

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

THE VICTORY (SERVICES) ASSOCIATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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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

SOLICITORS

Charles Russell Speechlys

5 Fleet Place

London EC4M 7RD

Bates Wells LLP

10 Queens Street Place

London EC4R 1BE

AUDITORS

Haysmacintyre LLP

10 Queen Street Place

London EC4R 1AG

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.



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 VICTORY (SERVICES) ASSOCIATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 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 VICTORY (SERVICES) ASSOCIATION

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

Committee/Working Group	Chaired by
Nominations Committee (disbanded 25 th 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.

THE VICTORY (SERVICES) ASSOCIATION

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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.
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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.

THE VICTORY (SERVICES) ASSOCIATION

TRUSTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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.

THE VICTORY (SERVICES) ASSOCIATION

TRUSTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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 VICTORY (SERVICES) ASSOCIATION

TRUSTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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



Major General Seumas Kerr CBE

63/79 Seymour Street
London, W2 2HF

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

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:

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

- 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
			<u>12,835,991</u>		<u>12,948,989</u>
CURRENT ASSETS					
Stocks	12	62,140		48,906	
Debtors	13	244,252		314,787	
Cash at bank and in hand		<u>5,434,551</u>		<u>4,265,045</u>	
		5,740,943		4,628,738	
CREDITORS: amounts falling due within one year	14	(1,216,549)		(1,600,338)	
NET CURRENT ASSETS			<u>4,524,395</u>		<u>3,028,400</u>
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			<u><u>16,960,386</u></u>		<u><u>15,277,389</u></u>
FUNDS	15				
Restricted funds			117,641		192,641
Unrestricted funds:					
Designated funds			8,329,337		8,686,010
General funds			<u>8,513,408</u>		<u>6,398,738</u>
			<u>16,842,745</u>		
			<u><u>16,960,386</u></u>		<u><u>192,641</u></u>

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

ASSOCIATION BALANCE SHEET

AT 31 MARCH 2024

		2024		2023	
	Note	£	£	£	£
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
			<u>12,835,993</u>		<u>12,948,991</u>
CURRENT ASSETS					
Stocks	12	62,140		48,906	
Debtors	13	2,450,169		1,614,391	
Cash at bank and in hand		<u>2,871,483</u>		<u>2,834,361</u>	
		5,383,792		4,497,658	
CREDITORS: amounts falling within one year	14	(1,013,919)		(1,469,260)	
NET CURRENT ASSETS			<u>4,369,873</u>		<u>3,028,398</u>
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			<u><u>16,805,866</u></u>		<u><u>15,277,389</u></u>
FUNDS					
Restricted funds	15		117,642		192,641
Unrestricted funds:					
Designated funds			8,329,337		8,686,010
General funds			<u>8,358,888</u>		<u>6,398,738</u>
			<u>16,688,225</u>		<u>15,084,748</u>
			<u><u>16,805,866</u></u>		<u><u>15,277,389</u></u>

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 Seumas Kerr
Chairman



Mr S Gunning
Honorary Treasurer

THE VICTORY (SERVICES) ASSOCIATION

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

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 are allocated based on an Expenditure pro-rata 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 to 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

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

(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.

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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
	£	£
<i>Restricted voluntary income</i>		
Grants	-	-
	<u>-</u>	<u>-</u>
<i>Unrestricted voluntary income</i>		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
	<u>306,166</u>	<u>369,637</u>

4. INVESTMENT INCOME

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

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
	<u>54,686</u>	<u>60,124</u>

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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	<u>3,176,155</u>	<u>4,860,912</u>	<u>1,839,766</u>	<u>9,876,833</u>

Fundraising and publicity expenditure includes support, staffing and other costs associated with commercial 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:	<u>242,743</u>	<u>2,181,082</u>	<u>677,350</u>	<u>74,980</u>	<u>3,176,155</u>

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
	<u>74,980</u>	<u>81,072</u>

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

6. EXPENDITURE (COMPARATIVE)

		FOR THE YEAR ENDED 31 MARCH 2023			
		Support Costs	Staff Costs	Other Direct	Total
		£	£	£	£
d)	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	<u>3,139,577</u>	<u>4,005,072</u>	<u>1,486,294</u>	<u>8,630,943</u>

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:	<u>224,054</u>	<u>2,131,454</u>	<u>702,997</u>	<u>81,072</u>	<u>3,139,577</u>

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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
	<u>139</u>	<u>119</u>
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
	<u>4,860,912</u>	<u>4,015,527</u>

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
	<u>5</u>	<u>4</u>

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.

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

9. TANGIBLE ASSETS

Consolidated 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).

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

Balance sheet

	2024	2023
	£	£
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

Consolidated and Association

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

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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
	<u>244,252</u>	<u>314,787</u>	<u>2,450,169</u>	<u>1,614,391</u>

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
	<u>1,216,549</u>	<u>1,600,338</u>	<u>1,013,919</u>	<u>1,469,260</u>

CREDITORS: Amounts falling due after one year

CBIL Loan	400,000	700,000	400,000	700,000
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Total	<u>1,616,549</u>	<u>2,300,338</u>	<u>1,413,919</u>	<u>2,169,260</u>
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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
	<u>700,000</u>	<u>459,111</u>	<u>700,000</u>	<u>1,000,000</u>

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	-	-	-	-	-
	<u>8,761,010</u>	<u>-</u>	<u>-</u>	<u>(431,673)</u>	<u>8,329,337</u>
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
	<u>192,641</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>117,641</u>
	<u>15,352,389</u>	<u>11,247,008</u>	<u>(9,876,833)</u>	<u>237,822</u>	<u>16,960,386</u>

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.

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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
	<u>9,137,220</u>	<u>-</u>	<u>-</u>	<u>(451,210)</u>	<u>8,686,010</u>
General Funds	5,327,119	9,470,912	(8,625,738)	301,445	6,473,738
	<u>14,464,339</u>	<u>9,470,912</u>	<u>(8,625,738)</u>	<u>(149,765)</u>	<u>15,159,748</u>
Restricted Funds					
<i>Grants</i>					
The Nuffield Trust	21,047	-	(3,406)	-	17,641
ABF Soldiers' Charities	1,798	-	(1,798)	-	-
Army Central Fund	-	-	-	-	-
<i>Legacies</i>	100,000	-	-	-	100,000
Other specific donations					
	<u>122,845</u>	<u>-</u>	<u>(5,204)</u>	<u>-</u>	<u>117,641</u>
	<u>14,587,184</u>	<u>9,470,912</u>	<u>(8,630,942)</u>	<u>(149,765)</u>	<u>15,277,389</u>

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)
	<u>117,641</u>	<u>8,272,519</u>	<u>8,329,337</u>	<u>16,719,497</u>
	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)
	<u>385,282</u>	<u>12,797,476</u>	<u>17,372,020</u>	<u>30,554,778</u>

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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	-
	<u>570,750</u>	<u>54,686</u>	<u>577,500</u>	<u>60,124</u>

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	<u>1,819,506</u>	<u>2,264,578</u>

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.