

THE VICTORY (SERVICES) ASSOCIATION

CHAIR'S STATEMENT AND THE STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

I am delighted to submit my report on the financial statements for the year which ended on 31st of March 2023.

The Directors of the Victory (Services) Association, which controls the Victory Services Club. together with the exceptional team of professional staff have all worked hard to deliver a successful year in the face of a challenging economic backdrop caused by both international and national factors, which followed hard on the heels of the COVID pandemic. I am extremely grateful for the resilience of the staff, the enduring support of the members of the Victory Services Club and all those who use our impressive facilities who collectively have ensured that our recovery has continued with a number of notable highlights which are detailed in the following paragraphs.

The invasion of the Ukraine on 24th February 2022, repeated disruption caused by transport strikes, and the economic distress caused by financial uncertainty, sharply rising prices and inflation have had a telling effect on the Club's operations and our staff and members. The Club is nothing without our excellent staff and in response to the financial pressures the Remuneration Committee and the Board responded with a number of measures to ease the burden including pay rises, the award of a discretionary extra week's pay, three months of additional contributions to meet food and travel costs and a number of other measures to support the staff. Our members have repeatedly expressed their gratitude to the staff for their exceptionally high standards of work and loyalty. We are also very grateful to our diverse membership who repeatedly write in recognition of the staff. In December 2022, our membership donated £30,539 for the Staff Fund. In the year we saw membership increase from the 1st April 2022 by 1,838 to 59,941 by 31st March 2023. The membership has returned to the Club in considerable numbers and the average occupancy of our available bedrooms was 84% across the whole year. We have also witnessed an increasing use of the Club's seven event rooms for members functions (celebrating birthdays and anniversaries), in addition to an increase in utilisation by Regimental Associations and Corporate companies, many of which are return bookings which is a positive indicator of both the high levels of standards and value which we provide. Naturally, the Club was exceptionally busy following the very sad loss of Her Majesty Queen Elizabeth II on 8th September 2022.

We are very proud that during the year we fulfilled our charitable objectives by providing an excellent venue for esprit de corps activities, but also the relief of hardship through the delivery of our Respite and Welfare Break scheme. In the year we provided 171 two-night free stays in the Club to families drawn from the UK Armed Forces and those who have recently left. A total of 514 individuals stayed with us for free during the year, and in addition we provided 30 breaks to servicemen and servicewomen (together with their children) who are recommended to us by the Armed Forces for Reward and Recognition breaks for their exceptional military service. The Club has again provided discounted event spaces for all sizes of charitable activities including award evenings, conferences and small meetings. When possible the Club has provided a number of free meeting rooms to assist other charities to deliver their objectives. The Club has also assisted our neighbouring school through the provision of our Facilities Management team to help with short term issues and also to provide our Carisbrooke Hall for large school events and productions.

Following the creation of a single Board consisting of twelve Trustees on 28th March 2023, and combined with the need to add focus to two specific areas, a Membership Committee was formed which met for the first time on 10th May 2022, and includes representatives from the Trustees, staff and currently serving personnel. In addition a Communications and Marketing Committee was formed on 25th May 2022 to provide direction and guidance to our Sales and Marketing staff. The creation of these two subcommittees has provided greater impetus for these key activities and much welcomed support for the staff.

The Club has undertaken a number of necessary infrastructure projects, the largest of which was the refurbishment of eighteen bedrooms on the second floor of the Centenary Wing, and the creation of two new family bedrooms with bunk beds for the children. Work started in January 2023 and the project was completed at the end of April prior to the Royal Coronation on 6th May 2023. Other key notable projects included the completion of Phases 2 and 3 of the Fire Alarm upgrade to a wireless system and the refurbishment of the Centenary service lift.

The Club was able to achieve all of the aforementioned, without overburdening our members with high charges, while also increasing our cash position through increased utilisation of our bedrooms, event spaces and dining facilities. This led to an increase in income from FY 2021/22 from £6,223,263 to £9,470,912. Last year I reported our end-of-year cash position as £2,725,041 and through the loyalty of our members, sheer industry and effective cost control, our end-of year position on 31st March 2023 is £4,265,045, which again includes our residual and declining CBIL which remains untouched. In Financial Year 2023-24 we look forward to continuing to deliver our charitable activities and take forward the works to re-absorb one of our sub-lets, in addition to the refurbishment of the Clubhouse's front facade on Seymour Street (which is a lease condition) and making further improvements to our bedroom stock for the enjoyment of our members. More detail will follow at page eight. The retention and recruitment of high quality staff will be a constant feature as it has been during the reporting period.

The Board of the Victory (Services) Association has every confidence that we are very much a going concern and we look forward to another successful year in 2023-24.

Major General Seumas Kerr CBE
Chair

The Board of Trustees submits its report together with the audited financial statements of the Association for the year ended 31st March 2023.

The Trustees (who are also the Directors for the purposes of the Companies Act) present their report, incorporating the Strategic Report, for the year ended 31st March 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and Administrative Information

The Victory Services Club was founded in 1907 and is registered with the Charity Commission of England and Wales under charity number 261307. The Trustees, Secretary, principal advisors and addresses are listed on page 1..

The Victory (Services) Association, company registration number 429298, was incorporated on the 7th February 1947 and it controls the Victory Services Club. The Victory (Services) Association is a charitable company limited by guarantee and does not have a share capital. The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The Trustees are Directors of the company for the purposes of the Companies Act 2006.

Board of Trustees

The Board of Trustees determines the general policy of the Association. The Trustees are legally responsible for the overall management, finances and control of the Club. The recruitment and selection of new Trustees to serve on the Board and the Association's sub-committees is first considered by the Nominations Committee, prior to the submission of recommendations to the Board of Trustees and necessary approval. Potential new Trustees, and all appointees to sub-committees and senior Trustee roles, are assessed for their suitability in terms of knowledge, skills, experience and availability. New Trustees are inducted into the workings of the Charity by the Chair and Chief Executive/Club Secretary, with the latter providing a pack including the Charity Commission's guidance for Trustees and the Club's Business Plan. Trustees attend up to five meetings a year and all Trustees receive the minutes of each meeting.

Changes to the Board of Trustees within the year are highlighted as follows:

- Major General C J Harvey OBE QVRM TD (appointed 27th March 2023)
- Air Commodore P Higgins (retired 27th March 2023)
- Major General J S Mason MBE RM (appointed 15th June 2022)

No Trustee has any financial interest in the Association, nor draws any benefits. The Association reimbursed travelling expenses of £764 (2022: £645) to certain Trustees for attendance at meetings.

The Association operates the following sub-committees and working group:

Committee/Working Group	Chaired by
Nominations Committee	Major General Seumas Kerr
Marketing and Communications Committee	Mrs Petra Clayton
Membership Committee	Mr Gethin Roberts
Remuneration Committee	Major General Seumas Kerr
Investment Committee	Major Charles Marment
Trading Committee	Lieutenant Colonel Richard Ward
Governance Working Group	Colonel Philippe Rossiter

The day-to-day management of the Association is delegated to the Chief Executive/Club Secretary, who is supported by the Operations Director and the Finance and HR Director, who together comprise the Senior Management Team. The Chief Executive/Club Secretary attends all Trustee meetings and meetings of the Association's Sub-committees. Relevant members of the Senior Management Team also attend meetings of sub-committees when required.

VSC (Trading) Limited

The Association holds 100% of the share capital of VSC (Trading) Limited, registered number 03532841. This company is responsible for using the Association's facilities and resources which fall outside the charitable objectives of the Association by generating income to support the charitable objectives. All trading surpluses are distributed by Gift Aid to the Association. A summary of the results of the company are shown in note 11 of the financial statements.

Investment powers and policy

Powers

In furtherance of the objects of the Association, but not otherwise, the Association shall have the power to invest monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being, be imposed or required by law. The investments of the Victory Services Association Limited are managed by Investec, Blackrock and M&G.

Policy

It is the policy of the Association to run the Club from trading surpluses and only to call upon investment reserves when essential for capital improvements. For the present it is the Association's aim to achieve maximum growth while at the same time protecting the real value of investments. The Investment Committee re-invests the dividends in the fund. The value of the Association's long-term investments should not be reduced below £1,000,000 at market value unless exceptional circumstances are approved by the Board of Trustees.

Risk management

The Board of Trustees is required to include a statement that the major risks to which the Association is exposed, as identified by the Board of Trustees, have been reviewed and that the systems in place will mitigate those risks. The Board of Trustees reviews the formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, listing them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The Board of Trustees fully recognises the significant importance of effective internal controls on expenditure and payment and takes every action to minimise this risk. At each Trustees' meeting one risk is considered in detail. The Senior Management Team are responsible for day-to-day monitoring of all risks on behalf of the Board of Trustees. The principal risks the Association faces and their mitigation strategies are as follows:-

Risk	Mitigation and Controls
Risk 1: Business Downturn. Supplier price increases, competition from other Clubs/hotels, erosion of prices and inflation affecting consumer.	- Regular cashflow review by SMT and Honorary Treasurer. - Prompt identification and action on price increases through purchasing and stock control procedures. - Regular benchmarking with industry associations and competitors. - Comprehensive review process through various reports (End of Day, Weekly Sales, Monthly Management). - Cashflow and Business Performance Reports reviewed at every meeting by the Board.
Risk 2: Business Downturn. Members decide not to use the Club, or renew their membership and the Club fails to recruit a matching or higher number of members.	- Monitoring of attrition and joiners rates, and analysis of reasons. - Membership Committee support to the Membership Secretary and staff. - Efforts to attract new members through regular communications (Club Talk, social media). - Priority actions lists and periodic progress briefings to the Board. - Adjust pricing sensitively due to members' reduced disposable income.
Risk 3: Failure to retain and then recruit a quality, motivated workforce which causes the Club to be unable to deliver our three values of Value, Service and Courtesy.	- Ongoing monitoring of staff turnover, pay, benefits, and facilities. - Benchmarking with the London hospitality sector for appropriate compensation. - Monitoring of leave taken, sickness rates, and overtime worked. - Close engagement with Managers to gauge morale and workload.
Risk 4: Cyber-crime or inadequate IT policies leading to reputational risk and an inability to manage the Club.	- IT and Disaster Recovery policies developed with advice from 3rd party consultants. - Measures in place to minimize cyber risk: managed IT support, automated patching and updates, firewall, DNS protection, user email security training, cyber insurance. - Application patch management and failover internet lines. - Consultancy for Disaster Recovery.

Risk 5: The Club is unable to raise sufficient cash to pay the lease extension premium. The Church Commissioners decide not to renew our lease.	- Planned rebuilding of reserve funds to meet lease extension/purchase. - The Board of Trustees' focus on the matter and financial target setting. - Effective management of sub-let leases to fulfil contractual duties.

CHARITABLE OBJECTIVES, VISION, MISSION AND ACTIVITIES

The objectives of the Charity are:

(i) To promote military efficiency and esprit de corps by bringing together members of the Armed Forces of the Crown, former members of the Armed Forces of the Crown and members of the Armed Forces of the Commonwealth and Foreign countries with whom they are currently allied and by improving the conditions of life of such persons.

(ii) To relieve need, hardship or distress among persons who have served in the Armed Forces of the Crown and their dependants.

The Club's Vision is to be the leading military members' Club, where membership is cherished, and outstanding standards of services are the norm.

The Club's Mission is to deliver outstanding Value, Service and Courtesy.

Public Benefit

The Board of Trustees has had due regard to the Charity Commission guidance in deciding how to implement the Charity's object for the benefit of the public. The work carried out by the Charity to further the charitable objectives is highlighted in the Chair's statement.

By way of expansion on those points the Trustees and staff have been focused on our two objectives to ensure that we continue to provide a benefit to our members and the wider military 'family'. To meet the Charity's first objective we provide a smart, comfortable, and modern venue for esprit de corps activities. Specifically, these include informal and formal meetings, and Ships, Regimental and Squadron dinners, and conferences. The Club hosts an increasing number of military Association events due to a more effective marketing programme, and a pricing model which is 25% cheaper than a commercial non-military event being held in the Club. The intent of providing an enjoyable event that is affordable, which allows individuals from all ranks to participate and be accommodated at very reasonable prices has again been maintained. In FY 2022/23 single shared facility bedrooms which are only available for members was £64.50

Our RWB scheme, as mentioned by the Chair earlier, is a unique offer in London which provides free accommodation and all meals for a two-night stay to a family consisting of two adults and usually up to three school age children; this offer is extended to an accompanying carer if necessary. Over the last five years we have hosted 1,941 individuals under this scheme. Our Trustees are committed to annually increasing the numbers benefitting from this offer. This is achieved by the Club's staff frequently engaging with the leading military charities and the single Service and Defence Medical Rehabilitation staff to seek nominations. The Club also continues to offer sixty free weekend Reward and Recognition breaks to members of the serving Armed Forces who are recommended to us. This scheme is generously funded by the Nuffield Trust for the Forces of the Crown. With the previously noted support for other charities the Club has given discounted charges for meeting and event rooms. In addition, SSAFA and the War Widows were given the Carisbrooke Hall for free one day with refreshments for a theatre production on Bereavement, which if hired to a corporate company would have cost £5,000. We have also hosted the Marble Arch Community Panel, and the Paddington Community Panel which involves local churches, schools, and other non-military charities and they have paid a discounted rate.

Remuneration of senior staff

The Board of Trustees, supported by the salaried Senior Management Team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Association on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts. The pay of the Senior Management Team and all staff is reviewed bi-annually by the Remuneration Committee which reports to the Board of Trustees. The Remuneration Committee considers comparative data from several external sources including the Association of London Clubs, and the Institute of Hospitality.

Capital and Works Expenditure

In the reporting period the Club carried out a range of capital and maintenance projects. The Chair highlighted the project to refurbish eighteen bathrooms on the 2nd floor of the Centenary Wing and the creation of two additional family suites. This project was completed in April 2023 at a cost of £360,000 and has greatly improved the facilities for our members. In year the club completed the annual survey of the front facade onto Seymour Street and also the roof and chimney stacks £which has identified a requirement for repair and redecoration work as required in the terms of our lease, but also to address water ingress and HSAW issues. Owing to access challenges the frontage of the Club will be fully scaffolded, which has contributed to the project cost of £365,000 in FY 2022/23. In June 2022 the club completed the £50,000 upgrade to a Wi-Fi capability which had been largely funded by a generous grant from the Army Central fund in the previous year. In addition, the Club installed the cabling for a music system in the Lounge Bar to add some ambience in the room when many members are not present. Owing to the age of the building the Club's decision to install a wireless fire alarm detection system across a number of phases has now seen the completion of three phases in the Memorial Wing, with the Centenary Wing to be addressed next.

Plans for the Future.

The Club's linkages to the Armed Forces community, both serving and retired, will continue to be developed through the newly formed Membership Committee, which has already increased the number of invitations to Garrison family days and military conferences. A programme of actions has been developed with an increased marketing budget which will see the continuing increase in membership numbers going forward. We also anticipate hosting higher numbers of the free respite breaks which the Club provides, owing to the increasing awareness of these special opportunities at the VSC.

In FY 2023/24 the Club will carry out a project to replace the air conditioning plant in the Centenary Wing second floor bedrooms at a cost of £75,000 and spend £40,000 to install energy saving measures. Given the age of some of our IT systems, in FY 23/24 the Club will install new computer servers for the Club's main accounts which will cost £45,000 and also spend £10,000 on replacement PC hardware. Later in FY 2023/24 the Club will take forward all necessary work to be ready to reabsorb the Al Balad sublet back into the Club when the tenant vacates on the 4th of June 2024. The capital works will cost £500,000 in FY 2024/25 and a compensation payment of £80,000 will also have to be paid in accordance with legislation. In FY 24/25 the ensuite bathrooms on the third floor of the Centenary Wing will be refurbished at a rough order of costs of £320,000.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities shows a net surplus £690,205 (2022: £386,030). The surplus is after a loss in our investments of £149,765 (2022: gain £385,550). As the Investments are held for the long term, the Investment Committee does not propose a change in investment strategy. The accumulated funds at the balance sheet date totals £15,277,389 (2022: £14,587,184).

Fixed assets

In the opinion of the Board of Trustees the market value of the leasehold premises is significantly higher than the book value, details of which are given in the notes to the financial statements. However, because of the various covenants in the lease, it is not practicable to ascertain with any degree of precision, the market value of the leasehold premises.

The investments held by the Association have been acquired in accordance with the powers available to the Trustees.

Fundraising

The Association does not actively fundraise from the public although grants are sought from grant making bodies. Some members have left bequests to the Association, and have voluntarily made some donations, for which we are most grateful. We have not received any complaints in respect of fundraising activity. In 2022/23 there were also no complaints.

Reserves policy

In the year to the 31 March 2020 the Trustees carried out a review of the Reserves Policy. Using the Charity Commission guidance, the Trustees decided that the Charity needed to better ensure the long-term interests of the Charity and its beneficiaries were protected. Hence, the updated Reserves Policy was approved in October 2019 and consists of the following elements:

- The Charity's unrestricted reserve to cover business downturn, property and staff risk would be built up to twelve months of operating costs (currently calculated at £7.18m);

- The designated fixed asset fund at the net book value of the fixed assets £8,686,010 (2022: £9,137,220);

- At 31st March 2023, the Charity had total reserves of £15,277,389 (2022: £14,587,184). Of the total, £192,641 relates to restricted funds (2022: £197,845) and £8,686,010 is included in a designated fund which reflects the net book value of tangible fixed assets (2022: £9,137,220).

The Trustees further decided to review the Reserves Policy going forward as part of the annual budgeting process, or when the Charity's strategy is reviewed and when the risks faced by the Charity significantly change.

As at 31st March 2023, the Charity had general, unrestricted reserves, excluding restricted and designated reserves of £6,398,738 (2022: £5,252,119).

Investment performance

At 31st March 2023 investment balances were:

- Armed Forces Common Investment Fund: £601,758 (2022: £649,775).
- M&G Charifund: £1,988,103 (2022: £2,002,367).
- M&G Charibond: £279,468 (2022: £301,828).
- Investec Wealth & Investment Limited: £1,393,650 (2022: £1,457,513).

The loss on investments was £149,765 (2022:gain £385,550). At the end of the financial year, the Charity's total investments stood at £4,262,979 (2022: £4,403,775).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the group and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charities SORP.
- Make judgements and 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 assume that the charitable company will continue in operation.

The Trustees are also responsible for keeping proper 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. The Trustees also confirm that they have made all necessary enquiries and taken such steps that they ought to, to ensure that they become aware of any relevant audit information and that they confirm that the Association's auditors have been made aware of such information.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

BY ORDER OF THE BOARD

Air Commodore N P Beet CBE

63/79 Seymour Street
London, W2 2HF

Independent auditor's report to the members of The Victory (Services) Association Limited

Opinion

We have audited the financial statements of The Victory (Services) Association Limited for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Association balance Sheet, the Consolidated Cash Flow Statement and 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 state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the 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.

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 group 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

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 group'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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, incorporating the Strategic Report, and the Chair's Statement. 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' Report (which includes the strategic report and 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 strategic report and the directors' report included within the Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the 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 group's and the parent 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 group or the parent 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales and Scotland , and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular donation and legacy recognition.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Vikram Sandhu (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen, Street Place, London EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM:					
Donations and legacies	3	369,637		369,637	404,298
Charitable activities					
Membership		1,144,723	-	1,144,723	1,016,661
Catering and accommodation		6,779,690	-	6,779,690	4,065,223
Trading activities		932,513	-	932,513	501,445
Investments	4	244,349	-	244,349	235,636
TOTAL INCOME		9,470,912	-	9,470,912	6,223,263
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity		1,166,599	-	1,166,599	593,607
Charitable activities					
Catering and accommodation		6,122,289	-	6,122,289	4,438,084
Membership and central allocation		1,304,741	37,314	1,342,055	1,191,092
TOTAL EXPENDITURE	6	8,593,629	37,314	8,630,943	6,222,783
Net gains/(losses) on investments		(149,765)	-	(149,765)	385,550
NET INCOME /(EXPENDITURE)	5	727,519	(37,314)	690,205	386,030
Transfer between funds		(32,110)	32,110	-	-
NET MOVEMENT IN FUNDS		695,409	(5,204)	690,205	386,030
Reconciliation of funds:					
Total funds brought forward		14,389,339	197,845	14,587,184	14,201,154
TOTAL FUNDS CARRIED FORWARD		15,084,748	192,641	15,277,389	14,587,184

All transactions are derived from continuing activities. The split between unrestricted and restricted donations and legacies for the current and previous year is shown in note 3.

All recognised gains and losses are included in the Statement of Financial Activities.

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	9		8,686,010		9,137,220
Investments	10		4,262,979		4,403,775
			12,948,989		13,540,995
CURRENT ASSETS					
Stocks	12	48,906		37,183	
Debtors	13	314,787		368,715	
Cash at bank and in hand		4,265,045		2,725,041	
		4,628,738		3,130,939	
CREDITORS: amounts falling due within one year	14	(1,600,338)		(1,084,750)	
NET CURRENT ASSETS			3,028,400		2,046,189
TOTAL ASSETS LESS CURRENT LIABILITIES			15,977,389		15,587,184
CREDITORS: falling due after more than 1 year	14	(700,000)		(1,000,000)	
TOTAL NET ASSETS OR LIABILITIES			15,277,389		14,587,184
FUNDS	15				
Restricted funds			192,641		197,845
Unrestricted funds:					
Designated funds			8,686,010		9,137,220
General funds			6,398,738		5,252,119
			15,084,748		14,389,339
			15,277,389		14,587,184

The consolidated surplus of the Association was £690,205 (2022: surplus of £386,030).

The financial statements were approved and authorised for issue by the members of the Council on 5th July 2023 and were signed below on its behalf by:

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

ASSOCIATION BALANCE SHEET

AT 31 MARCH 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	9		8,686,010		9,137,220
Investments	10		4,262,979		4,403,775
Investment in trading company	11		2		2
			12,948,991		13,540,997
CURRENT ASSETS					
Stocks	12	48,906		37,183	
Debtors	13	1,614,391		495,665	
Cash at bank and in hand		2,834,361		2,558,934	
		4,497,658		3,091,782	
CREDITORS: amounts falling within one year	14	(1,469,260)		(1,045,595)	
NET CURRENT ASSETS			3,028,398		2,046,187
TOTAL ASSETS LESS CURRENT LIABILITIES			15,977,389		15,587,184
Creditors falling due after more than 1 year	14	(700,000)		(1,000,000)	
NET ASSETS			15,277,389		14,587,184
FUNDS	15				
Restricted funds			192,641		197,845
Unrestricted funds:					
Designated funds			8,686,010		9,137,220
General funds			6,398,738		5,252,119
			15,084,748		14,389,339
			15,277,389		14,587,184

The financial statements were approved and authorised for issue by the members of the Council on 5th July 2023 and were signed below on its behalf by:

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023		2022	
		£	£	£	£
Cash Flow from operating activities	21		2,264,578		1,017,377
Cash flows from investing activities					
Rents receivable		205,975		223,182	
Income from investments		18,543		11,676	
Other interest receivable		19,831		778	
Interest paid		24,481			
Payments to acquire tangible fixed assets		(684,434)		(435,861)	
Disposal of tangible fixed assets		-		340	
Purchase of investments		(216,156)		(260,591)	
Proceeds from sale of investments		207,187		162,190	
Net cash provided by (used in) investing activities			(424,573)		(298,286)
Cash flows from financing activities					
Cash inflows /(outflows) from borrowing			(300,000)		(200,000)
Change in cash and cash equivalents in the year			1,540,004		519,091
Cash and cash equivalents at the beginning of the year			2,725,041		2,205,950
Total cash and cash equivalents at the end of the year			4,265,045		2,725,041

Analysis of changes in net debt

	At start of year	Cash-flows	Other non-cash changes	At end of year
Cash and cash equivalents	2,725,041	1,540,004		4,265,045
		1,540,004		
Loans falling due within one year	(300,000)	300,000	(300,000)	(300,000)
Loans falling due after more than one year	(1,000,000)	-	300,000	(700,000)
Total	1,425,041	1,840,004	-	3,265,045

Analysis of cash and cash equivalents	2023	2022
	£	£
Cash at bank and in hand	3,765,045	2,225,041
Notice deposits (less than 3 months)	500,000	500,000
Total Cash and cash equivalents	4,265,045	2,725,041

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Accounting
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.

Group financial statements have been prepared in respect of the Association and its wholly owned trading subsidiary, VSC (Trading) Limited. The subsidiary has the same accounting reference date as the Association. No separate profit and loss account is presented for The Victory (Services) Association as provided by Section 408 of the Companies Act 2006.

(b) Subscriptions
Subscription income is recognised in the period in which it is received.

(c) Grants, legacies and donations
Grants, legacies and donations are accounted for when their payment to the Association is confirmed and quantifiable.

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme. The income is accounted for in the period in which the associated salary costs are made to furloughed staff.

(d) Investment income
Investment income is accounted for in the period that it is receivable.

(e) Other income
Other income is accounted for in the period in which it falls due. Income received in advance is treated as deferred income and included in creditors.

(f) Allocation of Expenditure
Expenditure is charged directly to the cost centre to which it relates. Support costs area allocated based on income generated. Governance costs consist of those costs which relate to the overall running of the Association, including meeting statutory and regulatory requirements.

(g) Financial instruments
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(h) Investments
Investments are included at market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

(i) Tangible fixed assets
Expenditure on fixed assets more than £1,000 is capitalised and depreciated over the asset's expected useful life as follows:

- Leasehold premium is amortised over approximately 60 years.
- Furniture, equipment, electrical works and improvements to premises are depreciated by equal annual instalments over 5 to10 years
- Computer equipment is depreciated by equal instalments over 5 years.
- En suite bedrooms, lifts and other leasehold improvements are depreciated by equal instalments over 10 to 25 years

(j) Stocks
Stocks are valued at the lower of cost or net realisable value.

(k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.
Debtors are reviewed at the year-end for evidence of required impairment to their settlement amount. A Bad debts provision is calculated based on a conservative basis.

(l) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Fund Accounting
Unrestricted funds comprise accumulated surpluses and deficits on general funds - they are available for use at the discretion of the Council in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Council. At the year-end they comprise a fixed asset fund which represents the extent to which funds are invested in fixed assets for use by the charity and therefore not available for other purposes (see note 15).

Restricted funds are funds subject to specific restricted conditions imposed by the donors or the Council.

(n) Leasing and hire purchase commitments
Provision is made annually for the estimated cost of obligations under the lease of the Association's premises.

Rentals under operating leases have been charged to the Statement of Financial Activities on a straight-line basis.

(o) Preparation of accounts on a going concern basis
The Council Members consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives the Council confidence the charity remains a going concern for the foreseeable future.

(p) Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, Council Members are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main item within the financial statements where judgements and estimates have been made is in relation to estimating the useful economic life of tangible fixed assets.

(q) Pension arrangements
a) *Group personal pensions*

The Association provides group personal pension arrangements for certain employees. Contributions are made both by the Association and the employee into individual pension plans with a leading pension provider.

b) *Automatic enrolment*

The Association joined the Government auto enrolment scheme in May 2014. Eligible members of staff are automatically enrolled unless the staff member explicitly chooses to opt out. The Association currently contributes 5% (2022: 5%) of pensionable salary to the scheme.

2. INCOME

Income represents amounts receivable by the Association and its subsidiary from its membership and the services provided, net of value added tax recoverable. All income arose in the United Kingdom.

3. GRANTS, LEGACIES, DONATIONS AND FUNDRAISING

	2023	2022
	£	£
Restricted voluntary income		
Grants	-	40,000
	-	40,000
Unrestricted voluntary income		
Grants	70,000	104,027
Legacies	93,528	94,070
Gift Aid on membership subscriptions and donations	175,278	154,496
Donations	30,831	11,705
	369,637	404,298

4. INVESTMENT INCOME

	2023	2022
	£	£
Rents receivable	205,975	223,182
Investment income	18,543	11,676
Other interest receivable	19,831	778
	244,349	235,636

5. NET (EXPENDITURE)/INCOME FOR THE YEAR

	2023	2022
	£	£
This is stated after charging the following:		
- Amortisation of leasehold property	12,654	12,654
- Depreciation on other fixed assets	1,114,884	1,243,017
- Auditors remuneration for audit services		
for audit services	20,385	18,725
for other services	-	-
- Operating lease rentals	60,124	36,106

6. EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2023			
	Support Costs	Staff Costs	Other Direct	Total
	£	£	£	£
a) ANALYSIS OF EXPENDITURE				
Raising Funds				
Fundraising and publicity	330,986	452,506	383,107	1,166,599
Expenditure on charitable activities:				
Catering and accommodation	2,411,471	2,701,185	1,009,633	6,122,289
Membership and central allocation	397,120	851,381	93,554	1,342,055
TOTAL EXPENDITURE	3,139,577	4,005,072	1,486,294	8,630,943

Fundraising and publicity expenditure includes support, staffing and other costs associated with commericial events activity and marketing.

Expenditure includes £764,575 incurred by VSC (Trading) Limited (2022: £287,752). Of the total expenditure, £37,314 was restricted (2022: £34,394).

b) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2023				
	Office expenses	Property costs	Other support costs	Governance costs	Total
	£	£	£	£	£
Raising Funds					
Fundraising and publicity	23,481	223,377	73,674	10,454	330,986
Expenditure on charitable activities:					
Catering and accommodation	171,599	1,632,445	538,414	69,013	2,411,471
Membership and central allocation	28,974	275,632	90,909	1,605	397,120
TOTAL SUPPORT COSTS:	224,054	2,131,454	702,997	81,072	3,139,577

c) GOVERNANCE COSTS

	2023	2022
	£	£
Wages and salaries	10,454	9,281
Legal and professional, including audit	69,013	52,398
Council and Committee expenses	1,605	988
	81,072	62,667

6. EXPENDITURE (COMPARATIVE)

	FOR THE YEAR ENDED 31 MARCH 2022			
	Support Costs	**Staff Costs**	**Other Direct**	**Total**
	£	**£**	**£**	**£**
d) ANALYSIS OF EXPENDITURE				
Raising Funds				
Fundraising and publicity	218,715	161,967	212,925	593,607
Expenditure on charitable activities:				
Catering and accommodation	1,915,704	1,897,246	625,134	4,438,084
Membership and central allocation	433,382	654,543	103,167	1,191,092
TOTAL EXPENDITURE	2,567,801	2,713,756	941,226	6,222,783

e) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

			3		
	Office expenses	**Property costs**	**Other support costs**	**Governance costs**	**Total**
	£	**£**	**£**	**£**	**£**
Raising Funds					
Fundraising and publicity	19,388	169,642	20,404	9,281	218,715
Expenditure on charitable activities:					
Catering and accommodation	159,127	1,392,361	311,818	52,398	1,915,704
Membership and central allocation	40,027	350,241	42,126	988	433,382
TOTAL SUPPORT COSTS:	218,542	1,912,244	374,348	62,667	2,567,801

7. STAFF NUMBERS AND COSTS

	2023 No.	2022 No.
The average number of persons employed during the year were as follows		
Accommodation	61	43
Catering	48	39
Membership	3	2
Support	9	5
	119	90

	2023 £	2022 £
The aggregate payroll costs of these persons were as follows		
Salaries and wages	3,541,788	2,383,703
Social security costs	325,477	216,720
Pension scheme contributions	148,262	113,333
	4,015,527	2,713,756

Included in the above are termination payments of £1,088 (2022: £0). The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2023 No.	2022 No.
£60,000 - £69,999	-	1
£70,000 - £79,999	1	1
£80,000 - £89,999	1	1
£90,000 - £99,999	1	-
£100,000 - £109,999	-	1
£120,000 - £129,999	1	-
	4	4

Contributions of £43,948 were paid on behalf of these employees into a money purchase pension scheme (2022: £44,615)

The total employee benefits of the key management personnel of the Charity were £334,747 (2022: £308,680).

8. COUNCIL MEMBERS' REMUNERATION AND REIMBURSED EXPENSES

No remuneration is paid to any member of the Council. Reimbursements of travelling expenses totalling £764 (2022: £645) were paid to certain Council members for attendance at the Charity's meetings.

9. TANGIBLE ASSETS

Consildated and Association	Long Leasehold Buildings	Leasehold improvements, fixtures, fittings and equipment	Total
Cost or Valuation	£	£	£
At 1 April 2022	837,952	19,363,030	20,200,982
Additions	-	684,434	684,434
Disposals	-	(242,220)	(242,220)
At 31 March 2023	837,952	19,805,244	20,643,196
Depreciation & Amortisation			
At 1 April 2022	473,360	10,590,402	11,063,762
Charged in Year	12,654	1,114,884	1,127,538
Disposals	-	(234,114)	(234,114)
At 31 March 2023	486,014	11,471,172	11,957,186
Net Book Value			
At 31 March 2023	351,938	8,334,072	8,686,010
At 31 March 2022	364,592	8,772,628	9,137,220

Substantially all the fixed assets are for direct activities in furtherance of the Charity's objectives. The lease on the property at 63/79 Seymour Street, London, W2 2HF was renewed during 2001 for a further 125 years.

The subsidiary company did not own any fixed assets during the year (2022: None).

10. INVESTMENTS

	£
Market value at 1 April 2022	4,403,775
Additions	216,156
Disposal	(207,187)
Net gains/(losses) on investments	(149,765)
Market value at 31 March 2023	4,262,979
Historical cost at 31 March 2023	2,709,151

Investments are held as units in managed funds operated by M & G Securities Limited, listed on the UK Stock Exchange and with the Armed Forces Common Investment Fund, managed by BlackRock Investment Management Limited and Investec Wealth & Investment Limited as follows:

	£
Armed Forces Common Investment Fund	601,758
M & G Charifund	1,988,103
M & G Charibond	279,468
Investec Wealth & Investment Limited	1,393,650
	4,262,979

At 31 March 2023 the investment revaluation reserve was £ 1,553,828 (2022: £1,727,007). The subsidiary company did not own any investments during the year (2022: None).

11. INVESTMENT IN TRADING COMPANY

The Association holds 100% of the share capital of VSC (Trading) Limited (Company registration number 03532841) which is responsible for the provision of accommodation, catering and conference facilities.

The Association's investment in the trading company was as follows:	2023	2022
	£	£
VSC (Trading) Limited	2	2

The subsidiary is registered in England and Wales and pays under Gift Aid its entire profits as computed for corporation tax purposes to the Association.

Profit and Loss Account	**2023**	**2022**
	£	**£**
Turnover	932,579	501,445
Cost of Sales	(180,620)	(107,892)
Gross profit	751,959	393,553
Administration expenses (net of interest receivable)	(583,955)	(179,860)
Operating profit	168,004	213,693
Interest receivable and similar income	4,634	17
Profit before tax	172,638	213,710
Profit for the financial year	172,638	213,710

In 2020/21, the loss in the Trading company was acknowledged as a one-off only as trading activities were closed during the Coronavirus lockdowns.

	2023	**2022**
Balance sheet	**£**	**£**
Current assets	1,527,257	272,400
Current liabilities	(131,617)	(39,653)
Amounts owed to the Association	(1,223,000)	(59,020)
Net assets	**172,640**	**173,727**
Share capital	2	2
Profit and loss account brought forward	173,725	(39,985)
Profit for the year	172,638	213,710
Gift aid to parent charity	(173,725)	-
Profit and loss account carried forward	172,638	173,725
Capital and reserves	**172,640**	**173,727**

12. STOCK

	2023	**2022**
Consolidated and Association	**£**	**£**
Food and wine	43,280	31,458
Club shop	5,626	5,725
	48,906	37,183

13. DEBTORS

	Consolidated		Association	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Trade debtors	135,861	125,584	43,797	20,682
Amounts due from group undertaking	-	-	1,223,000	213,710
Other debtors	30,623	65,423	197,237	84,458
Prepayments and accrued income	148,303	177,708	150,357	176,817
	314,787	368,715	1,614,391	495,667

14. CREDITORS: Amounts falling due within one year

	Consolidated		Association	
	2023	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**
Trade creditors	524,204	286,043	524,204	286,042
Other creditors including taxation and social security	500,094	285,684	386,851	248,630
CBIL Loan	300,000	300,000	300,000	300,000
Accruals and deferred income	276,040	213,023	258,205	210,923
	1,600,338	1,084,750	1,469,260	1,045,595
CREDITORS: Amounts falling due after one year				
CBIL Loan	700,000	1,000,000	700,000	1,000,000
Total	2,300,338	2,084,750	2,169,260	2,045,595

In April 2020, the Club obtained a government backed CBIL Loan for £1,500,000. The Trustees approved the loan to support the Club through the pandemic and maintain liquidity. The loan is for six years, with a fixed interest rate of 2.10% for five years, with no interest or repayments in the first year. Loan repayments commenced in July 2021.

15. FUNDS

	At 1 April 2022	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2023
	£	**£**	**£**	**£**	**£**
Unrestricted Funds					
Designated Funds					
Fixed Assets	9,137,220	-	-	(451,210)	8,686,010
Significant Capital Projects Fund	-	-	-	-	-
General Funds	5,252,119	9,470,912	(8,593,628)	269,335	6,398,738
	14,389,339	9,470,912	(8,593,628)	(181,875)	15,084,748
Restricted Funds					
Grants					
The Nuffield Trust	21,047	-	(3,406)	-	17,641
Respite & Welfare Breaks Reserve	75,000	-	(32,110)	32,110	75,000
ABF Soldiers' Charities	1,798		(1,798)		-
Legacies	100,000	-	-	-	100,000
	197,845	-	(37,314)	32,110	192,641
	14,587,184	9,470,912	(8,630,942)	(149,765)	15,277,389

The year end restricted fund balance represents £17,641 from the Nuffield Trust for the funding of Reward and Recognition breaks, and a £100,000 legacy towards the refurbishment of adapted bedrooms. As part of our charitable objectives, the Club maintains its Respite & Welfare reserve of £75k to support those who take advantage of the Charity's respite and welfare breaks.

15. FUNDS (comparative)	**At 1 April 2021**	**Income**	**Expenditure**	**Transfers/ gains/ (losses)**	**At 31 March 2022**
	£	**£**	**£**	**£**	**£**
Unrestricted Funds					
Designated Funds	9,957,369	-	-	(820,149)	9,137,220
General Funds	4,027,708	6,183,263	(6,188,388)	1,229,536	5,252,119
	13,985,077	6,183,263	(6,188,388)	409,387	14,389,339
Restricted Funds					
Grants					
The Nuffield Trust	24,619	-	(3,572)	-	21,047
ABF Soldiers' Charities	16,458	-	(14,660)		1,798
Respite & Welfare Breaks Reserve	75,000		(16,163)	16,163	75,000
Army Central Fund		40,000		(40,000)	-
Legacies	100,000	-	-	-	100,000
Other specific donations					
	216,077	40,000	(34,395)	(23,837)	197,845
	14,201,154	6,223,263	(6,222,783)	385,550	14,587,184

The year end restricted fund balance represents £21,047 from the Nuffield Trust for the funding of Reward and Recognition breaks, £1,798 from the ABF Soldiers' Charites and £75,000 to fund those who take advantage of the Charities respite and welfare breaks and a £100,000 legacy towards the refurbishment of adapted bedrooms.

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	AT 31 MARCH 2023			
	Restricted Funds	**General Funds**	**Designated Funds**	**Total**
	£	**£**	**£**	**£**
Tangible fixed assets	-	-	8,686,010	8,686,010
Investments	-	4,262,979	-	4,262,979
Net current assets	192,641	2,835,759	-	3,028,400
Long term liabilities	-	(700,000)	-	(700,000)
	192,641	6,398,738	8,686,010	15,277,389

	AT 31 MARCH 2022			
	Restricted Funds	**General Funds**	**Designated Funds**	**Total**
	£	**£**	**£**	**£**
Tangible fixed assets	-	-	9,137,220	9,137,220
Investments	-	4,403,775	-	4,403,775
Net current assets	197,845	1,848,344	-	2,046,189
Long term liabilities	-	(1,000,000)	-	(1,000,000)
	197,845	5,252,119	9,137,220	14,587,184

17. CAPITAL COMMITMENTS

Commitments for capital expenditure for which no provisions have been made in these financial statements were as follows:

	2023	2022
	£	£
Authorised and contracted for works for the lift upgrades (Memorial Wing), replacement AC units (Centenary Wing) and new card system for bedrooms.	136,895	131,838

18. OPERATING LEASE COMMITMENTS

	2023		2022	
	Land & Buildings	Other	Land & Buildings	Other
Leases which expire:	£	£	£	£
In one to five years	-	60,124	-	36,106
After five years	577,500	-	597,750	-
	577,500	60,124	597,750	36,106

19. MEMBERS' LIABILITY

The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Council are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

20. PENSION COMMITMENTS

The Association operates a Group pension arrangement. The overall pension charge for the year was £148,262 (2022: £113,333. At 31 March 2023, contributions of £34,740 were outstanding (2022: £16,973.06)

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2023	2022
	£	£
Net movement in funds	**690,205**	**386,030**
Dividends, interest and rents from investments	(244,349)	(235,636)
Interest Paid	24,481	-
Net losses/ (gains) on investments	149,765	(385,550)
Depreciation and amortisation charges	1,127,538	1,255,671
Increase/ (Decrease) in creditors	582,588	32,798
Decrease/ (Increase) in debtors	(53,928)	(26,280)
(Increase)/ Decrease in stocks	(11,723)	(9,656)
Net Cash generated by operating activities	**2,264,578**	**1,017,377**

22. RELATED PARTY TRANSACTIONS

At the year end VSC (Trading) Limited (the subsidiary) owed The Victory (Services) Association £1,223,000 (2022: £59,020)

	2023	2022
	£	£
Payments from VSC (Trading) Limited to parent charity for shared resources	39,985	6,995
Profits donated by VSC (Trading) to The Victory (Services) Association	173,725	-

23. POST BALANCE SHEET EVENTS

There were no post balance sheet events to disclose.

THE VICTORY (SERVICES) ASSOCIATION

England & Wales - Charity number 261307

Accounts

THE VICTORY (SERVICES) ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

Company No. 429298

Registered Charity No. 261307

THE VICTORY (SERVICES) ASSOCIATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

THE VICTORY (SERVICES) ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

PATRON-IN-CHIEF
Her Royal Highness the Duchess of Cornwall GCVO

PRESIDENT
General Sir Richard Barrons KCB CBE

CHAIRMAN
Major General J S Kerr CBE

VICE-CHAIRMAN
Colonel P R Rossiter

HONORARY TREASURER
Lieutenant Colonel R Ward

DIRECTORS
Warrant Officer J Alpert Warrant Officer (retired 23rd March 2022)
Warrant Officer R Angove (Class 1) (CRSM) (retired 13th December 2021)
General Sir Richard Barrons KCB CBE (retired 23rd March 2022)
Mr P Brackley
Air Vice-Marshal S Chisnall CB
Mrs P Clayton
Commodore R Harris RN (retired 23rd March 2022)
Mrs M Hickson (retired 23rd March 2022)
Air Commodore P Higgins
Major General J S Kerr CBE
Mr C N B Lacey
Major C Marment FCSI
Warrant Officer (Class 1) Dean Morgan (retired 23rd March 2022)
Mrs C Newhall-Caiger
Lieutenant Colonel D Pealin (retired 23rd March 2022)
Wing Commander T Pilkington MBE (retired 29th December 2021)
Mr G Roberts
Colonel P R Rossiter
Warrant Officer (Class 1) C Steedman (retired 23rd March 2022)
Lieutenant Colonel R Ward

SECRETARY
Air Commodore N P Beet CBE

BANKERS
NatWest plc
69 Baker Street
PO Box No 2
London
W1U 6AT

REGISTERED ADDRESS
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London
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5 Fleet Place
London
EC4M 7RD

Bates Wells
10 Queens Street Place
London
EC4R 1BE

AUDITORS
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

I have much pleasure in submitting my report on the financial statements for the year which ended on 31st March 2022.

The Directors of the Victory (Services) Association, which controls the Victory Services Club, together with our outstandingly loyal and professional staff have had again an exceptional year, which has been focused on recovering operations towards pre-Covid levels. Although this recovery work remains in progress, there is much to be commended, against an extremely challenging backdrop.

Notably, the Victory Services Club remained open throughout the year ended 31st March 2022, as it did throughout the whole of the pandemic period, although initially the offer of services to members and guests was limited. The lifting of the majority of the remaining Covid restrictions on 19th July 2021 enabled the restart of our charitable activities. Through the staff's considerable endeavours, we were able to host 205 families from the Royal Navy, Royal Marines, the Army and the Royal Air Force up until the 31st March 2022, as part of our free Respite and Welfare Breaks (RWB) in the Club, which benefitted 381 adults and 233 children. This was an outstanding achievement having broken our previous record of 158 breaks, despite a shorter operating year. In addition, we provided a further 50 adults and their 23 children with free Reward and Recognition Breaks. These two schemes, together with our provision of free membership for serving personnel and their spouses, demonstrate our clear support for the Armed Forces Family, and which underpinned our successful Gold Award in the Defence Employers Recognition Scheme in July 2021. Also, since July 2021, the Club has welcomed countless military charities and Regimental Associations and their sister Service equivalents to conferences and dinners. All of these have benefited from our charitable rates which are aimed at supporting the military community, through offering a West End dining and meeting experience at considerably reduced prices, which is part of our commitment to deliver Value, Service and Courtesy. Inevitably, our recovery progress was impacted by the Omicron variant and the onset of considerably higher in-year food and utility charges, with a £250k increase in the latter expected in the new financial year. Nevertheless, the year ended positively, and the charity is cautiously optimistic about FY 2022-23. The Club has remained engaged in the local community, principally via our involvement in the Marble Arch Business District and helping our neighbouring school with our facilities staff when crisis moments have occurred. Through rising bedroom occupancy figures, increasing food and beverage sales and members holding reunion lunches and dinners we can evidence the esprit de corps activities which take place in the Club. Notwithstanding the financial pressures, the Club completed a £316,000 light refurbishment programme of 85 Club bedrooms and fully updated the Club's Wi-Fi; the latter was made possible by an extremely generous donation of £40,000 from the Army Central Fund and £10,000 of Club money. Both of these projects were of considerable benefit to our members. CAPEX spending was otherwise restricted to operationally essential items, including our continuing commitment to enhancing our fire prevention and mitigation measures.

All of the above would not be possible without our outstanding staff who have delivered exemplary standards of service, under difficult circumstances, including shortages of key personnel in some departments. This hard work was recognised by our exceptionally supportive members who responded positively to an appeal from the Chairman to donate to the Staff Fund at Christmas which led to all middle managers and below receiving a £600 gift (before tax). Until more staff are recruited the Club will only operate at 75% of previous capacity and will look to be fully reinstated by September 2022. With effect from 1st April 2022, the Club now pays above the London Living Wage.

Following work initiated at the Trustee's Strategy Away Day in September 2021, an important review concluded that the charity's Board was too large and that there were opportunities to streamline work. Following consultation with the Trustees it was agreed that the longstanding Council and Executive Committee structure should be merge into a single Board. The need for two new sub-committees, specifically Membership and also Communications and Marketing, were also identified and some Trustees agreed that they would take this opportunity to stand down as Directors, but continue to serve as committee members. The changes were unanimously agreed. Thus, the Association now has a much reduced Board of twelve Directors which accords with the Charity Commission guidelines and provides sufficient representation on our increased number of sub-committees. The process was completed by a Special Resolution on 28th March 2022 which approved the changes to our Articles of Association. We look forward to the Charity Commission's agreement to the changes. The first new Board met on 15th June 2022.

Financially, the Association is in a positive position with our end of year cash position standing at £2,558,934 which was considerable better than the previous year which was £2,140,475. As before, we have not touched our CBILs loan and nor have we drawn down any investments in-year; we do not foresee the need to do so in FY 2022-23. The support from our 58,200 members worldwide has been remarkable. The Board has every confidence that with the very solid end-of-year cash position, higher investments, increasing bedroom occupancy levels being experienced in the first quarter of FY 2022-23, and with more conferences being booked, together with more international travellers back in the Club, that the Association is very much a going concern.

The Board looks forward to the outcomes of the new financial year which will build on the clear recovery achieved in FY 2021-22.

Major General Seumas Kerr
Chairman

The Board submits its report together with the audited financial statements of the Association for the year ended 31st March 2022.

The Board members (who are also the Directors for the purposes of the Companies Act) present their report, incorporating the Strategic Report, for the year ended 31st March 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and Administrative Information

The Victory Services Club was founded in 1907 and is registered with the Charity Commission of England and Wales under charity number 261307. The Trustees, Secretary, principal advisors and addresses are listed on page 1.

The Victory (Services) Association, company registration number 429298, was incorporated on the 7th February 1947 and it controls the Victory Services Club. The Victory (Services) Association is a charitable company limited by guarantee and does not have a share capital. The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Board are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

Board members

The Board (previously the Council) determines the general policy of the Association. The Trustees are legally responsible for the overall management, finances and control of the Club. The recruitment and selection of new Trustees to serve on the Board and the Association's sub-committees is first considered by the Nominations Committee, prior to the submission of recommendations to the Board and necessary approval. Potential new Trustees, and all appointees to sub-committees and senior Trustee roles, are assessed for their suitability in terms of knowledge, skills, experience and availability. New Trustees are inducted into the workings of the Charity by the Chairman and Chief Executive/Club Secretary, with the latter providing a pack including the Charity Commission's guidance for Trustees and the Club's Business Plan. Board Members attend up to eight meetings a year and all Board Members receive the minutes of each meeting.

Changes to the Board which the Chairman highlighted in his report, within the year are highlighted as follows:

- Warrant Officer J Alpert Warrant Officer retired from the Council on 23rd March 2022
- Warrant Officer R Angove (Class 1) (CRSM) retired from the Council 13th December 2021
- General Sir Richard Barrons KCB CBE retired from the Council 23rd March 2022
- Wing Commander T Pilkington MBE retired from the Council 29th December 2021
- Commodore R Harris RN retired from the Council 23rd March 2022
- Mrs M Hickson retired from the Council 23rd March 2022
- Warrant Officer (Class 1) Dean Morgan retired from the Council 23rd March 2022
- Lieutenant Colonel D Pealin retired from the Council 23rd March 2022
- Warrant Officer (Class 1) C Steedman retired from the Council 23rd March 2022

No Member of the Board has any financial interest in the Association, nor draws any benefits. The Association reimbursed travelling expenses of £645 (2021: £95) to certain members of the Board for attendance at meetings.

Executive Committee members

During the majority of FY 2021-22, specific powers were delegated by the Council to the Executive Committee which was responsible to the Council for the development of the Victory Services Club. The Executive Committee was responsible for preparing the annual Business Plan including the budget and submitting it for approval by the Council. The Executive Committee subsequently delivered the Business Plan and, through the Chairman, oversees the work of the CEO/Club Secretary and the Senior Management Team.

The following Council Members served on the Executive Committee during the year:

- Major General J S Kerr CBE as Chairman.
- Colonel P R Rossiter, as Vice Chairman.
- Lieutenant Colonel R Ward, as Hon Treasurer.
- Air Vice-Marshal S Chisnall CB.
- Air Commodore P Higgins.
- Major C Marment.
- Mrs C Newhall-Caiger.

The Association operates the following sub-committees and working group:

- Nominations Committee (Chaired by General Sir Richard Barrons KCB CBE)
- Remuneration Committee (Chaired by Major General J S Kerr CBE)
- Investment Committee (Chaired by Major Charles Marment)
- Trading Committee (Chaired by Lieutenant Colonel R Ward)
- Membership Committee (Chaired by Mr G Roberts)
- Communications and Marketing Committee (Chaired by Mrs P Clayton)
- Governance Working Group (Chaired by Colonel P R Rossiter)

The day-to-day management of the Association is delegated to the Chief Executive/Club Secretary, who is supported by the Operations Director and the Finance and HR Director, who together comprise the Senior Management Team. The Chief Executive/Club Secretary attends all Board meetings and meetings of the Association's Sub committees. Relevant members of the Senior Management Team also attend meetings of Sub-committees when required.

VSC (Trading) Limited

The Association holds 100% of the share capital of VSC (Trading) Limited, registered number 03532841. This company is responsible for using the Association's facilities and resources which fall outside the charitable objectives of the Association by generating income to support the charitable objectives. All trading surpluses are distributed by Gift Aid to the Association. A summary of the results of the company are shown in note 11 of the financial statements.

Investment powers and policy

Powers

In furtherance of the objects of the Association, but not otherwise, the Association shall have the power to invest monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being, be imposed or required by law. The investments of the Victory Services Association are managed by Investec, Blackrock and M&G.

Policy

It is the policy of the Association to run the Club from trading surpluses and only to call upon investment reserves when essential for capital improvements. For the present it is the Association's aim to achieve maximum growth while at the same time protecting the real value of investments. The Investment Committee re-invests the dividends in the fund. The value of the Association's long-term investments should not be reduced below £1,000,000 at market value unless exceptional circumstances are approved by the Board.

Risk management

The Board of Directors is required to include a statement that the major risks to which the Association are exposed, as identified by the Board, have been reviewed and that the systems in place will mitigate those risks. The Board reviews the formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, listing them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The Board fully recognises the significant importance of effective internal controls on expenditure and payment and takes every action to minimise this risk. At each Board meeting one risk is considered in detail. The Senior Management Team are responsible for day-to-day monitoring of all risks on behalf of the Board. The principal risks the Association faces, and their mitigation strategies are as follows:-

Risk	Mitigation and Controls
Failure to recruit and retain a quality, motivated workforce	- Monitor staff turnover, pay and benefits - Incrementally uplift pay, benefits and staff facilities whilst benchmarking with the London hospitality sector - Deliver agile recruitment processes - Continually assess what further in-year pay adjustments are necessary to retain and recruit staff - Monitor leave taken, sickness rates and overtime being worked
Cyber-crime or inadequate IT policies.	- Managed IT support contract provides firewall, back-ups, anti-virus software, password control and mail holding service. - Ongoing Cyber and IT Security awareness training - IT and Disaster Recovery policies in place - Cyber and Fraud insurance policies in place - Club has achieved Cyber Essentials certification.
Supplier price increases, competition from other Clubs/hotels, erosion of prices and inflation affecting consumer spending	- Monitoring of supplier prices and appropriate action taken - Senior Management Team ("SMT") weekly review of sales performance. - Executive Committee and SMT monthly review of Management Accounts. - Frequent benchmarking with Hospitality Assured, Venues of Excellence/ABPCO, BDO and Association of London Clubs. - Regular review and negotiation of supplier contract costs.
Members decide not to use the Club or renew their membership and the Club fails to recruit a matching or higher number of members.	- Continuous monitoring attrition and joiners rates and the associated reasons. - Monitor the numbers of SAF and paying members and the movement thereof and monitor the SAF conversion rate. - Track closely the member's age profile and seek younger members - Focus long term marketing plan - New Membership Committee to give leadership and focus to member recruitment - Launch the Ambassador and Investiture schemes once the Coronavirus restrictions allow.

Remuneration of senior staff

The Board, supported by the salaried Senior Management Team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Association on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts. The pay of the Senior Management Team and all staff is reviewed annually by the Remuneration Committee which reports to the Board. The Remuneration Committee considers comparative data from several external sources including the Association of London Clubs, and the Institute of Hospitality.

CHARITABLE OBJECTIVES, VISION, MISSION AND ACTIVITIES

The objectives of the Charity are:

(i) To promote military efficiency and esprit de corps by bringing together members of the Armed Forces of the Crown, former members of the Armed Forces of the Crown and members of the Armed Forces of the Commonwealth and Foreign countries with whom they are currently allied and by improving the conditions of life of such persons.

(ii) To relieve need, hardship or distress among persons who have served in the Armed Forces of the Crown and their dependents.

The Charity's vision is to be the leading military members' Club, where membership is cherished, and outstanding standards of services are the norm.

The Charity's mission is to deliver outstanding Value, Service and Courtesy.

Public Benefit

The Board has had due regard to the Charity Commission guidance in deciding how to implement the Charity's objectives for the benefit of the public. The work conducted by the Charity to further the charitable objectives are highlighted in the Chairman's statement.

From the 1st April 2021 to the 19th July 2021, the charity's operation was limited by the Government's Covid related restrictions. Notwithstanding this, the Club remained open to support key workers and accommodate military personnel. Once the remaining restrictions were lifted, the Club was able to restart the full delivery of its objectives, although understandably the willingness of some of our members to travel to London saw an initially slow return to operating levels. When members returned they all recognised the continuing delivery of our first objective through the provision of smart, comfortable, and modern accommodation equally matched by a high standard of service in support of esprit d'corps activities. Specifically, these included increasing numbers of formal and informal meetings, and social occasions and also military dinners and conferences. The Club provides a pricing model which deliberately favours charities in comparison to private or corporate Event bookers, who pay higher rates. The Club also provides free membership to serving personnel and their spouses which on 31st March 2022 numbered 28,411, which was almost 50% of the Club's total membership. If all of the serving members and spouses were to be paying members and they were to pay the lowest subscription rate that would generate £1.2m, which the Club forgoes.

Our RWB scheme, as mentioned by the Chairman earlier, is a unique offer in London which provides free accommodation and all meals for a two-night stay to a family consisting of two adults and usually up to three school age children; this offer is extended to an accompanying carer, if necessary. In the year ended 31st March 2020, the Club hosted 158 such breaks, in contrast the year ended 31st March 2021 when the Club hosted ten family breaks owing to the most stringent lockdown conditions, which prevented nominated individuals (many of whom had underlying, or significant health conditions) from travelling to the Club. With the lifting of restrictions from 19th July 2021 to 31st March 2022, the Club hosted 205 RWB which was a remarkable record-breaking number during what was a foreshortened standard operating year, with latent impact due to the Omicron variant. The RWB benefited a total of 614 individuals including serving personnel, recently retired serving personnel, their spouses and children (a total of 381 adults and 233 children). Our Trustees are committed to annually increasing the numbers benefitting from this offer. The Club's staff frequently engages with the leading military charities and the single Service and Defence Medical Rehabilitation staff to seek nominations. The Club also continues to offer thirty free weekend Reward and Recognition breaks to members of the serving Armed Forces who are recommended to us. In the year ended 31st March 2022, 73 serving personnel, their spouses and children had enjoyed a two night stay in the Club.

With the RWB breaks this totalled 687 individuals who had received a free two nights stay with all of their meals. The Reward and Recognition Breaks scheme is generously funded by the Nuffield Trust for the Forces of the Crown. Notably, the Club also supports the work of other military charities by providing discounted charges for meeting and event rooms. Our main hall is occasionally used by our neighbouring school for their major annual activities.

Capital and Works Expenditure

In the reporting period the Club conducted a limited range of capital and maintenance projects, owing to reduced income in the prior year. The Club's pre-Covid plan to start a three year annual rolling programme in Financial Year 2021-22, costing £1m to upgrade the non-refurbished 85 bedrooms in the Memorial Wing, was significantly downsized, due to affordability. Instead, the charity sent £316k on the 85 bedrooms over a three month period to deliver a light refurbishment programme. The Club also initiated a programme to spend £50k to upgrade our Wi-Fi system, with new infrastructure. This project was generously supported by a grant of £40k from the Army Central Fund. A number of minor new works were also taken forward including the provision of a new waterproofing coating over the flat roof above the rental areas. Finally, of note, the Club installed fire rated boarding in 60 intra-floor riser cupboards within the Centenary Wing and installed new mid-corridor fire doors in the Centenary Wing bedroom corridors and replacement end of corridor fire doors, which was part of our continuing fire upgrade work. Inevitably, some planned projects were slipped into subsequent financial years.

Plans for the Future.

FY 2022-23 presents opportunities to continue to improve the fabric and operating performance of the Club and to enhance the offer to members and our beneficiaries. This will again by constrained by anticipated revenue levels that will still be lower than March 2020 concurrent with rising costs of goods and services and mindful that individuals, companies and Associations continue to adjust to operating post-Covid. The charity will continue to focus on actions that will recruit and retain staff which within the hospitality sector is in extremely short supply, but vital to the continuing delivery of our objectives.

In the New Year CAPEX will be focussed on safety focussed works including our five yearly Electricity Inspection (£30k), a replacement of the fire alarms in the Carisbrooke Hall, Presidents' Suite and floors two to four of the Memorial Wing (£61k) and an upgrade to our Centenary Wing passenger lifts (£50k). The Club will also conduct a survey to confirm the extent of necessary repairs to the front facade, in line with our lease commitments, and will address any identified issues (£30k). Our major CAPEX item is to start the three year programme to replace the Club's air-conditioning equipment, which in FY 2022-23 has a budget of £250k. Subject to potential external funding support from military charities, we aspire to continue upgrading our family bedrooms.

The Club will work to increase its links to the Armed Forces community, both serving and retired, with the new Membership Committee providing the coordination of work to further increase our membership numbers and the Club's offer. This will be achieved in concert with the also new Communications and Marketing Committee which will provide guidance on the style and content of our social media and traditional communications to serving members of the Armed Forces, those members who are transitioning to civilian life (or already have done so), and to our existing and potential new family members.

The Trustees are deeply appreciative of the cost of living challenges being faced by our members, their guests and staff and will ensure that we will remain committed to the delivery of Value, Service and Courtesy.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities shows a net surplus £386,030 (2021: Net deficit £1,764,884). The surplus is after an unrealised gain in our investments of £385,550 (2021: gain £881,225). As the Investments are held for the long term, the Investment Committee does not propose a change in investment strategy. As a consequence of the return to normal operations after Covid 19 and extensive periods of closure, income increased from £2,705,969 to £6,223,263. The accumulated funds at the balance sheet date totals £14,587,184 (2021: £14,201,154).

Fixed assets

In the opinion of the Board the market value of the leasehold premises is significantly higher than the book value, details of which are given in the notes to the financial statements. However, because of the various covenants in the lease, it is not practicable to ascertain with any degree of precision, the market value of the leasehold premises.

The investments held by the Association have been acquired in accordance with the powers available to the Board Members.

Fundraising

The Association does not actively fundraise from the public although grants are sought from grant making bodies. For instance, the Army Central Fund made a generous donation of £40,000 towards our Wi-Fi equipment replacement project In addition, some individuals have left bequests to the Association, and have voluntarily made some donations, for which we are very grateful. The charity's website does have a section concerning donations and legacies and occasionally the Secretary is asked to provide some additional information. We have not received any complaints in respect of fundraising activity in the course of the year ended 31st March 2022.

Reserves policy

In the year to the 31st March 2020 the Trustees conducted a review of the Reserves Policy. Using the Charity Commission guidance, the Trustees decided that the Charity needed to better ensure the long-term interests of the Charity and its beneficiaries were protected. Hence, the Reserves Policy consists of the following elements:

- The Charity's unrestricted reserve to cover business downturn, property and staff risk would be built up to twelve months of operating costs (currently calculated at £6.19m);

- The designated fixed asset fund at the net book value of the fixed assets £9,137,220 (2021: £9,957,369);

- The creation of a designated fund called the "Significant Capital Project Fund" which is a fund long term project. As a result of the Coronavirus and the impact of this on the Club's revenue, the Charity added £100k to this fund. (2021: £nil); In FY 2022-23 the Trustees have planned to increase the amount to be saved to £150k, before returning to an annual saving target of £500k in FY 2023-24 which was being achieved pre-Covid.

- The creation of a restricted Respite and Welfare Breaks Reserve which is equivalent to delivering one year of respite and welfare breaks. The reserve is valued at £75,000 and this is replenished from cash each year (2021: £75,000).

- On 31st March 2022, the Charity had total reserves of £14,587,184 (2021: £14,201,154). Of the total, £197,845 relates to restricted funds (2021: £216,077) and £9,137,220 is included in a designated fund which reflects the net book value of tangible fixed assets (2021: £9,957,369).

The Trustees further decided that the Executive Committee review the Reserves Policy going forward as part of the annual budgeting process, or when the Charity's strategy is reviewed and when the risks faced by the Charity significantly change.

As of 31st March 2022, the Charity had general, unrestricted reserves, excluding restricted and designated reserves of £5,252,119 (2021: £4,027,708).

Investment performance

On 31st March 2022 investment balances were:

- M&G Charifund: £2,002,367 (2021: £1,777,110).
- M&G Charibond: £301,828 (2021: £294,120).
- Armed Forces Common Investment Fund: £649,775 (2021: £592,850).
- Investec Wealth & Investment Managers: £1,457,513 (2021: £1,247,804)

The unrealised gain on investments was £385,550 (2021: £881,225). At the end of the financial year, the Charity's total investments stood at £4,403,775 (2021: £3,919,824).

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Board Members are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board Members to prepare financial statements for each financial year. Under that law the Board Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the group and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Board Members are required to:

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charities SORP.
- Make judgements and 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 assume that the charitable company will continue in operation.

The Board Members are also responsible for keeping proper 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. The Board Members also confirm that they have made all necessary enquiries and taken such steps that they ought to, to ensure that they become aware of any relevant audit information and that they confirm that the Association's auditors have been made aware of such information.

In approving this Board's Report, the Directors are also approving the Strategic Report included herein in their capacity as company directors.

BY ORDER OF THE BOARD

NPBeet

Air Commodore N P Beet CBE

63/79 Seymour Street
London, W2 2HF

Independent auditor's report to the members of The Victory (Services) Association

Opinion

We have audited the financial statements of The Victory (Services) Association for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Association balance Sheet, the Consolidated Cash Flow Statement and 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 state of the group's and of the parent charitable company's affairs as of 31 March 2022 and of the group's and parent charitable company's net movement in funds, including the 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.

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 group 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

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 group'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 trustees are responsible for the other information. The other information comprises the information included in the Board's Report, incorporating the Strategic Report, and the Chairman's Statement. 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 Board's Report (which includes the strategic report and 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 strategic report and the directors' report included within the Board's Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Board's Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the 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 group's and the parent 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 group or the parent 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
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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales and Scotland , and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the completeness and cut-off of income. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year.
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular donation and legacy recognition.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Vikram Sandhu (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen, Street Place, London EC4R 1AG

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME FROM:					
Donations and legacies	3	364,298	40,000	404,298	999,306
Charitable activities					
Membership		1,016,661	-	1,016,661	814,112
Catering and accommodation		4,065,223	-	4,065,223	672,963
Trading activities		501,445	-	501,445	14,821
Investments	4	235,636	-	235,636	204,767
TOTAL INCOME		6,183,263	40,000	6,223,263	2,705,969
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity		593,607	-	593,607	156,275
Charitable activities					
Catering and accommodation		4,438,084	-	4,438,084	3,307,107
Membership and central allocation		1,156,697	34,395	1,191,092	1,888,696
TOTAL EXPENDITURE	6	6,188,388	34,395	6,222,783	5,352,078
Net gains/(losses) on investments		385,550	-	385,550	881,225
NET INCOME /(EXPENDITURE)	5	380,425	5,605	386,030	(1,764,884)
Transfer between funds		23,837	(23,837)	-	-
NET MOVEMENT IN FUNDS		404,262	(18,232)	386,030	(1,764,884)
Reconciliation of funds:					
Total funds brought forward		13,985,077	216,077	14,201,154	15,966,038
TOTAL FUNDS CARRIED FORWARD		14,389,339	197,845	14,587,184	14,201,154

All transactions are derived from continuing activities. The split between unrestricted and restricted donations and legacies for the current and previous year is shown in note 3.

All recognised gains and losses are included in the Statement of Financial Activities.

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	9		9,137,220		9,957,369
Investments	10		4,403,775		3,919,824
			13,540,995		13,877,193
CURRENT ASSETS					
Stocks	12	37,183		27,527	
Debtors	13	368,715		342,435	
Cash at bank and in hand		2,725,041		2,205,950	
		3,130,939		2,575,912	
CREDITORS: amounts falling due within one year	14	(1,084,750)		(976,951)	
NET CURRENT ASSETS			2,046,189		1,598,961
TOTAL ASSETS LESS CURRENT LIABILITIES			15,587,184		15,476,154
CREDITORS: falling due after more than 1 year	14	(1,000,000)		(1,275,000)	
TOTAL NET ASSETS OR LIABILITIES			14,587,184		14,201,154
FUNDS	15				
Restricted funds			197,845		216,077
Unrestricted funds:					
Designated funds			9,137,220		9,957,369
General funds			5,252,119		4,027,708
			14,389,339		13,985,077
			14,587,184		14,201,154

The unconsolidated surplus of the Association was £386,030 (2021: deficit of £1,764,884).

The financial statements were approved and authorised for issue by the members of the Council on 13th July 2022 and were signed below on its behalf by:

Seumas Kerr

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION **Company Number: 429298**

ASSOCIATION BALANCE SHEET

AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	9		9,137,220		9,957,369
Investments	10		4,403,775		3,919,822
Investment in trading company	11		2		2
			13,540,997		13,877,193
CURRENT ASSETS					
Stocks	12	37,183		27,527	
Debtors	13	495,665		349,585	
Cash at bank and in hand		2,558,934		2,140,475	
		3,091,782		2,517,587	
CREDITORS: amounts falling within one year	14	(1,045,595)		(918,626)	
NET CURRENT ASSETS			2,046,187		1,598,961
TOTAL ASSETS LESS CURRENT LIABILITIES			15,587,184		15,476,154
Creditors falling due after more than 1 year	14	(1,000,000)		(1,275,000)	
NET ASSETS			14,587,184		14,201,154
FUNDS	15				
Restricted funds			197,845		216,077
Unrestricted funds:					
Designated funds			9,137,220		9,957,369
General funds			5,252,119		4,027,708
			14,389,339		13,985,077
			14,587,184		14,201,154

The financial statements were approved and authorised for issue by the members of the Council on 13th July 2022 and were signed below on its behalf by:

Seumas Kerr

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
Cash Flow from operating activities	21		1,017,377		(1,728,268)
Cash flows from investing activities					
Rents receivable		223,182		202,788	
Income from investments		11,676		-	
Other interest receivable		778		1,979	
Payments to acquire tangible fixed assets		(435,861)		(108,858)	
Disposal of tangible fixed assets		340		-	
Purchase of investments		(260,591)		(296,987)	
Proceeds from sale of investments		162,190		294,672	
Net cash provided by (used in) investing activities			(298,286)		93,594
Cash flows from financing activities					
Cash inflows /(outflows) from new borrowing			(200,000)		1,500,000
Change in cash and cash equivalents in the year			519,091		(134,674)
Cash and cash equivalents at the beginning of the year			2,205,950		2,340,624
Total cash and cash equivalents at the end of the year			2,725,041		2,205,950

Analysis of changes in net debt

	At start of year	Cash-flows	Other non-cash changes	At end of year
Cash and cash equivalents	2,205,950	519,091		2,725,041
		519,091		
Loans falling due within one year	-	(300,000)		(300,000)
Loans falling due after more than one year	-	(1,000,000)		(1,000,000)
Total	2,205,950	(780,909)		1,425,041

Analysis of cash and cash equivalents	2022	2021
	£	£
Cash at bank and in hand	2,225,041	1,705,950
Notice deposits (less than 3 months)	500,000	500,000
Total Cash and cash equivalents	2,725,041	2,205,950

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Accounting
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.

Group financial statements have been prepared in respect of the Association and its wholly owned trading subsidiary, VSC (Trading) Limited. The subsidiary has the same accounting reference date as the Association. No separate profit and loss account is presented for The Victory (Services) Association as provided by Section 408 of the Companies Act 2006.

(b) Subscriptions
Subscription income, including life membership subscriptions, is recognised in the period in which it is received.

(c) Grants, legacies and donations
Grants, legacies and donations are accounted for when their payment to the Association is confirmed and quantifiable.

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme. The income is accounted for in the period in which the associated salary costs are made to furloughed staff.

(d) Investment income
Investment income is accounted for in the period that it is receivable.

(e) Other income
Other income is accounted for in the period in which it falls due. Income received in advance is treated as deferred income and included in creditors.

(f) Allocation of Expenditure
Expenditure is charged directly to the cost centre to which it relates. Support costs area allocated based on income generated. Governance costs consist of those costs which relate to the overall running of the Association, including meeting statutory and regulatory requirements.

(g) Financial instruments
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(h) Investments
Investments are included at market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

(i) Tangible fixed assets
Expenditure on fixed assets more than £1,000 is capitalised and depreciated over the asset's expected useful life as follows:

- Leasehold premium is amortised over approximately 60 years.
- Furniture, equipment, electrical works and improvements to premises are depreciated by equal annual instalments over 5 to10 years
- Computer equipment is depreciated by equal instalments over 5 years.
- En suite bedrooms, lifts and other leasehold improvements are depreciated by equal instalments over 10 to 25 years

(j) Stocks
Stocks are valued at the lower of cost or net realisable value.

(k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.
Debtors are reviewed at the year-end for evidence of required impairment to their settlement amount. A Bad debts provision is calculated based on a conservative basis.

(l) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Fund Accounting
Unrestricted funds comprise accumulated surpluses and deficits on general funds - they are available for use at the discretion of the Council in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Council. At the year-end they comprise a fixed asset fund which represents the extent to which funds are invested in fixed assets for use by the charity and therefore not available for other purposes (see note 15).

Restricted funds are funds subject to specific restricted conditions imposed by the donors or the Council.

(n) Leasing and hire purchase commitments
Provision is made annually for the estimated cost of obligations under the lease of the Association's premises.

Rentals under operating leases have been charged to the Statement of Financial Activities on a straight-line basis.

(o) Preparation of accounts on a going concern basis
The Council Members consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives the Council confidence the charity remains a going concern for the foreseeable future.

(p) Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, Council Members are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main item within the financial statements where judgements and estimates have been made is in relation to estimating the useful economic life of tangible fixed assets.

(q) Pension arrangements
a) *Group personal pensions*

The Association provides group personal pension arrangements for certain employees. Contributions are made both by the Association and the employee into individual pension plans with a leading pension provider.

b) *Automatic enrolment*

The Association joined the Government auto enrolment scheme in May 2014. Eligible members of staff are automatically enrolled unless the staff member explicitly chooses to opt out. The Association currently contributes 5% (2020: 5%) of pensionable salary to the scheme.

2. INCOME

Income represents amounts receivable by the Association and its subsidiary from its membership and the services provided, net of value added tax recoverable. All income arose in the United Kingdom.

3. GRANTS, LEGACIES, DONATIONS AND FUNDRAISING

	2022	2021
	£	£
Restricted voluntary income		
Grants	40,000	-
Legacies	-	-
	40,000	-
Unrestricted voluntary income		
Grants	104,027	779,644
Legacies	94,070	12,500
Gift Aid on membership subscriptions and donations	154,496	131,014
Donations	11,705	76,148
Other	-	-
	404,298	999,306

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents receivable	223,182	190,321
Investment income	11,676	12,466
Other interest receivable	778	1,980
	235,636	204,767

5. NET (EXPENDITURE)/INCOME FOR THE YEAR

	2022	2021
	£	£
This is stated after charging the following:		
- Amortisation of leasehold property	12,654	12,654
- Depreciation on other fixed assets	1,243,017	1,244,366
- Auditors remuneration for audit services		
for audit services	18,725	16,730
for other services	-	1,020
- Operating lease rentals	36,106	32,211

6. EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2022			
	Support Costs	**Staff Costs**	**Other Direct**	**Total**
	£	**£**	**£**	**£**
a) ANALYSIS OF EXPENDITURE				
Raising Funds				
Fundraising and publicity	218,715	161,967	212,925	593,607
Expenditure on charitable activities:				
Catering and accommodation	1,915,704	1,897,246	625,134	4,438,084
Membership and central allocation	433,382	654,543	103,167	1,191,092
TOTAL EXPENDITURE	2,567,801	2,713,756	941,226	6,222,783

Fundraising and publicity expenditure includes support, staffing and other costs associated with commericial events activity and marketing.

Expenditure includes £287,752 incurred by VSC (Trading) Limited (2021: £77,145). Of the total expenditure, £34,394 was restricted (2021: £7,030).

b) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2022				
	Office expenses	**Property costs**	**Other support costs**	**Governance costs**	**Total**
	£	**£**	**£**	**£**	**£**
Raising Funds					
Fundraising and publicity	19,388	169,642	20,404	9,281	218,715
Expenditure on charitable activities:					
Catering and accommodation	159,127	1,392,361	311,818	52,398	1,915,704
Membership and central allocation	40,027	350,241	42,126	988	433,382
TOTAL SUPPORT COSTS:	218,542	1,912,244	374,348	62,667	2,567,801

c) GOVERNANCE COSTS

	2022	**2021**
	£	**£**
Wages and salaries	9,281	9,756
Legal and professional, including audit	52,398	94,411
Council and Committee expenses	988	95
	62,667	104,262

6. EXPENDITURE

d) ANALYSIS OF EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2021			
	Support Costs	Staff Costs	Other Direct	Total
	£	£	£	£
Raising Funds				
Fundraising and publicity	21,550	117,787	16,937	156,274
Expenditure on charitable activities:				
Catering and accommodation	978,485	2,136,886	191,736	3,307,107
Membership and central allocation	1,183,714	657,381	47,602	1,888,697
TOTAL EXPENDITURE	2,183,749	2,912,054	256,275	5,352,078

e) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2021				
	Office expenses	Property costs	Other support costs	Governance costs	Total
	£	£	£	£	£
Raising Funds					
Fundraising and publicity	1,581	18,128	812	1,029	21,550
Expenditure on charitable activities:					
Catering and accommodation	71,801	823,116	36,851	46,717	978,485
Membership and central allocation	86,861	995,758	44,580	56,515	1,183,714
TOTAL SUPPORT COSTS:	160,243	1,837,002	82,243	104,261	2,183,749

7. STAFF NUMBERS AND COSTS

	2022	2021
	No.	No.
The average number of persons employed during the year were as follows		
Accommodation	43	60
Catering	39	50
Membership	2	2
Support	5	6
	90	118

In October 2020 the Club completed a collective consultation. After the redundancy process, the Club had 62 permanent members of staff and four regular casual workers. The club reopened in July 2021, and continues to recruit new members of staff to return to pre-Covid levels.

	2022	2021
The aggregate payroll costs of these persons were as follows	£	£
Salaries and wages	2,383,703	2,599,440
Social security costs	216,720	201,386
Pension scheme contributions	113,333	111,229
	2,713,756	2,912,055

Included in the above are termination payments of £0 (2021: £199,397 and there were no settlement agreement (2021: £49,434. The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2022	2021
	No.	No.
£60,000 - £69,999	1	1
£70,000 - £79,999	1	-
£80,000 - £89,999	1	1
£100,000 - £109,999	1	1
	4	3

Contributions of £44,615 were paid on behalf of these employees into a money purchase pension scheme (2021: £26,187)

The total employee benefits of the key management personnel of the Charity were £308,680 (2021: £309,697).

8. COUNCIL MEMBERS' REMUNERATION AND REIMBURSED EXPENSES

No remuneration is paid to any member of the Council. Reimbursements of travelling expenses totalling £645 (2021: £95) were paid to certain Council members for attendance at the Charity's meetings.

9. TANGIBLE ASSETS

Consildated and Association	Long Leasehold Buildings	Leasehold improvements, fixtures, fittings and equipment	Total
Cost or Valuation	**£**	**£**	**£**
At 1 April 2021	837,952	19,277,308	20,115,260
Additions	-	435,861	435,861
Disposals	-	(350,139)	(350,139)
At 31 March 2022	837,952	19,363,030	20,200,982
Depreciation & Amortisation			
At 1 April 2021	460,706	9,697,185	10,157,891
Charged in Year	12,654	1,243,017	1,255,671
Disposals	-	(349,799)	(349,799)
At 31 March 2022	473,360	10,590,402	11,063,762
Net Book Value			
At 31 March 2022	364,592	8,772,627	9,137,220
At 31 March 2021	377,246	9,580,123	9,957,369

Substantially all the fixed assets are for direct activities in furtherance of the Charity's objectives. The lease on the property at 63/79 Seymour Street, London, W2 2HF was renewed during 2001 for a further 125 years.

The subsidiary company did not own any fixed assets during the year (2021: None).

10. INVESTMENTS

	£
Market value at 1 April 2021	3,919,824
Additions	260,591
Disposal	(162,190)
Net gains/(losses) on investments	385,550
Market value at 31 March 2022	4,403,775
Historical cost at 31 March 2021	2,676,768

Investments are held as units in managed funds operated by M & G Securities Limited, listed on the UK Stock Exchange and with the Armed Forces Common Investment Fund, managed by BlackRock Investment Management Limited and Investec Wealth & Investment Limited as follows:

	£
Armed Forces Common Investment Fund	649,775
M & G Charifund	2,002,367
M & G Charibond	294,120
Investec Wealth & Investment Limited	1,457,513
	4,403,775

At 31 March 2022 the investment revaluation reserve was £1,727,007 (2021: £1,313,715). The subsidiary company did not own any investments during the year (2021: None).

11. INVESTMENT IN TRADING COMPANY

The Association holds 100% of the share capital of VSC (Trading) Limited (Company registration number 03532841) which is responsible for the provision of accommodation, catering and conference facilities.

The Association's investment in the trading company was as follows:	2022	2021
	£	£
VSC (Trading) Limited	2	2

The subsidiary is registered in England and Wales and pays under Gift Aid its entire profits as computed for corporation tax purposes to the Association.

Profit and Loss Account	2022	2021
	£	£
Turnover	501,445	37,044
Cost of Sales	(107,892)	(1,133)
Gross profit	393,553	35,911
Administration expenses (net of interest receivable)	(179,860)	(76,012)
	213,693	(40,102)
Amount payable under Gift Aid to the Association	(213,710)	39,985
Interest receivable and similar income	17	116
Retained in subsidiary	-	-

In 2020/21, the loss in the Trading company was acknowledged as a one-off only as trading activities were closed during the Coronavirus lockdowns.

	2022	2021
Balance sheet	£	£
Current assets	272,400	70,365
Current liabilities	(39,653)	(58,323)
Amounts owed to the Association	(59,020)	(52,025)
	173,727	(39,983)
Share capital	2	2
Reserves	173,725	(39,985)
	173,727	(39,983)

12. STOCK

	2022	2021
Consolidated and Association	£	£
Food and wine	31,458	20,419
Club shop	5,725	7,108
	37,183	27,527

13. DEBTORS

	Consolidated		Association	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	125,584	117,903	20,682	114,088
Amounts due from group undertaking	-	-	213,710	12,040
Other debtors	65,423	33,084	84,458	33,074
Prepayments and accrued income	177,708	191,448	176,817	190,383
	368,715	342,435	495,667	349,585

14. CREDITORS: Amounts falling due within one year

	Consolidated		Association	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	286,043	111,074	286,042	111,074
Amounts due to group undertaking		-		-
Other creditors including taxation and social security	285,684	334,847	248,630	278,522
CBIL Loan	300,000	225,000	300,000	225,000
Accruals and deferred income	213,023	306,030	210,923	304,030
	1,084,750	976,951	1,045,595	918,626
CREDITORS: Amounts falling due after one year				
CBIL Loan	1,000,000	1,275,000	1,000,000	1,275,000
Total	2,084,750	2,251,951	2,045,595	2,193,626

In April 2020, the Club obtained a government backed CBIL Loan for £1,500,000. The Trustees approved the loan to support the Club through the pandemic and maintain liquidity. The loan is for six years, with a fixed interest rate of 2.10% for five years, with no interest or repayments in the first year. Loan repayments commenced in July 2021.

15. FUNDS

	At 1 April 2021	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2022
	£	£	£	£	£
Unrestricted Funds					
Designated Funds					
Fixed Assets	9,957,369	-	-	(820,149)	9,137,220
Significant Capital Projects Fund	-	-	-	-	-
General Funds	4,027,708	6,183,263	(6,188,388)	1,229,536	5,252,119
	13,985,077	6,183,263	(6,188,388)	409,387	14,389,339
Restricted Funds					
Grants					
The Nuffield Trust	24,619	-	(3,572)	-	21,047
ABF Soldiers' Charities	16,458		(14,660)		1,798
Respite & Welfare Breaks Reserve	75,000		(16,163)	16,163	75,000
Army Central Fund	-	40,000		(40,000)	-
Legacies	100,000	-	-	-	100,000
	216,077	40,000	(34,395)	(23,837)	197,845
	14,201,154	6,223,263	(6,222,783)	385,550	14,587,184

The year end restricted fund balance represents £21,047 from the Nuffield Trust for the funding of Reward and Recognition breaks, £1,798 for the ABF Soldiers' Charites to fund soldiers who take advantage of the Charities respite and welfare breaks and a £100,000 legacy towards the refurbishment of adapted and other bedrooms.

15. FUNDS (comparative)	At 1 April 2020	Income	Expenditure	gains/ (losses)	2021
	£	£	£	£	£
Unrestricted Funds					
Designated Funds	11,114,527	-	-	(1,157,158)	9,957,369
General Funds	4,633,892	2,705,969	(5,345,049)	2,032,896	4,027,708
	15,748,419	2,705,969	(5,345,049)	875,738	13,985,077
Restricted Funds					
Grants					
The Nuffield Trust	24,619	-	-	-	24,619
ABF Soldiers' Charities	18,000	-	(1,542)		16,458
Respite & Welfare Breaks Reserve	75,000		(5,487)	5,487	75,000
Legacies	100,000	-	-	-	100,000
Other specific donations					
	217,619	-	(7,029)	5,487	216,077
	15,966,038	2,705,969	(5,352,078)	881,225	14,201,154

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	AT 31 MARCH 2022			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	9,137,220	9,137,220
Investments	-	4,403,775	-	4,403,775
Net current assets	197,845	848,344	-	1,046,189
	197,845	5,252,119	9,137,220	14,587,184

	AT 31 MARCH 2021			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	9,957,369	9,957,369
Investments	-	3,919,824	-	3,919,824
Net current assets	216,077	107,884	-	323,961
	216,077	4,027,708	9,957,369	14,201,154

17. CAPITAL COMMITMENTS

Commitments for capital expenditure for which no provisions have been made in these financial statements were as follows:

	2022	2021
	£	£
Authorised and contracted for works for a new lift controller, wireless fire alarms and electrical installation condition report.	131,838	32,906

18. OPERATING LEASE COMMITMENTS

	2022		2021	
	Land & Buildings	Other	Land & Buildings	Other
Leases which expire:	£	£	£	£
In one to five years	-	36,106	-	55,789
After five years	597,750	-	631,500	-
	597,750	36,106	631,500	55,789

19. MEMBERS' LIABILITY

The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Council are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

20. PENSION COMMITMENTS

The Association operates a Group pension arrangement. The overall pension charge for the year was £113,333 (2021: £111,229. At 31 March 2022, contributions of £16,973.06 were outstanding (2021: £12,081)

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2022	2021
	£	£
Net movement in funds	**386,030**	**(1,764,884)**
Dividends, interest and rents from investments	(235,636)	(204,767)
Interest Paid		-
Net (gains)/losses on investments	(385,550)	(881,225)
Depreciation and amortisation charges	1,255,671	1,257,020
Increase/ (Decrease) in creditors	32,798	(183,577)
(Increase)/ Decrease in debtors	(26,280)	29,102
Decrease/(increase)/ in stocks	(9,656)	20,063
Net Cash generated by operating activities	**1,017,377**	**(1,728,268)**

22. RELATED PARTY TRANSACTIONS

At the year end VSC (Trading) Limited (the subsidiary) owed The Victory (Services) Association £213,710 (2021: £9,970

	2022	2021
	£	£
Payments from VSC (Trading) Limited to parent charity for shared resources	1,012,771	1,012,771
Profits donated by VSC (Trading) to The Victory (Services) Association	217,428	

23. POST BALANCE SHEET EVENTS

There were no post balance sheet events to disclose.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME FROM:					
Donations and legacies	3	364,298	40,000	404,298	999,306
Charitable activities					
Membership		1,016,661	-	1,016,661	814,112
Catering and accommodation		4,065,223	-	4,065,223	672,963
Trading activities		501,445	-	501,445	14,821
Investments	4	235,636	-	235,636	204,767
TOTAL INCOME		6,183,263	40,000	6,223,263	2,705,969
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity		593,607	-	593,607	156,275
Charitable activities					
Catering and accommodation		4,438,084	-	4,438,084	3,307,107
Membership and central allocation		1,156,697	34,395	1,191,092	1,888,696
TOTAL EXPENDITURE	6	6,188,388	34,395	6,222,783	5,352,078
Net gains/(losses) on investments		385,550	-	385,550	881,225
NET INCOME /(EXPENDITURE)	5	380,425	5,605	386,030	(1,764,884)
Transfer between funds		23,837	(23,837)	-	-
NET MOVEMENT IN FUNDS		404,262	(18,232)	386,030	(1,764,884)
Reconciliation of funds:					
Total funds brought forward		13,985,077	216,077	14,201,154	15,966,038
TOTAL FUNDS CARRIED FORWARD		14,389,339	197,845	14,587,184	14,201,154

All transactions are derived from continuing activities. The split between unrestricted and restricted donations and legacies for the current and previous year is shown in note 3.

All recognised gains and losses are included in the Statement of Financial Activities.

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2022

		2022		2021	
	Note	**£**	**£**	**£**	**£**
FIXED ASSETS					
Tangible assets	9		9,137,220		9,957,369
Investments	10		4,403,775		3,919,824
			13,540,995		13,877,193
CURRENT ASSETS					
Stocks	12	37,183		27,527	
Debtors	13	368,715		342,435	
Cash at bank and in hand		2,725,041		2,205,950	
		3,130,939		2,575,912	
CREDITORS: amounts falling due within one year	14	(1,084,750)		(976,951)	
NET CURRENT ASSETS			2,046,189		1,598,961
TOTAL ASSETS LESS CURRENT LIABILITIES			15,587,184		15,476,154
CREDITORS: falling due after more than 1 year	14	(1,000,000)		(1,275,000)	
TOTAL NET ASSETS OR LIABILITIES			14,587,184		14,201,154
FUNDS	15				
Restricted funds			197,845		216,077
Unrestricted funds:					
Designated funds			9,137,220		9,957,369
General funds			5,252,119		4,027,708
			14,389,339		13,985,077
			14,587,184		14,201,154

The unconsolidated surplus of the Association was £386,030 (2021: deficit of £1,764,884).

The financial statements were approved and authorised for issue by the members of the Council on 13th July 2022 and were signed below on its behalf by:

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

ASSOCIATION BALANCE SHEET

AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	9		9,137,220		9,957,369
Investments	10		4,403,775		3,919,822
Investment in trading company	11		2		2
			13,540,997		13,877,193
CURRENT ASSETS					
Stocks	12	37,183		27,527	
Debtors	13	495,665		349,585	
Cash at bank and in hand		2,558,934		2,140,475	
		3,091,782		2,517,587	
CREDITORS: amounts falling within one year	14	(1,045,595)		(918,626)	
NET CURRENT ASSETS			2,046,187		1,598,961
TOTAL ASSETS LESS CURRENT LIABILITIES			15,587,184		15,476,154
Creditors falling due after more than 1 year	14	(1,000,000)		(1,275,000)	
NET ASSETS			14,587,184		14,201,154
FUNDS	15				
Restricted funds			197,845		216,077
Unrestricted funds:					
Designated funds			9,137,220		9,957,369
General funds			5,252,119		4,027,708
			14,389,339		13,985,077
			14,587,184		14,201,154

The financial statements were approved and authorised for issue by the members of the Council on 13th July 2022 and were signed below on its behalf by:

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
Cash Flow from operating activities	21		1,017,377		(1,728,268)
Cash flows from investing activities					
Rents receivable		223,182		202,788	
Income from investments		11,676		-	
Other interest receivable		778		1,979	
Payments to acquire tangible fixed assets		(435,861)		(108,858)	
Disposal of tangible fixed assets		340		-	
Purchase of investments		(260,591)		(296,987)	
Proceeds from sale of investments		162,190		294,672	
Net cash provided by (used in) investing activities			(298,286)		93,594
Cash flows from financing activities					
Cash inflows /(outflows) from new borrowing			(200,000)		1,500,000
Change in cash and cash equivalents in the year			519,091		(134,674)
Cash and cash equivalents at the beginning of the year			2,205,950		2,340,624
Total cash and cash equivalents at the end of the year			2,725,041		2,205,950

Analysis of changes in net debt

	At start of year	Cash-flows	Other non-cash changes	At end of year
Cash and cash equivalents	2,205,950	519,091		2,725,041
		519,091		
Loans falling due within one year	-	(300,000)		(300,000)
Loans falling due after more than one year	-	(1,000,000)		(1,000,000)
Total	2,205,950	(780,909)		1,425,041

Analysis of cash and cash equivalents	2022	2021
	£	£
Cash at bank and in hand	2,225,041	1,705,950
Notice deposits (less than 3 months)	500,000	500,000
Total Cash and cash equivalents	2,725,041	2,205,950

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Accounting
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.

Group financial statements have been prepared in respect of the Association and its wholly owned trading subsidiary, VSC (Trading) Limited. The subsidiary has the same accounting reference date as the Association. No separate profit and loss account is presented for The Victory (Services) Association as provided by Section 408 of the Companies Act 2006.

(b) Subscriptions
Subscription income, including life membership subscriptions, is recognised in the period in which it is received.

(c) Grants, legacies and donations
Grants, legacies and donations are accounted for when their payment to the Association is confirmed and quantifiable.

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme. The income is accounted for in the period in which the associated salary costs are made to furloughed staff.

(d) Investment income
Investment income is accounted for in the period that it is receivable.

(e) Other income
Other income is accounted for in the period in which it falls due. Income received in advance is treated as deferred income and included in creditors.

(f) Allocation of Expenditure
Expenditure is charged directly to the cost centre to which it relates. Support costs area allocated based on income generated. Governance costs consist of those costs which relate to the overall running of the Association, including meeting statutory and regulatory requirements.

(g) Financial instruments
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(h) Investments
Investments are included at market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

(i) Tangible fixed assets
Expenditure on fixed assets more than £1,000 is capitalised and depreciated over the asset’s expected useful life as follows:

- Leasehold premium is amortised over approximately 60 years.
- Furniture, equipment, electrical works and improvements to premises are depreciated by equal annual instalments over 5 to10 years
- Computer equipment is depreciated by equal instalments over 5 years.
- En suite bedrooms, lifts and other leasehold improvements are depreciated by equal instalments over 10 to 25 years

(j) Stocks
Stocks are valued at the lower of cost or net realisable value.

(k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.
Debtors are reviewed at the year-end for evidence of required impairment to their settlement amount. A Bad debts provision is calculated based on a conservative basis.

(l) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Fund Accounting
Unrestricted funds comprise accumulated surpluses and deficits on general funds - they are available for use at the discretion of the Council in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Council. At the year-end they comprise a fixed asset fund which represents the extent to which funds are invested in fixed assets for use by the charity and therefore not available for other purposes (see note 15).

Restricted funds are funds subject to specific restricted conditions imposed by the donors or the Council.

(n) Leasing and hire purchase commitments
Provision is made annually for the estimated cost of obligations under the lease of the Association's premises.

Rentals under operating leases have been charged to the Statement of Financial Activities on a straight-line basis.

(o) Preparation of accounts on a going concern basis
The Council Members consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives the Council confidence the charity remains a going concern for the foreseeable future.

(p) Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, Council Members are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main item within the financial statements where judgements and estimates have been made is in relation to estimating the useful economic life of tangible fixed assets.

(q) Pension arrangements
a) *Group personal pensions*

The Association provides group personal pension arrangements for certain employees. Contributions are made both by the Association and the employee into individual pension plans with a leading pension provider.

b) *Automatic enrolment*

The Association joined the Government auto enrolment scheme in May 2014. Eligible members of staff are automatically enrolled unless the staff member explicitly chooses to opt out. The Association currently contributes 5% (2020: 5%) of pensionable salary to the scheme.

2. INCOME

Income represents amounts receivable by the Association and its subsidiary from its membership and the services provided, net of value added tax recoverable. All income arose in the United Kingdom.

3. GRANTS, LEGACIES, DONATIONS AND FUNDRAISING

	2022	2021
	£	£
Restricted voluntary income		
Grants	40,000	-
Legacies	-	-
	40,000	-
Unrestricted voluntary income		
Grants	104,027	779,644
Legacies	94,070	12,500
Gift Aid on membership subscriptions and donations	154,496	131,014
Donations	11,705	76,148
Other	-	-
	404,298	999,306

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents receivable	223,182	190,321
Investment income	11,676	12,466
Other interest receivable	778	1,980
	235,636	204,767

5. NET (EXPENDITURE)/INCOME FOR THE YEAR

	2022	2021
	£	£
This is stated after charging the following:		
- Amortisation of leasehold property	12,654	12,654
- Depreciation on other fixed assets	1,243,017	1,244,366
- Auditors remuneration for audit services		
for audit services	18,725	16,730
for other services	-	1,020
- Operating lease rentals	36,106	32,211

6. EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2022			
	Support Costs	Staff Costs	Other Direct	Total
	£	£	£	£
a) ANALYSIS OF EXPENDITURE				
Raising Funds				
Fundraising and publicity	218,715	161,967	212,925	593,607
Expenditure on charitable activities:				
Catering and accommodation	1,915,704	1,897,246	625,134	4,438,084
Membership and central allocation	433,382	654,543	103,167	1,191,092
TOTAL EXPENDITURE	2,567,801	2,713,756	941,226	6,222,783

Fundraising and publicity expenditure includes support, staffing and other costs associated with commericial events activity and marketing.

Expenditure includes £287,752 incurred by VSC (Trading) Limited (2021: £77,145). Of the total expenditure, £34,394 was restricted (2021: £7,030).

b) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2022				
	Office expenses	Property costs	Other support costs	Governance costs	Total
	£	£	£	£	£
Raising Funds					
Fundraising and publicity	19,388	169,642	20,404	9,281	218,715
Expenditure on charitable activities:					
Catering and accommodation	159,127	1,392,361	311,818	52,398	1,915,704
Membership and central allocation	40,027	350,241	42,126	988	433,382
TOTAL SUPPORT COSTS:	218,542	1,912,244	374,348	62,667	2,567,801

c) GOVERNANCE COSTS	2022	2021
	£	£
Wages and salaries	9,281	9,756
Legal and professional, including audit	52,398	94,411
Council and Committee expenses	988	95
	62,667	104,262

6. EXPENDITURE

d) ANALYSIS OF EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2021			
	Support Costs	**Staff Costs**	**Other Direct**	**Total**
	£	**£**	**£**	**£**
Raising Funds				
Fundraising and publicity	21,550	117,787	16,937	156,274
Expenditure on charitable activities:				
Catering and accommodation	978,485	2,136,886	191,736	3,307,107
Membership and central allocation	1,183,714	657,381	47,602	1,888,697
TOTAL EXPENDITURE	2,183,749	2,912,054	256,275	5,352,078

e) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2021				
	Office expenses	**Property costs**	**Other support costs**	**Governance costs**	**Total**
	£	**£**	**£**	**£**	**£**
Raising Funds					
Fundraising and publicity	1,581	18,128	812	1,029	21,550
Expenditure on charitable activities:					
Catering and accommodation	71,801	823,116	36,851	46,717	978,485
Membership and central allocation	86,861	995,758	44,580	56,515	1,183,714
TOTAL SUPPORT COSTS:	160,243	1,837,002	82,243	104,261	2,183,749

7. STAFF NUMBERS AND COSTS

	2022 No.	2021 No.
The average number of persons employed during the year were as follows		
Accommodation	43	60
Catering	39	50
Membership	2	2
Support	5	6
	90	118

In October 2020 the Club completed a collective consultation. After the redundancy process, the Club had 62 permanent members of staff and four regular casual workers. The club reopened in July 2021, and continues to recruit new members of staff to return to pre-Covid levels.

The aggregate payroll costs of these persons were as follows	£	£
Salaries and wages	2,383,703	2,599,440
Social security costs	216,720	201,386
Pension scheme contributions	113,333	111,229
	2,713,756	2,912,055

Included in the above are termination payments of £0 (2021: £199,397 and there were no settlement agreement (2021: £49,434. The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2022 No.	2021 No.
£60,000 - £69,999	1	1
£70,000 - £79,999	1	-
£80,000 - £89,999	1	1
£100,000 - £109,999	1	1
	4	3

Contributions of £44,615 were paid on behalf of these employees into a money purchase pension scheme (2021: £26,187)

The total employee benefits of the key management personnel of the Charity were £308,680 (2021: £309,697).

8. COUNCIL MEMBERS' REMUNERATION AND REIMBURSED EXPENSES

No remuneration is paid to any member of the Council. Reimbursements of travelling expenses totalling £645 (2021: £95) were paid to certain Council members for attendance at the Charity's meetings.

9. TANGIBLE ASSETS

Consildated and Association	Long Leasehold Buildings	Leasehold improvements, fixtures, fittings and equipment	Total
Cost or Valuation	£	£	£
At 1 April 2021	837,952	19,277,308	20,115,260
Additions	-	435,861	435,861
Disposals	-	(350,139)	(350,139)
At 31 March 2022	837,952	19,363,030	20,200,982
Depreciation & Amortisation			
At 1 April 2021	460,706	9,697,185	10,157,891
Charged in Year	12,654	1,243,017	1,255,671
Disposals	-	(349,799)	(349,799)
At 31 March 2022	473,360	10,590,402	11,063,762
Net Book Value			
At 31 March 2022	364,592	8,772,627	9,137,220
At 31 March 2021	377,246	9,580,123	9,957,369

Substantially all the fixed assets are for direct activities in furtherance of the Charity's objectives. The lease on the property at 63/79 Seymour Street, London, W2 2HF was renewed during 2001 for a further 125 years.

The subsidiary company did not own any fixed assets during the year (2021: None).

10. INVESTMENTS

	£
Market value at 1 April 2021	3,919,824
Additions	260,591
Disposal	(162,190)
Net gains/(losses) on investments	385,550
Market value at 31 March 2022	4,403,775
Historical cost at 31 March 2021	2,676,768

Investments are held as units in managed funds operated by M & G Securities Limited, listed on the UK Stock Exchange and with the Armed Forces Common Investment Fund, managed by BlackRock Investment Management Limited and Investec Wealth & Investment Limited as follows:

	£
Armed Forces Common Investment Fund	649,775
M & G Charifund	2,002,367
M & G Charibond	294,120
Investec Wealth & Investment Limited	1,457,513
	4,403,775

At 31 March 2022 the investment revaluation reserve was £1,727,007 (2021: £1,313,715). The subsidiary company did not own any investments during the year (2021: None).

11. INVESTMENT IN TRADING COMPANY

The Association holds 100% of the share capital of VSC (Trading) Limited (Company registration number 03532841) which is responsible for the provision of accommodation, catering and conference facilities.

The Association's investment in the trading company was as follows:	2022	2021
	£	£
VSC (Trading) Limited	2	2

The subsidiary is registered in England and Wales and pays under Gift Aid its entire profits as computed for corporation tax purposes to the Association.

Profit and Loss Account	2022	2021
	£	£
Turnover	501,445	37,044
Cost of Sales	(107,892)	(1,133)
Gross profit	393,553	35,911
Administration expenses (net of interest receivable)	(179,860)	(76,012)
	213,693	(40,102)
Amount payable under Gift Aid to the Association	(213,710)	39,985
Interest receivable and similar income	17	116
Retained in subsidiary	-	-

In 2020/21, the loss in the Trading company was acknowledged as a one-off only as trading activities were closed during the Coronavirus lockdowns.

	2022	2021
Balance sheet	£	£
Current assets	272,400	70,365
Current liabilities	(39,653)	(58,323)
Amounts owed to the Association	(59,020)	(52,025)
	173,727	(39,983)
Share capital	2	2
Reserves	173,725	(39,985)
	173,727	(39,983)

12. STOCK

	2022	2021
Consolidated and Association	£	£
Food and wine	31,458	20,419
Club shop	5,725	7,108
	37,183	27,527

13. DEBTORS

	Consolidated		Association	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	125,584	117,903	20,682	114,088
Amounts due from group undertaking	-	-	213,710	12,040
Other debtors	65,423	33,084	84,458	33,074
Prepayments and accrued income	177,708	191,448	176,817	190,383
	368,715	342,435	495,667	349,585

14. CREDITORS: Amounts falling due within one year

	Consolidated		Association	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	286,043	111,074	286,042	111,074
Amounts due to group undertaking		-		-
Other creditors including taxation and social security	285,684	334,847	248,630	278,522
CBIL Loan	300,000	225,000	300,000	225,000
Accruals and deferred income	213,023	306,030	210,923	304,030
	1,084,750	976,951	1,045,595	918,626
CREDITORS: Amounts falling due after one year				
CBIL Loan	1,000,000	1,275,000	1,000,000	1,275,000
Total	2,084,750	2,251,951	2,045,595	2,193,626

In April 2020, the Club obtained a government backed CBIL Loan for £1,500,000. The Trustees approved the loan to support the Club through the pandemic and maintain liquidity. The loan is for six years, with a fixed interest rate of 2.10% for five years, with no interest or repayments in the first year. Loan repayments commenced in July 2021.

15. FUNDS

	At 1 April 2021	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2022
	£	£	£	£	£
Unrestricted Funds					
Designated Funds					
Fixed Assets	9,957,369	-	-	(820,149)	9,137,220
Significant Capital Projects Fund	-	-	-	-	-
General Funds	4,027,708	6,183,263	(6,188,388)	1,229,536	5,252,119
	13,985,077	6,183,263	(6,188,388)	409,387	14,389,339
Restricted Funds					
Grants					
The Nuffield Trust	24,619	-	(3,572)	-	21,047
ABF Soldiers' Charities	16,458		(14,660)		1,798
Respite & Welfare Breaks Reserve	75,000		(16,163)	16,163	75,000
Army Central Fund	-	40,000		(40,000)	-
Legacies	100,000	-	-	-	100,000
	216,077	40,000	(34,395)	(23,837)	197,845
	14,201,154	6,223,263	(6,222,783)	385,550	14,587,184

The year end restricted fund balance represents £21,047 from the Nuffield Trust for the funding of Reward and Recognition breaks, £1,798 for the ABF Soldiers' Charites to fund soldiers who take advantage of the Charities respite and welfare breaks and a £100,000 legacy towards the refurbishment of adapted and other bedrooms.

15. FUNDS (comparative)	**At 1 April 2020**	**Income**	**Expenditure**	**Transfers/ gains/ (losses)**	**At 31 March 2021**
	£	**£**	**£**	**£**	**£**
Unrestricted Funds					
Designated Funds	11,114,527	-	-	(1,157,158)	9,957,369
General Funds	4,633,892	2,705,969	(5,345,049)	2,032,896	4,027,708
	15,748,419	2,705,969	(5,345,049)	875,738	13,985,077
Restricted Funds					
Grants					
The Nuffield Trust	24,619	-	-	-	24,619
ABF Soldiers' Charities	18,000	-	(1,542)		16,458
Respite & Welfare Breaks Reserve	75,000		(5,487)	5,487	75,000
Legacies	100,000	-	-	-	100,000
Other specific donations					
	217,619	-	(7,029)	5,487	216,077
	15,966,038	2,705,969	(5,352,078)	881,225	14,201,154

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	AT 31 MARCH 2022			
	Restricted Funds	**General Funds**	**Designated Funds**	**Total**
	£	**£**	**£**	**£**
Tangible fixed assets	-	-	9,137,220	9,137,220
Investments	-	4,403,775	-	4,403,775
Net current assets	197,845	848,344	-	1,046,189
	197,845	5,252,119	9,137,220	14,587,184

	AT 31 MARCH 2021			
	Restricted Funds	**General Funds**	**Designated Funds**	**Total**
	£	**£**	**£**	**£**
Tangible fixed assets	-	-	9,957,369	9,957,369
Investments	-	3,919,824	-	3,919,824
Net current assets	216,077	107,884	-	323,961
	216,077	4,027,708	9,957,369	14,201,154

17. CAPITAL COMMITMENTS

Commitments for capital expenditure for which no provisions have been made in these financial statements were as follows:

	2022	2021
	£	£
Authorised and contracted for works for a new lift controller, wireless fire alarms and electrical installation condition report.	131,838	32,906

18. OPERATING LEASE COMMITMENTS

	2022		2021	
	Land & Buildings	Other	Land & Buildings	Other
Leases which expire:	£	£	£	£
In one to five years	-	36,106	-	55,789
After five years	597,750	-	631,500	-
	597,750	36,106	631,500	55,789

19. MEMBERS' LIABILITY

The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Council are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

20. PENSION COMMITMENTS

The Association operates a Group pension arrangement. The overall pension charge for the year was £113,333 (2021: £111,229. At 31 March 2022, contributions of £16,973.06 were outstanding (2021: £12,081)

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2022	2021
	£	£
Net movement in funds	**386,030**	**(1,764,884)**
Dividends, interest and rents from investments	(235,636)	(204,767)
Interest Paid		-
Net (gains)/losses on investments	(385,550)	(881,225)
Depreciation and amortisation charges	1,255,671	1,257,020
Increase/ (Decrease) in creditors	32,798	(183,577)
(Increase)/ Decrease in debtors	(26,280)	29,102
Decrease/(increase)/ in stocks	(9,656)	20,063
Net Cash generated by operating activities	**1,017,377**	**(1,728,268)**

22. RELATED PARTY TRANSACTIONS

At the year end VSC (Trading) Limited (the subsidiary) owed The Victory (Services) Association £213,710 (2021: £9,970

	2022	2021
	£	£
Payments from VSC (Trading) Limited to parent charity for shared resources	1,012,771	1,012,771
Profits donated by VSC (Trading) to The Victory (Services) Association	217,428	

23. POST BALANCE SHEET EVENTS

There were no post balance sheet events to disclose.

THE VICTORY (SERVICES) ASSOCIATION

England & Wales - Charity number 261307

Accounts

AMENDED

THE VICTORY (SERVICES) ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

Company No. 429298

Registered Charity No. 261307

THE VICTORY (SERVICES) ASSOCIATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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THE VICTORY (SERVICES) ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

PATRON-IN-CHIEF
Her Royal Highness The Duchess of Cornwall GCVO

PRESIDENT
General Sir Richard Barrons KCB CBE

CHAIRMAN
Rear Admiral M Kimmons CB (until 8th July 2020)
Major General J S Kerr CBE (from 8th July 2020)

VICE-CHAIRMAN
Colonel P R Rossiter

HONORARY TREASURER
Lieutenant Colonel R Ward

COUNCIL MEMBERS
Warrant Officer J Alpert
Warrant Officer (Class 1) (CRSM) R Angove (appointed 31st July 2020)
General Sir Richard Barrons KCB CBE
Mr P Brackley
Air Vice-Marshal S Chisnall CB
Mrs P Clayton (appointed 29th March 2021)
Captain R Harris RN
Mrs M Hickson
Air Commodore P Higgins
Major General J S Kerr CBE
Rear Admiral M Kimmons CB (retired 8th July 2020)
Mr C N B Lacey
Major C Marment FCSI
Warrant Officer (Class 1) Dean Morgan (appointed 13th July 2020)
Warrant Officer (Class 1) (CRSM) D Mason RM (retired 31st July 2020)
Lieutenant Colonel A Newcourt MBE TD (retired 23rd March 2021)
Mrs C Newhall-Caiger
Command Corporal Major S Parker (retired 3rd July 2020)
Lieutenant Colonel D Pealin
Wing Commander T Pilkington MBE
Mr G Roberts
Colonel P R Rossiter
Warrant Officer (Class 1) C Steedman
Lieutenant Colonel R Ward

SECRETARY
Air Commodore N P Beet CBE

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69 Baker Street
London W1U 6AT

SOLICITORS
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10 Queens Street Place
London EC4R 1BE

Charles Russell Speechlys
5 Fleet Place
London EC4M 7RD

AUDITORS
Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

REGISTERED ADDRESS
63-79 Seymour Street
London W2 2HF

THE VICTORY (SERVICES) ASSOCIATION

CHAIRMAN'S STATEMENT AND THE STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

I have much pleasure in submitting my report on the financial statements for the financial year ended 31st March 2021.

The Directors of the Victory (Services) Association, which controls the Victory Services Club, have like many other companies and charities, faced an unprecedented year, which has been characterised by unwelcomed changes to our operating model due to Coronavirus, which brought about enforced closures of the Charity for long periods of time for the majority of our members. This substantially reduced our normal sources of revenue. We were though delighted to be able to keep the doors open to the Victory Services Club for essential and key workers throughout the three lockdowns. In the course of the year to 31st March 2021, and then beyond, we accommodated personnel from the Armed Forces (who augmented the Ministry of Defence, other Government Departments and helped construct the London Nightingale Hospital), NHS staff, Civil Servants and construction workers. The staff showed commendable spirit by living-in to provide the key workers with meals via room service, in support of those who were working extremely long hours on Coronavirus duties. The staff ensured that we were fully Covid compliant, which was underpinned by an outstanding plan, the timely acquisition of PPE together with market leading thermal scanning equipment and cleaning materials and an extensive training programme.

With FY 2019-20 probably the most successful year in the Club's history, the impact of Coronavirus on the Association's finances was swift and the reversal over the year to 31st March 2021 was stark. The Charity has always prided itself on offering Value, Service and Courtesy, but had thankfully developed a financial cushion which was a reserve for longer term capital projects. These funds, which were accumulated through previous years of hard work, was vital to sustain the Club and the staff until the Government's support measures were deployed. The Association gratefully acknowledges the support provided by the Government and also Westminster City Council. The Club availed itself of the Coronavirus Business Interruption Loan Scheme (CBILS) by borrowing £1.5m, and we chose to defer our March 2020 VAT bill. The Coronavirus Job Retention Scheme was also well utilised and this proved pivotal in retaining many jobs, which otherwise would have been lost. The extension of Council Tax relief by Westminster City Council to the Association was also invaluable. As in the previous financial year, the members of the Victory Services Club responded magnificently with kind donations and when the appeal for support was finally closed in July 2020 a total of £237,675 had been raised, of which £76,148 was from the start of the year from 1st April 2020. While those sources of funding were vital, the staff displayed commendable foresight and rigour in reducing expenditure across all budget areas, with potential contracts not being signed (especially for long-planned infrastructure works), and existing contracts either terminated, reduced or deferred; some of our contractors were exceptionally understanding.

Notwithstanding the considerable efforts of the staff to try and attract more key workers to stay with us, the aforementioned external and internal support, together with deep cost cutting and strict cash control, a restructuring programme was necessary. The Club saw a reduction in permanent, and part time staff, together with our casual workers from 146 to 66. This action was not taken lightly and we will re-hire staff again when the recovery takes hold. The Directors ensured that staff who were furloughed received months of fully topped up wages and salaries and there were only two months when they did not receive 100% of their standard pay.

During the year, the Club was unable to fully deliver our charitable objectives as effectively as normal as we were only opened from 4th July 2020 to 5th November and for two weeks in December 2020. The Club also faced a number of subsequent operating restrictions including the Covid Tiers. Collectively, this meant that the opportunities for formal and informal esprit de corps activities were much reduced and countless military reunions, Association dinners and charity meetings were postponed beyond the reporting period. The Club's provision of free Respite and Welfare Breaks (RWB) which is a key component of our second charitable objective was also adversely affected by the coronavirus. While in the previous year 157 RWB were provided, in the year to 31st March 2021 only 10 were provided, with 51 postponed into the following year. Many of those who were recommended to us for our RWB scheme were medically vulnerable, hence it was not possible for them to travel, even when we opened between lockdowns. The Club's provision of free Reward and Recognition Breaks to personnel recommended by the Serving Warrant Officer Trustees was also impaired as only one break took place out of potential allocation of 30. Closures and then understandable Covid-19 nervousness amongst our partners impeded the further deepening of relationships with the local community, including the neighbouring school, and with the advent of Zoom meetings many did not wish to meet in person.

Although in the previous six years the Club's membership had increased year-on-year rising to 65,049 on 31st March 2020, Covid-19 led many members to reflect on the need for membership and paying subscriptions for a year to the Club when they could not travel to London from the UK, or overseas. Importantly, the Club's Membership Staff were unable to attend the many external military charity conferences, garrison open days and military training units which collectively saw our overall membership number fall to 59,482 by 31st March 2021. Of that number, the Club still provided free membership to 29,091 serving members of the Armed Forces and their spouses. The Club normally attends military garrison events across the country to recruit new serving Armed Forces members which have been postponed in 2020. In

2019, the Club recruited 1,292 members from such events. When possible, we look forward to resuming our traditional membership recruitment programme so that the Club's commitment to the delivery of Value, Service and Courtesy is fully understood by all potential members.

After an exceptionally challenging year, which required many difficult but necessary decisions, the Club's cash position throughout the year remained positive and we ended with £2,205,950 in the bank on 31st March 2021, of which £1,5m was the drawn down, but untouched CBILS. None of our investments were sold in the course of the year. Taken together this has created a solid platform from which we will address the challenges and uncertainties in Financial Year 2021-22. The Board is confident that the Association will remain a going concern and that our wonderful members and hardworking staff will see the recovery of the Club's activity levels.

In summary, this has been an exceptional year for the Victory (Services) Association and the Victory Services Club. Our ability to adapt to the ever changing operating circumstances was very largely due to the unfailing support of our members, the energy and determination of the staff and the commitment of our Directors. We look positively towards seeing a better year in 2021-22, in which we have greater opportunities to deliver our charitable objectives, with fewer restrictions.

Seumas Kerr

Major General Seumas Kerr
Chairman

The Council submits its report together with the audited financial statements of the Association for the year ended 31st March 2021.

The Council (who are also the Directors for the purposes of the Companies Act) present their report, incorporating the Strategic Report, for the year ended 31st March 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and Administrative Information

The Victory Services Club was founded in 1907 and is registered with the Charity Commission of England and Wales under charity number 261307. The Trustees, Secretary, principal advisors and addresses are listed on pages 1 and 2.

The Victory (Services) Association, company registration number 429298, was incorporated on the 7th February 1947 and it controls the Victory Services Club. On 5th May 2020, the company changed its name from The Victory (Services) Association Ltd to The Victory (Services) Association. The Victory (Services) Association is a charitable company limited by guarantee and does not have a share capital. The Charity is governed by its Memorandum and Articles of Association and limits the liability of each Director of the Association to £1. The members of the Council are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

Council members

The Council determines the general policy of the Association. The Trustees are legally responsible for the overall management, finances and control of the Club. The recruitment and selection of new Trustees to serve on the Council and the Association's sub-committees is first considered by the Nominations Committee, prior to the submission of recommendations to the Council and necessary approval. Potential new Trustees, and all appointees to sub-committees and senior Trustee roles, are assessed for their suitability in terms of knowledge, skills, experience and availability. New Trustees are inducted into the workings of the Charity by the Chairman and Chief Executive/Club Secretary, with the latter providing a pack including the Charity Commission's guidance for Trustees and the Club's Business Plan. Council Members attend up to eight meetings a year and all Council Members receive the minutes of each meeting.

Changes to the Council within the year are highlighted as follows:

- Warrant Officer Class 1 (Corps RSM) R Angove RM joined the Council on 31st July 2020.
- Mrs Petra Clayton joined the Council on 29th March 2021
- Warrant Officer (Class 1) D Morgan joined the Council on 13th July 2020.
- Warrant Officer (Class 1) (CRSM) D Mason RM retired from the Council on 31st July 2020.
- Lieutenant Colonel A Newcourt MBE TD retired from the Council on 23rd March 2021.
- Command Corporal Major S Parker retired from the Council on 3rd July 2020.

No member of the Council has any financial interest in the Association, nor draws any benefits. The Association reimbursed travelling expenses of £95 (2020: £2,500) to certain members of Council for attendance at meetings.

Executive Committee members

Specific powers are delegated by the Council to the Executive Committee who are responsible to the Council for the development of the Victory Services Club. The Executive Committee is responsible for preparing the annual Business Plan including the budget and submitting it for approval by the Council. The Executive Committee subsequently oversees the delivery of the Business Plan and, through the Chairman, oversees the work of the CEO/Club Secretary and the Senior Management Team.

The following Council Members served on the Executive Committee during the year:

- Rear Admiral M Kimmons CB, as Chairman until 8th July 2020.
- Major General J S Kerr CBE as Chairman from 8th July 2020.
- Colonel P R Rossiter, as Vice Chairman.
- Lieutenant Colonel R Ward, as Hon Treasurer.
- Air Vice-Marshal S Chisnall CB.
- Air Commodore P Higgins.
- Major C Marment.
- Mrs C Newhall-Caiger.

In addition to the Executive Committee, and subordinate to the Council, the Association operates the following sub-committees and working group:

- Nominations Committee (Chaired by General Sir Richard Barrons KCB CBE)
- Remuneration Committee (Chaired by Rear Admiral M Kimmons CB until 8th July 2020 and thereafter by Major General J S Kerr CBE)
- Investment Committee (Chaired by Major Charles Marment).
- Trading Committee (Chaired by Lieutenant Colonel R Ward).
- Governance Working Group (Chaired by Colonel P R Rossiter).

The day-to-day management of the Association is delegated to the Chief Executive/Club Secretary, who is supported by the Operations Director and the Finance and HR Director, who together comprise the Senior Management Team. The Chief Executive/Club Secretary attends all Council meetings and meetings of the Association's Sub committees. Relevant members of the Senior Management Team also attend meetings of sub-committees when required.

VSC (Trading) Limited

The Association holds 100% of the share capital of VSC (Trading) Limited, registered number 03532841. This company is responsible for using the Association's facilities and resources which fall outside the charitable objectives of the Association by generating income to support the charitable objectives. All trading surpluses are distributed by Gift Aid to the Association. A summary of the results of the company are shown in note 11 of the financial statements.

Investment powers and policy

Powers

In furtherance of the objects of the Association, but not otherwise, the Association shall have the power to invest monies of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) as may for the time being, be imposed or required by law. The investments of the Victory Services Association are managed by Investec, Blackrock and M&G.

Policy

It is the policy of the Association to run the Club from trading surpluses and only to call upon investment reserves when essential for capital improvements. For the present it is the Association's aim to achieve maximum growth while at the same time protecting the real value of investments. The Investment Committee re-invests the dividends in the fund. The value of the Association's long-term investments should not be reduced below £1,000,000 at market value unless exceptional circumstances are approved by the Council.

Risk management

The Council is required to include a statement that the major risks to which the Association are exposed, as identified by Council, have been reviewed and that the systems in place will mitigate those risks. The Council reviews the formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, listing them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The Council fully recognises the significant importance of effective internal controls on expenditure and payment and takes every action to minimise this risk. The full Risk Register is reviewed at each Board meeting and one risk is considered in detail. The Senior Management Team are responsible for day-to-day monitoring of all risks on behalf of the Council which will be an on-going activity throughout the new financial year ending 31st March 2021. The principal risks the Association faces and their mitigation strategies are as follows:-

Risk	Mitigation and Controls
Failure to recover from the Coronavirus in a sufficiently agile manner.	- Look for new opportunities in the short term such as providing accommodation for key workers. - Provide additional technology resources in our primary Conference Rooms through enhanced VTC capability and wi-fi. - Create a social distancing norm within the Club, which meets all legislative requirements and professional guidelines. - Re-profile cashflow lines and cease all non-essential expenditure.
Failure to recruit and retain a quality, motivated workforce	- Monitor staff turnover. - Incrementally uplift pay, benefits and staff facilities based on benchmarking, with the London hospitality sector: - Deliver agile recruitment processes. - Apply findings from the Annual Staff Survey. - Provide an efficient Appraisal System.
Members decide not to use the Club or renew their membership and the Club fails to recruit a matching or higher number of members.	- Monitor attrition and joiners rates and the associated reasons. - Monitor the numbers of SAF and paying members and the movement thereof and monitor the SAF conversion rate. - Track closely the member's age profile and seek younger members - Focus long term marketing plan - Offer talks and events both within the Club and online. - Launch the Ambassador and Investiture schemes once the Coronavirus restrictions allow.
Supplier price increases, competition from other Clubs/hotels, erosion of prices and inflation affecting consumer consumption	- Senior Management Team ("SMT") weekly review of sales performance. - Executive Committee and SMT monthly review of Management Accounts. - Frequent benchmarking with Hospitality Assured, Venues of Excellence/ABPCO, BDO and Association of London Clubs. - Regular review of supplier contract costs.

Cyber-crime or inadequate IT policies.	- Firewall, back-ups, anti-virus software, password control and mail holding service provided. - Reviews conducted by external IT support company. - IT Policy and appropriate insurance in place. - Financial controls in place to prevent Fraud. Insurance in place. - Club has achieved Cyber Essentials certification.

Remuneration of senior staff

The Council, supported by the salaried Senior Management Team, comprise the key management personnel of the charity in charge of directing, controlling, running and operating the Association on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts. The pay of the Senior Management Team and all staff is reviewed annually by the Remuneration Committee which reports to the Council. The Remuneration Committee considers comparative data from several external sources including the Association of London Clubs, and the Institute of Hospitality.

CHARITABLE OBJECTIVES, VISION, MISSION AND ACTIVITIES

The objectives for which the Charity are:

(i) To promote military efficiency and esprit de corps by bringing together members of the Armed Forces of the Crown, former members of the Armed Forces of the Crown and members of the Armed Forces of the Commonwealth and Foreign countries with whom they are currently allied and by improving the conditions of life of such persons.

(ii) To relieve need, hardship or distress among persons who have served in the Armed Forces of the Crown and their dependants.

The Club's Vision is to be the leading military members' Club, where membership is cherished, and outstanding standards of services are the norm.

The Club's Mission is to deliver outstanding Value, Service and Courtesy.

Public Benefit

The Council has had due regard to the Charity Commission guidance in deciding how to implement the Charity's object for the benefit of the public. The work carried out by the Charity to further the charitable objectives are highlighted in the Chairman's statement. Whilst the Government closed much of hospitality as a defence measure against Covid-19, the Club remained open to support key workers and military personnel working to support London's hospitals and its population.

By way of expansion on those points the Trustees and staff have been focused on our two objectives to ensure that we continue to provide a benefit to our members and the wider military 'family'. To meet the Charity's first objective we provide a smart, comfortable, 'and modern venue for esprit d'corps activities. Specifically, these include informal and formal meetings, and Ships, Regimental and Squadron dinners, and conferences. Ordinarily, the Club hosts a wide range of military Association events due to a more effective marketing programme, and a pricing model that is tailored to provide an enjoyable event that is affordable, which allows individuals from all ranks to participate and be accommodated at very reasonable prices. Inevitably, our ability to meet this objective in the reporting period has been constrained by reasons beyond our control.

Our RWB scheme, as mentioned by the Chairman earlier on Page 3, is a unique offer in London which provides free accommodation and all meals for a two-night stay to a family consisting of two adults and usually up to three school age children; this offer is extended to an accompanying carer if necessary. Over the last five years we have hosted 1,434 individuals under this scheme. Understandably, the numbers for Financial Year 2020/21 have been significantly reduced as the Club was very largely closed, apart providing a service to essential and key Workers for a significant part of the year. Our Trustees are committed, when allowed, to annually increasing the numbers benefitting from this offer. The Club's staff frequently engage with the leading military charities and the single Service and Defence Medical Rehabilitation staff to seek nominations. The Club also continues to offer thirty free weekend Reward and Recognition breaks to members of the serving Armed Forces who are recommended to us. This scheme is generously funded by the Nuffield Trust for the Forces of the Crown. Notably, the Club also supports the work of other military charities by providing discounted charges for meeting and event rooms. Our ability to support the local community in FY 2021/22 has been similarly constrained due to Covid-19.

Capital and Works Expenditure

In the reporting period the Club significantly reduced the programme of planned capital and maintenance projects, in order to reduce expenditure. The planned refurbishment of two floors of bedrooms in the Memorial Wings was deferred to FY 2022/23. Minor projects to replace office carpeting, work surfaces in the Club's Lounge Bar and upgrades to bedroom air conditioning controls, amongst others, were also deferred. The Club did complete a number of fire stopping works including the installation of new mid-corridor fire doors on six floors of the Memorial Wing and also works in the inter-floor services cupboards. This was at a cost of £71,110. In response to Covid-19 the Club spent £14,467 on unforeseen works. These included two tripod mounted thermal scanning cameras and two hand held devices for use on members, staff and contractors at our entrances. In addition, desk top and full height screens were installed in the Club's Reception area, the Dining Room, Event spaces, the Lounge Bar and a number of offices. In addition, the Club spent £39,416 on PPE.

Plans for the Future.

From the reopening to Members on 17th May 2021, the Club has seen a gradual and steady increase of usage of the Club by its members and a small number of Events and meetings have taken place. The Board anticipates considerably greater bedroom occupancy and more events in the third quarter of the year, so that by 31st March 2022 the Club will be operating at 60% of its pre-Covid capacity.

In Financial Year 2021/22 the Club's planned capital and works expenditure will again be reduced owing to uncertainty associated with Covid-19 and reduced usage, combined with the lower revenue from the previous year. The Club has extensive air conditioning in our bedrooms, Event Rooms and 'public' areas, with a collective value of £1m. With a budget of £35k the Club will contract with a Mechanical and Electrical Company to carry out an equipment condition survey, from which we will have a plan to manage a replacement programme over a period of up to 4 years. The Club will deliver upgrades to our Wi-Fi systems to improve our free service in our public rooms, bedrooms and conference rooms to meet the increasing demand for faster speed and more capacity. The Army Central Find will generously donate £40,000 in August 2021 to this project, with the Club contributing £10k. Planned work to further upgrade the Club's fire protection systems will be completed in Financial Year 2021/22 programme at a cost of £30k, as the Board is fully committed to complying with all HSAW legislation and regulations. Works to prevent water ingress on the flat roof canopy over our sub-lets will cost £20,000.

The Club's linkages to the Armed Forces community, both serving and retired, will continue to be developed through greater links with membership organisations and those who are transitioning from Service to civilian life. Our provision of our free Respite and Welfare Breaks will build back up following the reopening on 17th May 2021, and the subsequent lifting of restrictions. We look forward to being able to visit military units, Charity conferences and AGM's to raise our presence again, in addition to our online marketing activities, so that we recruit more members and make our offer more available.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities shows a net deficit of £1,764,884 (2020: Net surplus £411,524). The deficit is after an unrealised gain in our investments of £881,225 (2020: loss £414,959). As the Investments are held for the long term, the Investment Committee does not propose a change in investment strategy. As a result of Covid 19 and extensive periods of closure, income decreased from £9,319,421 to £2,705,969. Expenditure in all areas of operations were carefully managed and have been further tightened in the Covid 19 environment. We are working to reduce our annual expenditure on major capital works, thus leading to lower depreciation over time. The accumulated funds at the balance sheet date totals £13,985,077 (2020: £15,748,419).

Fixed assets

In the opinion of the Council the market value of the leasehold premises is significantly higher than the book value, details of which are given in the notes to the financial statements. However, because of the various covenants in the lease, it is not practicable to ascertain with any degree of precision, the market value of the leasehold premises.

The investments held by the Association have been acquired in accordance with the powers available to the Council Members.

Fundraising

The Association does not actively fundraise from the public although grants are sought from grant making bodies. However, on 19th March 2020 an appeal was launched to the members of the Victory Services Club to raise money to support the Club and its staff through the Coronavirus period. The appeal has raised £212,940 of which £161,527 plus gift aid was in the year to 31st March 2020 and £51,413 is in the year to 31st March 2021.

In addition, some individuals have left bequests to the Association, and have voluntarily made some donations, for which we are very most grateful. We have not received any complaints in respect of fundraising activity. In 2021 there were also no complaints.

Reserves policy

In the year to the 31 March 2020 the Trustees carried out a review of the Reserves Policy. Using the Charity Commission guidance, the Trustees decided that the Charity needed to better ensure the long-term interests of the Charity and its beneficiaries were protected. Hence, the updated Reserves Policy was approved in October 2019 and consists of the following elements:

- The Charity's unrestricted reserve to cover business downturn, property and staff risk would be built up to twelve months of operating costs (currently calculated at £6.17m);
- The designated fixed asset fund at the net book value of the fixed assets £9,957,369 (2020: £11,114,527);
- The creation of a designated fund called the "Significant Capital Project Fund" which is a fund long term project. As a result of the Coronavirus, the Charity has been unable to add any monies to this Funds and hence the balance on 31st March 2021 is £nil (2020: £nil);
- The creation of a restricted Respite and Welfare Breaks Reserves which is equivalent to delivering one year of respite and welfare breaks. The value reserves are calculated at £75,000 (2020: £75,000).
- On 31st March 2021, the Charity had total reserves of £14,201,154 (2020: £15,966,038). Of the total, £216,077 relates to restricted funds (2020: £217,619) and £9,957,369 is included in a designated fund which reflects the net book value of tangible fixed assets (2020: £11,114,527).

The Trustees further decided that the Executive Committee review the Reserves Policy going forward as part of the annual budgeting process, or when the Charity's strategy is reviewed and when the risks faced by the Charity significantly change.

As of 31st March 2021, the Charity had general, unrestricted reserves, excluding restricted and designated reserves of £4,027,709 (2020: £4,633,892).

Investment performance

During the year Council, requested that the Investment Committee interview potential Investment Managers with a view to building a long-term fund as outlined in the updated Reserves Policy. The Investment Committee requested information from a selected number of investment managers and held a review of three investment managers. In 2019, the Trustees, as advised by the Investment Committee, appointed Investec to manage the long-term fund. At the end of the financial year on 31st March 2021 investment balances were:

- M&G Charifund: £1,777,110. (2020: £1,370,387).
- M&G Charibond: £301,828. (2020: £287,805).
- Armed Forces Common Investment Fund: £592,850 (2020: £494,829).
- Investec Wealth & Investment Managers: £1,248,036 (2020: £902,585)

The unrealised (loss)/gain on investments totalled gains of £881,225 (2020: loss of £(423,996)). At the end of the financial year, the Charity's total investments stood at £3,919,824 (2020: £ 3,036,281).

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The Council Members are responsible for preparing Council's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council Members to prepare financial statements for each financial year. Under that law the Council Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the group and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Council Members are required to:

- Select suitable accounting policies and apply them consistently.
- Observe methods and principles in the Charities SORP.
- Make judgements and 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 assume that the charitable company will continue in operation.

The Council Members are also responsible for keeping proper 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. The Council Members also confirm that they have made all necessary enquiries and taken such steps that they ought to, to ensure that they become aware of any relevant audit information and that they confirm that the Association's auditors have been made aware of such information.

In approving this Council's Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

BY ORDER OF THE BOARD

NPBeet

Air Commodore N P Beet CBE

Date: 7 July 2021

63/79 Seymour Street
London, W2 2HF

Independent auditor's report to the members of The Victory (Services) Association Limited

Opinion
We have audited the financial statements of The Victory (Services) Association Limited for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Association balance Sheet, the Consolidated Cash Flow Statement and 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 state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's net movement in funds, including the 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.

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 group 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
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 group'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 trustees are responsible for the other information. The other information comprises the information included in the Council's Report, incorporating the Strategic Report, and the Chairman's Statement. 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 Council's Report (which includes the strategic report and 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 strategic report and the directors' report included within the Council's Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council's Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the 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 group's and the parent 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 group or the parent 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
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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales and Scotland , and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the group relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular donation and legacy recognition.

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.

Gareth Ogden

Gareth Ogden (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen, Street Place, London EC4R 1AG

Date: 7 July 2021

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM:					
Donations and legacies	3	999,306	-	999,306	555,593
Charitable activities					
Membership		814,112	-	814,112	842,017
Catering and accommodation		672,963	-	672,963	6,627,490
Trading activities		14,821	-	14,821	1,054,548
Investments	4	204,767	-	204,767	239,773
TOTAL INCOME		2,705,969	-	2,705,969	9,319,421
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity		156,275	-	156,275	1,412,645
Charitable activities					
Catering and accommodation		3,307,107	-	3,307,107	6,391,416
Membership and central allocation		1,881,667	7,029	1,888,696	679,839
TOTAL EXPENDITURE	6	5,345,049	7,029	5,352,078	8,483,900
Net gains/(losses) on investments		881,225	-	881,225	(423,996)
NET (EXPENDITURE)/INCOME	5	(1,757,855)	(7,029)	(1,764,884)	411,524
Transfer between funds		(5,487)	5,487	-	-
NET MOVEMENT IN FUNDS		(1,763,342)	(1,542)	(1,764,884)	411,524
Reconciliation of funds:					
Total funds brought forward		15,748,419	217,619	15,966,038	15,554,514
TOTAL FUNDS CARRIED FORWARD		13,985,077	216,077	14,201,154	15,966,038

All transactions are derived from continuing activities. The split between unrestricted and restricted donations and legacies for the current and previous year is shown in note 3. There was no other restricted income or expenditure for the year ended 31 March 2021.

All recognised gains and losses are included in the Statement of Financial Activities.

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	9		9,957,369		11,114,527
Investments	10		3,919,824		3,036,281
			13,877,193		14,150,808
CURRENT ASSETS					
Stocks	12	27,527		47,590	
Debtors	13	342,435		371,537	
Cash at bank and in hand		2,205,950		2,340,624	
		2,575,912		2,759,751	
CREDITORS: amounts falling due within one year	14	(976,951)		(944,520)	
NET CURRENT ASSETS			1,598,961		1,815,231
TOTAL ASSETS LESS CURRENT LIABILITIES			15,476,154		15,966,038
CREDITORS: falling due after more than 1 year	14	(1,275,000)		-	
TOTAL NET ASSETS OR LIABILITIES			14,201,154		15,966,038
FUNDS	15				
Restricted funds			216,077		217,619
Unrestricted funds:					
Designated funds			9,957,369		11,114,527
General funds			4,027,708		4,633,892
			13,985,077		15,748,419
			14,201,154		15,966,038

The unconsolidated deficit of the Association was £1,764,884 (2020: surplus of £411,524).

The financial statements were approved and authorised for issue by the members of the Council on 7th July 2021 and were signed below on its behalf by:

Seumas Kerr

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

ASSOCIATION BALANCE SHEET

AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	9		9,957,369		11,114,527
Investments	10		3,919,822		3,036,279
Investment in trading company	11		2		2
			13,877,193		14,150,808
CURRENT ASSETS					
Stocks	12	27,527		47,590	
Debtors	13	349,585		628,164	
Cash at bank and in hand		2,140,475		2,035,698	
		2,517,587		2,711,453	
CREDITORS: amounts falling within one year	14	(918,626)		(896,222)	
NET CURRENT ASSETS			1,598,961		1,815,231
TOTAL ASSETS LESS CURRENT LIABILITIES			15,476,154		15,966,038
Creditors falling due after more than 1 year	14	(1,275,000)		-	
NET ASSETS			14,201,154		15,966,038
FUNDS	15				
Restricted funds			216,077		217,619
Unrestricted funds:					
Designated funds			9,957,369		11,114,527
General funds			4,027,708		4,633,892
			13,985,077		15,748,419
			14,201,154		15,966,038

The financial statements were approved and authorised for issue by the members of the Council on 7th July 2021 and were signed below on its behalf by:

Seumas Kerr

Major General Seumas Kerr
Chairman

Lieutenant Colonel Ward
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021		2020	
		£	£	£	£
Cash Flow from operating activities	21		(1,728,268)		1,715,864
Cash flows from investing activities					
Rents receivable		202,788		230,625	
Other interest receivable		1,979		9,148	
Payments to acquire tangible fixed assets		(108,858)		(726,878)	
Proceeds from sale of tangible fixed assets		-		17,335	
Purchase of investments		(296,987)		(1,082,059)	
Proceeds from sale of investments		294,672		87,003	
Net cash provided by (used in) investing activities			93,594		(1,464,826)
Cash flows from financing activities					
Cash inflows from new borrowing			1,500,000		-
Change in cash and cash equivalents in the year			(134,674)		251,038
Cash and cash equivalents at the beginning of the year			2,340,624		2,089,586
Total cash and cash equivalents at the end of the year			2,205,950		2,340,624

Analysis of changes in net debt

	At start of year	Cash-flows	Other non-cash changes	At end of year
Cash and cash equivalents	2,340,624	(134,674)		2,205,950
		(134,674)		
Loans falling due within one year	-	(225,000)		(225,000)
Loans falling due after more than one year	-	(1,275,000)		(1,275,000)
Total	2,340,624	(1,634,674)		705,950

Analysis of cash and cash equivalents	2021	2020
	£	£
Cash at bank and in hand	1,705,950	2,340,624
Notice deposits (less than 3 months)	500,000	-
Total Cash and cash equivalents	2,205,950	2,340,624

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of Accounting
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.

Group financial statements have been prepared in respect of the Association and its wholly owned trading subsidiary, VSC (Trading) Limited. The subsidiary has the same accounting reference date as the Association. No separate profit and loss account is presented for The Victory (Services) Association as provided by Section 408 of the Companies Act 2006.

(b) Subscriptions
Subscription income, including life membership subscriptions, is recognised in the period in which it is received.

(c) Grants, legacies and donations
Grants, legacies and donations are accounted for when their payment to the Association is confirmed and quantifiable.

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme. The income is accounted for in the period in which the associated salary costs are made to furloughed staff.

(d) Investment income
Investment income is accounted for in the period that it is receivable.

(e) Other income
Other income is accounted for in the period in which it falls due. Income received in advance is treated as deferred income and included in creditors.

(f) Allocation of Expenditure
Expenditure is charged directly to the cost centre to which it relates. Support costs area allocated based on income generated. Governance costs consist of those costs which relate to the overall running of the Association, including meeting statutory and regulatory requirements.

(g) Financial instruments
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

(h) Investments
Investments are included at market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

(i) Tangible fixed assets
Expenditure on fixed assets more than £1,000 is capitalised and depreciated over the asset's expected useful life as follows:

- Leasehold premium is amortised over approximately 60 years.
- Furniture, equipment, electrical works and improvements to premises are depreciated by equal annual instalments over 10 years
- Computer equipment is depreciated by equal instalments over 5 years.
- En suite bedrooms, lifts and other leasehold improvements are depreciated by equal instalments over 10 to 25 years

(j) Stocks
Stocks are valued at the lower of cost or net realisable value.

(k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The Victory (Services) Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in pounds sterling, rounded to the nearest pound.
Debtors are reviewed at the year-end for evidence of required impairment to their settlement amount. A Bad debts provision is calculated based on a conservative basis.

(l) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Fund Accounting
Unrestricted funds comprise accumulated surpluses and deficits on general funds - they are available for use at the discretion of the Council in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Council. At the year-end they comprise a fixed asset fund which represents the extent to which funds are invested in fixed assets for use by the charity and therefore not available for other purposes (see note 15).

Restricted funds are funds subject to specific restricted conditions imposed by the donors or the Council.

(n) Leasing and hire purchase commitments
Provision is made annually for the estimated cost of obligations under the lease of the Association's premises.

Rentals under operating leases have been charged to the Statement of Financial Activities on a straight-line basis.

(o) Preparation of accounts on a going concern basis
The Council Members consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives the Council confidence the charity remains a going concern for the foreseeable future.

(p) Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, Council Members are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main item within the financial statements where judgements and estimates have been made is in relation to estimating the useful economic life of tangible fixed assets.

(q) Pension arrangements
a) *Group personal pensions*

The Association provides group personal pension arrangements for certain employees. Contributions are made both by the Association and the employee into individual pension plans with a leading pension provider.

b) *Automatic enrolment*

The Association joined the Government auto enrolment scheme in May 2014. Eligible members of staff are automatically enrolled unless the staff member explicitly chooses to opt out. The Association currently contributes 5% (2020: 5%) of pensionable salary to the scheme.

2. INCOME

Income represents amounts receivable by the Association and its subsidiary from its membership and the services provided, net of value added tax recoverable. All income arose in the United Kingdom.

3. GRANTS, LEGACIES, DONATIONS AND FUNDRAISING

	2021	2020
	£	£
Restricted voluntary income		
Grants	-	75,000
	-	75,000
Unrestricted voluntary income		
Grants	779,644	-
Legacies	12,500	153,188
Gift Aid on membership subscriptions and donations	131,014	161,782
Donations	76,148	161,527
Other	-	4,096
	999,306	555,593

4. INVESTMENT INCOME

	2021	2020
	£	£
Rents receivable	190,321	221,309
Income from non-accumulating investments	12,466	9,317
Other interest receivable	1,980	9,147
	204,767	239,773

5. NET (EXPENDITURE)/INCOME FOR THE YEAR

	2021	2020
	£	£
This is stated after charging the following:		
- Amortisation of leasehold property	12,654	12,654
- Depreciation on other fixed assets	1,244,366	1,210,322
- Auditors remuneration for audit services		
for audit services	16,730	16,300
for other services	1,020	3,750
- Operating lease rentals	32,211	33,065

6. EXPENDITURE

a) ANALYSIS OF EXPENDITURE

	FOR THE YEAR ENDED 31 MARCH 2021			
	Support Costs	Staff Costs	Other Direct	Total
	£	£	£	£
Raising Funds				
Fundraising and publicity	21,550	117,787	16,937	156,274
Expenditure on charitable activities:				
Catering and accommodation	978,485	2,136,886	191,736	3,307,107
Membership and central allocation	1,183,714	657,381	47,602	1,888,697
TOTAL EXPENDITURE	2,183,749	2,912,054	256,275	5,352,078

The increased allocation to Membership and central reflects the importance of Membership income in 2020/21. Fundraising and publicity expenditure includes support, staffing and other costs associated with commericial events activity and marketing.

Expenditure includes £77,145 incurred by VSC (Trading) Limited (2020: £936,754). Of the total expenditure, £7,030 was restricted (2020: £90,000).

b) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2021				
	Office expenses	Property costs	Other support costs	Governance costs	Total
	£	£	£	£	£
Raising Funds					
Fundraising and publicity	1,581	18,128	812	1,029	21,550
Expenditure on charitable activities:					
Catering and accommodation	71,801	823,116	36,851	46,717	978,485
Membership and central allocation	86,861	995,758	44,580	56,515	1,183,714
TOTAL SUPPORT COSTS:	160,243	1,837,002	82,243	104,261	2,183,749

c) GOVERNANCE COSTS

	2021	2020
	£	£
Wages and salaries	9,756	10,424
Legal and professional, including audit	94,411	105,942
Council and Committee expenses	95	4,774
	104,262	121,140

6. EXPENDITURE (comparative)

	FOR THE YEAR ENDED 31 MARCH 2020			
	Support Costs	Staff Costs	Other Direct	Total
	£	£	£	£
d) ANALYSIS OF EXPENDITURE				
Raising Funds				
Fundraising and publicity	420,016	620,479	372,150	1,412,645
Expenditure on charitable activities:				
Catering and accommodation	2,639,654	2,770,852	980,911	6,391,417
Membership and central allocation	335,367	172,163	172,309	679,839
TOTAL EXPENDITURE	3,395,037	3,563,494	1,525,370	8,483,901

e) ANALYSIS OF SUPPORT COSTS

The costs above include support costs which are allocated on the basis of income generated.

	FOR THE YEAR ENDED 31 MARCH 2020				
	Office expenses	Property costs	Other support costs	Governance costs	Total
	£	£	£	£	£
Raising Funds					
Fundraising and publicity	24,736	285,588	94,704	14,988	420,016
Expenditure on charitable activities:					
Catering and accommodation	155,458	1,794,824	595,185	94,187	2,639,654
Membership and central allocation	19,751	228,031	75,618	11,967	335,367
TOTAL SUPPORT COSTS:	199,945	2,308,443	765,507	121,142	3,395,037

7. STAFF NUMBERS AND COSTS

	2021	2020
	No.	No.
The average number of persons employed during the year were as follows		
Accommodation	60	72
Catering	50	58
Membership	2	3
Support	6	8
	118	141

As a result of Covid-19, on 26th August 2021, the Club announced a collective consultation. Hence, after the redundancy process the Club had 62 permanent members of staff and four regular casual workers.

The aggregate payroll costs of these persons were as follows	£	£
Salaries and wages	2,599,440	3,484,935
Social security costs	201,386	271,126
Pension scheme contributions	111,229	149,089
	2,912,055	3,905,150

Included in the above are termination payments of £199,397 (2020: £2,040) and two settlement agreement payments for a total of £49,434 (2020: £0)
The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2021	2020
	No.	No.
£60,000 - £69,999	1	1
£70,000 - £79,999	-	2
£80,000 - £89,999	1	1
£100,000 - £109,999	1	1
	3	5

Contributions of £26,187 were paid on behalf of these employees into a money purchase pension scheme (2020: £27,704)

The total employee benefits of the key management personnel of the Charity were £309,697 (2020: £360,235).

8. COUNCIL MEMBERS' REMUNERATION AND REIMBURSED EXPENSES

No remuneration is paid to any member of the Council. Reimbursements of travelling expenses totalling £95 (2020: £2,500) were paid to certain Council members for attendance at the Charity's meetings.

9. TANGIBLE ASSETS

Consildated and Association	Long Leasehold Buildings	Leasehold Improvements, fixtures, fittings and equipment	Total
Cost or Valuation	£	£	£
At 1 April 2020	837,953	19,178,428	20,016,381
Additions	-	108,858	108,858
Disposals	-	(9,979)	(9,979)
At 31 March 2021	837,953	19,277,307	20,115,260
Depreciation & Amortisation			
At 1 April 2020	448,052	8,453,804	8,901,856
Charged in Year	12,654	1,244,366	1,257,020
Disposals	-	(985)	(985)
At 31 March 2021	460,706	9,697,185	10,157,891
Net Book Value			
	377,247	9,580,122	9,957,369
At 31 March 2020	389,901	10,724,624	11,114,525

Substantially all the fixed assets are for direct activities in furtherance of the Charity's objectives. The lease on the property at 63/79 Seymour Street, London, W2 2HF was renewed during 2001 for a further 125 years.

The subsidiary company did not own any fixed assets during the year (2020: None).

10. INVESTMENTS

	£
Market value at 1 April 2020	3,036,283
Additions	296,987
Disposal	(294,671)
Net gains/(losses) on investments	881,225
Market value at 31 March 2021	3,919,824
Historical cost at 31 March 2021	2,606,109

Investments are held as units in managed funds operated by M & G Securities Limited, listed on the UK Stock Exchange and with the Armed Forces Common Investment Fund, managed by BlackRock Investment Management Limited and Investec Wealth & Investment Limited as follows:

	£
Armed Forces Common Investment Fund	592,850
M & G Charifund	1,777,110
M & G Charibond	301,828
Investec Wealth & Investment Limited	1,248,036
	3,919,824

At 31 March 2021 the investment revaluation reserve was £1,313,715 (2020: £889,587). The subsidiary company did not own any investments during the year (2020: None).

11. INVESTMENT IN TRADING COMPANY

The Association holds 100% of the share capital of VSC (Trading) Limited (Company registration number 03532841) which is responsible for the provision of accommodation, catering and conference facilities.

The Association's investment in the trading company was as follows:	2021	2020
	£	£
VSC (Trading) Limited	2	2

The subsidiary is registered in England and Wales and pays under Gift Aid its entire profits as computed for corporation tax purposes to the Association.

Profit and Loss Account	2021	2020
	£	£
Turnover	37,044	1,054,550
Cost of Sales	(1,133)	(218,518)
Gross profit	35,911	836,032
Administration expenses (net of interest receivable)	(76,012)	(718,236)
	(40,101)	117,796
Amount payable under Gift Aid to the Association	39,985	(118,351)
Interest receivable and similar income	116	555
Retained in subsidiary	-	-

The Trustees have reviewed the loss in the Trading company and acknowledged that the loss is a one-off only as trading activities were closed during the Coronavirus lockdowns. The Trustees anticipate profits in the next financial year.

Balance sheet	£	£
Current assets	58,327	244,388
Current liabilities	(58,325)	(244,386)
Amounts owed to the Association		-
	2	2
Share capital	2	2
Reserves		-
	2	2

12. STOCK

	2021	2020
Consolidated and Association	£	£
Food and wine	20,420	40,483
Club shop	7,107	7,108
	27,527	47,590

13. DEBTORS

	Consolidated 2021	Consolidated 2020	Association 2021	Association 2020
	£	£	£	£
Trade debtors	117,903	64,343	114,088	6,532
Amounts due from group undertaking	-	-	12,040	314,438
Other debtors	33,084	66,974	33,074	66,974
Prepayments and accrued income	191,448	240,220	190,383	240,220
	342,435	371,537	349,585	628,164

14. CREDITORS: Amounts falling due within one year

	Consolidated 2021	Consolidated 2020	Association 2021	Association 2020
	£	£	£	£
Trade creditors	111,074	300,806	111,074	300,806
Amounts due to group undertaking	-	-	-	-
Other creditors including taxation and social security	334,847	414,111	278,522	367,612
CBIL Loan	225,000	-	225,000	-
Accruals and deferred income	306,030	229,604	304,030	227,804
	976,951	944,521	918,626	896,222
CREDITORS: Amounts falling due after one year				
CBIL Loan	1,275,000	-	1,275,000	-
Total	2,251,951	944,521	2,193,626	896,222

In April 2020, the Club obtained a government backed CBIL Loan for £1,500,000. The Trustees approved the loan to support the Club through the pandemic and maintain liquidity. The loan is for six years, with a fixed interest rate of 2.10% for five years, with no interest or repayments in the first year. Loan repayments commence in July 2021.

15. FUNDS

	At 1 April 2020	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2021
	£	£	£	£	£
Unrestricted Funds					
Designated Funds					
Fixed Assets	11,114,527	-	-	(1,157,158)	9,957,369
Significant Capital Projects Fund	-	-	-	-	-
General Funds	4,633,892	2,705,969	(5,345,049)	2,032,896	4,027,708
	15,748,419	2,705,969	(5,345,049)	875,738	13,985,077
Restricted Funds					
Grants					
The Nuffield Trust	24,619	-	-	-	24,619
ABF Soldiers' Charities	18,000	-	(1,542)		16,458
Respite & Welfare Breaks Reserve	75,000		(5,487)	5,487	75,000
Legacies	100,000	-	-	-	100,000
	217,619	-	(7,029)	5,487	216,077
	15,966,038	2,705,969	(5,352,078)	881,225	14,201,154

The year end restricted fund balance represents £24,619 from the Nuffield Trust for the funding of Reward and Recognition breaks, £16,458 for the ABF Soldiers' Charites to fund soldiers who take advantage of the Charities respite and welfare breaks and a £100,000 legacy towards the refurbishment of adapted and other bedrooms.

15. FUNDS (comparative)

	At 1 April 2019	Income	Expenditure	Transfers/ gains/ (losses)	At 31 March 2020
	£	£	£	£	£
Unrestricted Funds					
Designated Funds	11,627,959	-	-	(513,432)	11,114,527
General Funds	3,792,893	9,244,421	(8,393,901)	(9,521)	4,633,892
	15,420,852	9,244,421	(8,393,901)	(522,953)	15,748,419
Restricted Funds					
Grants					
The Nuffield Trust	33,662	-	(9,043)	-	24,619
ABF Soldiers' Charities		75,000	(57,000)		18,000
Respite & Welfare Breaks Reserve	-	-	(23,957)	98,957	75,000
Legacies	100,000		-	-	100,000
Other specific donations					
	133,662	75,000	(90,000)	98,957	217,619
	15,554,514	9,319,421	(8,483,901)	(423,996)	15,966,038

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	AT 31 MARCH 2021			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	9,957,369	9,957,369
Investments	-	3,919,824	-	3,919,824
Net current assets	216,077	107,884	-	323,961
	216,077	4,027,708	9,957,369	14,201,154

	AT 31 MARCH 2020			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	11,114,527	11,114,527
Investments	-	3,036,283	-	3,036,283
Net current assets	217,619	1,597,609	-	1,815,228
	217,619	4,633,892	11,114,527	15,966,038

17. CAPITAL COMMITMENTS

Commitments for capital expenditure for which no provisions have been made in these financial statements were as follows:

	2021	2020
	£	£
Authorised and contracted for fire risk improvements	32,906	-

18. OPERATING LEASE COMMITMENTS

	2021 Land & Buildings	2021 Other	2020 Land & Buildings	2020 Other
Leases which expire:	£	£	£	£
In one to five years	-	55,789	-	72,524
After five years	631,500	-	638,250	-
	631,500	55,789	638,250	72,524

19. MEMBERS' LIABILITY

The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Council are Directors of the company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

20. PENSION COMMITMENTS

The Association operates a Group pension arrangement. The overall pension charge for the year was £111,229 (2020: £149,089). At 31 March 2021, contributions of £12,081 were outstanding (2020: £17,791)

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2021	2020
	£	£
Net movement in funds	**(1,764,884)**	**411,624**
Dividends, interest and rents from investments	(204,767)	(239,773)
Net (gains)/losses on investments	(881,225)	414,959
Depreciation and amortisation charges	1,257,020	1,222,976
Decrease in creditors	(183,577)	(196,222)
Decrease in debtors	29,102	110,595
Decrease/(increase)/ in stocks	20,063	(8,195)
Net Cash generated by operating activities	**(1,728,268)**	**1,715,864**

22. RELATED PARTY TRANSACTIONS

At the year end VSC (Trading) Limited (the subsidiary) owed The Victory (Services) Association £9,970 (2020: £314,423)

	2021	2020
	£	£
Payments from VSC (Trading) Limited to parent charity for shared resources	1,012,771	883,760
Profits donated by VSC (Trading) to The Victory (Services) Association	-	129,010

23. POST BALANCE SHEET EVENTS

In line with government guidance, the Club reopened on 17th May 2021.