

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

SOLICITORS

Charles Russell Speechlys

5 Fleet Place

London EC4M 7RD

Bates Wells LLP

10 Queens Street Place

London EC4R 1BE

AUDITORS

Moore Kingston Smith

9 Appold Street

London EC2A 2AP

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 2025

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 VICTORY (SERVICES) ASSOCIATION

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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.

THE VICTORY (SERVICES) ASSOCIATION

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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
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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 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.

THE VICTORY (SERVICES) ASSOCIATION

TRUSTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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.

THE VICTORY (SERVICES) ASSOCIATION

TRUSTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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 VICTORY (SERVICES) ASSOCIATION

TRUSTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

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 to 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
			<u>15,083,438</u>		<u>12,835,991</u>
CURRENT ASSETS					
Stocks	12	77,775		62,140	
Debtors	13	438,396		244,252	
Cash at bank and in hand		<u>4,245,992</u>		<u>5,434,551</u>	
		4,762,163		5,740,943	
CREDITORS: amounts falling due within one year	14	(1,818,285)		(1,216,549)	
NET CURRENT ASSETS			<u>2,943,878</u>		<u>4,524,394</u>
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			<u>17,927,315</u>		<u>16,960,386</u>
FUNDS					
	15				
Restricted funds			111,880		117,641
Unrestricted funds:					
Designated funds			8,383,301		8,329,337
General funds			<u>9,432,134</u>		<u>8,513,408</u>
			<u>17,815,435</u>		<u>16,842,745</u>
			<u>17,927,315</u>	-	<u>16,960,386</u>

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

		2025		2024	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		8,308,301		8,254,337
Investments	10		6,775,137		4,581,654
Investment in trading company	11		<u>2</u>		<u>2</u>
			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		<u>3,516,014</u>		<u>2,871,483</u>	
		4,327,932		5,383,792	
CREDITORS: amounts falling within one year	14	(1,519,281)		(1,013,919)	
NET CURRENT ASSETS			<u>2,808,651</u>		<u>4,369,873</u>
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			<u><u>17,792,091</u></u>		<u><u>16,805,866</u></u>
FUNDS					
Restricted funds			111,880		117,641
Unrestricted funds:					
Designated funds			8,383,301		8,329,337
General funds			<u>9,296,910</u>		<u>8,358,888</u>
			<u>17,680,211</u>		<u>16,688,225</u>
			<u><u>17,792,091</u></u>		<u><u>16,805,866</u></u>

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			<u>(2,542,133)</u>		<u>(350,001)</u>
Cash flows from financing activities					
Cash(outflows)/inflows from borrowing			(300,000)		(300,000)
Change in cash and cash equivalents in the year			<u>(1,068,401)</u>		<u>1,169,505</u>
Cash and cash equivalents at the beginning of the year			<u>5,462,006</u>		<u>4,265,045</u>
Total cash and cash equivalents at the end of the year			<u><u>4,393,605</u></u>		<u><u>5,462,006</u></u>
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		<u><u>4,762,006</u></u>	<u><u>(768,401)</u></u>	<u><u>-</u></u>	<u><u>3,993,605</u></u>
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			<u><u>4,393,605</u></u>		<u><u>5,462,006</u></u>

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 classified 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.

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

(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.

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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

4. INVESTMENT INCOME

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

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	<u>31,870</u>	<u>54,686</u>

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

6. EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2025

	Support Costs	Staff Costs	Other Direct	Total
	£	£	£	£
a) ANALYSIS OF EXPENDITURE				
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 commercial 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

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

7. STAFF NUMBERS AND COSTS

	2025 No.	2024 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
	<u>147</u>	<u>139</u>

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
	<u>5,824,240</u>	<u>4,860,912</u>

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

	2025 No.	2024 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	<u>1</u>	<u>1</u>
	<u>5</u>	<u>5</u>

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 disclosed in Note 6

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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).

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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
	<u>438,396</u>	<u>244,252</u>	<u>734,143</u>	<u>2,450,169</u>
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
	<u>1,818,285</u>	<u>1,216,549</u>	<u>1,519,281</u>	<u>1,013,919</u>
CREDITORS: Amounts falling due after one year				
CBIL Loan	100,000	400,000	100,000	400,000
	<u>100,000</u>	<u>400,000</u>	<u>100,000</u>	<u>400,000</u>
Total	<u>1,918,285</u>	<u>1,616,549</u>	<u>1,619,281</u>	<u>1,413,919</u>

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
	<u>8,329,337</u>	<u>-</u>	<u>(36,404)</u>	<u>90,368</u>	<u>8,383,301</u>
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
	<u>117,641</u>	<u>-</u>	<u>(5,761)</u>	<u>-</u>	<u>111,880</u>
	<u>16,960,386</u>	<u>11,861,419</u>	<u>(10,909,868)</u>	<u>15,378</u>	<u>17,927,315</u>

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.

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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
	<u>8,686,010</u>	<u>-</u>	<u>-</u>	<u>(356,673)</u>	<u>8,329,337</u>
General Funds	<u>6,398,738</u>	<u>11,247,008</u>	<u>(9,876,833)</u>	<u>744,495</u>	<u>8,513,408</u>
Restricted Funds					
<i>Grants</i>					
The Nuffield Trust	17,641	-	-	-	17,641
<i>Respite & Welfare Breaks Reserve</i>	75,000	-	-	(75,000)	-
<i>Legacies</i>	100,000	-	-	-	100,000
Other specific donations					
	<u>192,641</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>117,641</u>
	<u>15,277,389</u>	<u>11,247,008</u>	<u>(9,876,833)</u>	<u>312,822</u>	<u>16,960,386</u>

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 reclassified 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	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
	<u>111,880</u>	<u>9,432,134</u>	<u>8,383,301</u>	<u>17,927,315</u>
	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	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>
	<u>117,641</u>	<u>8,513,408</u>	<u>8,329,337</u>	<u>16,960,386</u>

THE VICTORY (SERVICES) ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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	-
	<u>564,563</u>	<u>31,870</u>	<u>570,750</u>	<u>54,686</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 £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	<u>1,773,732</u>	<u>1,819,506</u>

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 were 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.