



Supporting physically disabled ex-Servicemen
and women of the past, present and future

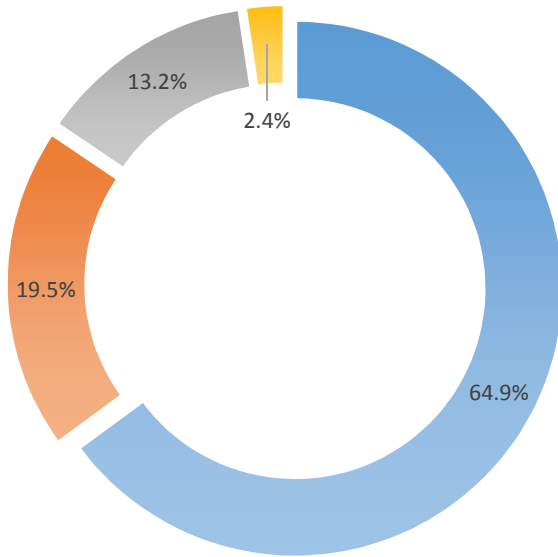
ANNUAL REPORT
& ACCOUNTS

2014

qahh.org.uk

How the funds have helped

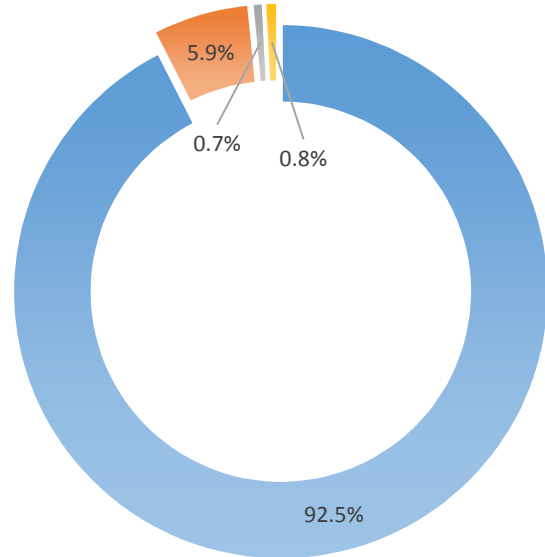
How the money came in



- Fee income
- Donations and fundraising events
- Legacies
- Investment and other income

Total income £4.3m

How the money went out



- Provision of care, rehabilitation and services
- Fundraising costs
- Governance costs
- Investment and other income costs

Total expenditure £4.5m

for every **£1** raised from fundraising
80p was spent directly supporting our residents

How the charity is supported

Property and equipment used by the charity	£5.7m
Investments held	£4.3m
Working capital	£0.1m
Other assets and liabilities	£(0.9m)

Total £9.2m

Contents

Chairman's Report	2
Report of the Trustees and Strategic Report	3 - 11
Independent Auditors' Report	12
Consolidated Statement of Financial Activities	13
Summary Income and Expenditure Account	14
Consolidated and Charity Balance Sheet	15
Consolidated Cash Flow Statement	16
Notes to the Consolidated Accounts	17 - 32
Officers and Management	33
Legal and Administrative Information	34

Chairman's Report

2014 will long be remembered as the year in which poppies filled the moat of the Tower of London in acknowledgment of the lives lost in the First World War.

A sight so moving that many of those with whom I stood could not look on without shedding tears as the enormity of sacrifice came into our lives in one of the most memorable and thoughtful of displays.

It also served as a reminder to those of us associated with The Queen Alexandra Hospital Home that our service and support to injured personnel has already lasted into its 95th Year. Our history and the commitment of service before self, in all who have served in the Hospital Home over the years, makes our Home special and continues to live on in their memories following retirement.

Our service in caring for injured personnel of all three services, for the wider population, mainly passes unnoticed; yet for family, friends and colleagues working within the Hospital Home, no one can speak too highly, nor often enough, of the quality of service and of care. We need to project this vision of our services into the wider community, well beyond the Sussex coastal resort of Worthing.

Our residents, no matter how long their stay with us, come from far and wide across our Nation. In The Queen Alexandra Hospital Home we seek to provide a place of safety and comfort for family as well as for our residents.

It is these families, their friends and our Volunteers who are our Ambassadors and without whom the word would not pass, as to our very special quality and levels of care. They share our ideals in supporting all our nursing colleagues as well as the specialist teams, committed to seeking to improve the quality of life of our residents and if at all possible their return to their families and family life.

There is so much more we could do, had we the money to do it. The lack of sensible and meaningful public funding only serves to encourage us to reach out to other organisations for support and reminds us how much we depend on charitable giving.

As the saying goes "every little helps" and the more help, the greater the improvements we can make to the care which we provide. Technology continually offers us greater opportunities, such as finding a voice through electronic synthesisers.

Much has been done, over recent years, to improve the fabric and facilities of The Queen Alexandra Hospital Home and we were delighted to welcome our President HRH Princess Alexandra to officially open our newly remodelled modern, efficient kitchen and catering areas.

We would like to believe that these facilities formed the last "high cost Capital" item due for improvement, but like bridges and railway tracks, there is always something lurking around the corner. We are often disappointed, too, by the lack of support, caused by bureaucracy that will not allow us exemptions from burdens like VAT. In H M Government's last budget, VAT allowances are being made available to hospices but as yet denied to us.

These then are the daily challenges we face in our endeavours to support the growing number of disabled ex-Service personnel who will in time be unable to look after themselves and may turn to The Queen Alexandra Hospital Home seeking the care and support for which we are renowned.

I am personally grateful to my colleague Trustees, Nursing and support colleagues, our Volunteers, our Finance and Fund Raising teams all supported in their efforts by our Director of Nursing and Operations and the Chief Executive. They have all given so much to The Queen Alexandra Home and led to our achieving an excellent report from the Care Quality Commission.

Colin Field JP DL

Chairman

Reference and Administration Information

The Trustees are pleased to present their Report and financial accounts for the Queen Alexandra Hospital Home (QAHH) for the year ended 31 December 2014.

In preparing these accounts the Trustees have sought to follow best practice and:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Follow applicable accounting standards and the charities Statement of recommended Practice (SORP) 2005, disclosing and explaining any departures in the accounts.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- Be compliant with the Charities Act 2011.

The Trustees who for the purposes of company law are the directors of the company, oversee the operations of QAHH. The Trustees and senior executives of the charity are listed on page 33. The principal place of business and professional advisers of the charity are given on page 34.

The Queen Alexandra Hospital Home is constituted as an incorporated company limited by guarantee (registered number 3646570) and registered as a charity (registered number 1072334). Its address is Boundary Road, Worthing, West Sussex BN11 4LJ (Tel: 01903-213458).

The Charity has one subsidiary company QAHH Services Limited (company number 5802953) incorporated 2 May 2006. The company is limited by shares of which the single shareholder is the Queen Alexandra Hospital Home.

Structure and Governance

The Queen Alexandra Hospital Home (QAHH) was founded in 1919 and incorporated as a Company Limited by Guarantee in 1998 thereafter subject to Charity, Trust and Company Law and governed by a Memorandum and Articles of Association.

The Board of Trustees oversee the governance of QAHH. The Board meets four times a year.

Between Board meetings, two appointed Trustees will carry out Trustees' Rounds and make a detailed inspection of all departments. New Trustees are invited to join the Board by the chairman with the approval of the Board, for a period of 4 years and then may be re-elected for one further period of 4 years. They are not normally eligible for a further re-appointment. An Induction programme is in place for new trustees.

The Board manages the business and affairs of QAHH and at its meetings the board reviews the performance of QAHH. There is one subcommittee overseeing the financial affairs of QAHH. It also considers and approves the operational and capital budgets. The board has established levels of authority to ensure proper accountability and transparency.

The Board also appoints the Chief Executive, who reports to the Chairman and is accountable to the Board. He attends meetings of the Board and the Finance Committee. The current Chief Executive is John Paxman. He is the 'Nominated Individual' under the requirements of our registration body the Care Quality Commission (CQC) and is the point of contact in all matters emanating from them.

Related Parties

The Charity's wholly owned subsidiary QAHH Services Limited was formed during 2006 to provide nursing and care services for a small number of residents who fall outside the objects of the Charity. The company gift aids any profits to the Charity.

PURPOSE AND AIMS

Casualties from the First World War reached appalling numbers and the charity was established in 1919 to care for physically disabled members of HM forces, providing the first steps in physiotherapy and occupational therapy. The objects of the charity have since been extended and are currently to:

Maintain a Home for the permanent and short-term accommodation of physically disabled former members of HM Armed Forces and To provide nursing and medical care for all such persons during their stay.

Ensuring our work delivers our aims:

We review our aims objectives and activities each year. This review looks at what we achieve and the outcomes of our work in the previous 12 months. The review looks at the success of the activities and the benefits they have brought to those groups of people. The review also helps us to ensure that our aims, objectives and activities remain focused on our stated purpose.

We have referred to the guidance in the Charity Commission's General guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Our Ethos:

The Queen Alexandra Hospital Home welcomes applications from all backgrounds and from all parts of the United Kingdom.

Prior to accepting a potential resident, we first ensure that QAHH is able to provide the appropriate level of nursing care and rehabilitation – and that our accommodation and the prospective resident's care plan will enable them to achieve their full potential.

The Hospital Home is an equal opportunity organisation and we are fully committed to providing a Hospital Home and a working environment that is free from any discrimination on the grounds of race; colour; religion; sex; ethnicity; sexual orientation; disability or age.

We also have a policy of making reasonable adjustments to accommodate the needs of staff and/or residents who are or who become disabled.

We also accept residents who are funded from a variety of sources – namely self-funders; Clinical Commissioning Groups (continuing care cases); Local Authorities (Social Services); and War Pensioners (Service Personnel and Veterans Agency).

The care provided to residents at QAHH is subsidised, thanks to the generosity of the many supporters and donors to the Hospital Home.

We help residents in the following ways:

- Full nursing and medical care, in a very comfortable environment with modern equipment and facilities by highly motivated and well-qualified staff.
- Rehabilitation service such as physiotherapy; occupational therapy; speech therapy; counselling; an extensive range of social activities including external visits and trips are all available to residents who require or wish to participate.
- Social interaction with like-minded former members of HM Forces – both male and female.
- Facilities and support to assist in personal matters.
- Contact re-established with former Service units and Regiments – if desired.
- A caring, supportive, family-environment until end-of-life.

Our Medium to Long-term Strategy is:

- To maintain and develop as appropriate, an effective organisation for the delivery of nursing care to meet the wide-ranging needs and demands of applicants to QAHH.
- To continue to provide – and if possible increase – the facilities for the care of all current, and future, residents at QAHH.
- To promote increasing awareness of QAHH amongst potential beneficiaries and supporters throughout the UK.
- To seek ways of enhancing the overall effectiveness of QAHH by working more closely with other similar charities.
- To maximise income by maintaining high bed occupancy.
- To increase financial input through increased fundraising resources.

OBJECTIVES AND ACTIVITIES

Our main objectives for 2014 were:

- To meet the needs and requirements of all our residents.
- To maintain bed occupancy at an average of 56 residents.
- Complete the upgrade of the Kitchen/Catering areas.
- Continue the process to reduce the financial deficit.
- Maintain close working relationships with CCGs and local authority funding bodies.
- Ensure the long-term future of the charity by maintaining cordial relationships with NHS bodies; CCGs; the Armed Forces; ex Service organisations; and to maintain a high profile within Worthing and the surrounding areas.

Our main objectives for 2015 are:

- To satisfy from our own resources, or in conjunction with other charities, the needs and requirements of all our residents.
- To maintain bed occupancy at an average of 56 residents.
- Continue the process to reduce the operational financial deficit and the pension scheme deficit.
- Continue to maintain close working relationships with CCGs and local authority funding bodies.
- Increase the marketing of the QAHH nursing and rehabilitation services to a wider audience nationally.
- Develop and offer a programme of workshops to school and youth groups educating young people on QAHH and physical disability; and the Armed Forces.
- Further ensure the long-term future of QAHH by maintaining close and collaborative relationships with NHS bodies; the Armed Forces; ex. Service organisations through continued membership of Confederation of British Service and ex. Service Organisations (COBSEO); and to maintain a high profile within Worthing and the surrounding areas.

Review of Activities

As has always been the case, the purpose of QAHH continues - and will always be - the provision of high quality nursing care and rehabilitation to former members of HM Forces and their immediate family members and dependants.

Demand for beds during 2014 continued to be high but as in previous years, the issue of funding continues to be a problem for the majority of applicants – apart from self-funders – as the accessing of public funding (Social Services) continues to be very difficult. As in recent past years, those who are successful in obtaining funding – be it CCG-funded or from local authority funding – are all of significantly higher nursing dependency than applicant cases of three years ago. It is unlikely that this situation will change in the near future.

All new applicants to QAHH are visited in their home or in hospital by one of the senior nursing team and a detailed assessment of the applicant is then carried out in the activities of daily living. From this outcome a fee can then be computed and is based on the time input that will be required from a Registered Nurse (RN) and also from a Health Care Assistant (HCA). QAHH has developed this computerised fee determination-system based on the time input of professionals and accommodation costs from which an accurate and justifiable fee can be ascertained. The QAHH charitable input continues to be in the region of 40% towards the cost of a bed for all ex. Service residents. The small number of 'non primary beneficiaries' (non ex. Service residents) are required to fund at full cost.

During 2014, through the kind donation of the Holliday family, the QAHH Wheelchair Clinic was established – staffed by our specialists from the Occupational Therapy department - allowing for all repairs and adjustments of resident wheelchairs to be carried out on-site as opposed to undertaking time-consuming and lengthy trips to the NHS Wheelchair Clinic in Hove.

OBJECTIVES AND ACTIVITIES

Review of Activities

With all the rehabilitation services now available at QAHH, developed over the past 6 years, QAHH is highly regarded as an excellent placement site for complex, long-stay patients from NHS hospitals – and we foresee an increase in demand for beds from this category for the foreseeable future.

The final upgrading project to the Kitchen and Catering areas was completed at the end of April, leaving the Hospital Home with a very modern and efficient high-quality Kitchen area. This completed the 10 year-programme of upgrades to all areas of QAHH and now leaves the Hospital Home as a very modern and regulatory-compliant organisation that is unlikely to require any further major capital work for the next decade. We were delighted to welcome our President, HRH Princess Alexandra, in July to formally view the new kitchens and also to tour QAHH meeting residents and staff.

The completion of this final project now allows all future Fundraising and Marketing department efforts to be focused on sourcing funding for services, reduction of the on-going operational deficit and to build the reserves currently standing at the equivalent of 8 months expenditure. The target for reserves stands at 18 to 24 months expenditure.

Our registration body CQC carried out an unannounced inspection in early October and the inspection team of four visited all areas of the organisation and spoke to many residents; family members; members of staff; and the senior management team. Their report was published in late December and it was pleasing to see that QAHH had been graded 'Good' in four of the five mandatory areas (Is the service safe? Is the service caring? Is the service responsive? Is the service well led?). And was graded 'Outstanding' in the last category (Is the service effective?).

QAHH continues to be a placement site for student nurses from the Ministry of Defence and from student nurses from the University of Surrey, both in their final year of training. During 2014 groups of these student nurses spent 10 weeks at the Hospital Home working alongside our specialist RGNs on the wards. QAHH continues to be a sought-after placement due to the range of facilities that are available here and because of the specialist knowledge and experience that the students acquire during their time at QAHH.

Volunteers at QAHH continue to bring new ideas; enthusiasm; increased efficiency; and fun to all areas of the organisation. During the year we recruited three injured Veterans – Derek Derenalagi; Mike Goodley; and Richard Hunt – to be Ambassadors of QAHH and they will be participating in the programme of workshops to schools and youth groups offering education about QAHH; physical disability; and the Armed Forces. We thank all our volunteers for their commitment to QAHH and for the time and efforts they all make in assisting the organisation and increasing the profile of the Hospital Home to a wider audience.

Policy

The policy of the Trustees continues to be that of maintaining the Queen Alexandra Hospital Home as a leading provider of high quality nursing care - and rehabilitation delivered by a well-qualified and committed multi-disciplinary team – for former members of HM Forces and also for a limited number of fully funded 'non-primary beneficiaries' where capacity allows.

The policy is also to continue to further enhance and improve services and facilities, as funds allow.

Organisation

The Chief Executive is responsible to the Board of Trustees for carrying out the agreed policies and objectives of the Hospital Home. He specifically deals with all strategic matters relating to finance and fundraising; all matters concerning Health and Safety; and is responsible for the smooth running and financial health of the Hospital Home. As already mentioned, he is also the 'Nominated Individual' for all matters relating to the Care Quality Commission (CQC), being the registration body of QAHH.

He is supported by the Director of Nursing and Operations (known internally as Matron) who is the 'Registered Manager' for CQC matters. She oversees the day-to-day management of the whole organisation – resident matters; staffing and resources; operational issues - both medical and administrative; and for all new applications for beds at QAHH.

The Chief Executive and the Director of Nursing and Operations are the senior management team (SMT) of the organisation.

Under the SMT, there are the departmental managers being – the Head of Fundraising and Marketing; the Head of Finance; the Head of Support Services; and the two Ward Managers.

STRATEGIC REPORT

Organisational Overview of 2014

2014 was financially similar to the previous year, in that external budgets (NHS and local authorities) continued to be tightly controlled and funding applications to them, for those hoping to be funded for admission to QAHH were closely scrutinised and often rejected. This in turn affected our bed occupancy levels once again.

Bed occupancy averaged 55 filled beds throughout 2014 against a budgeted figure of 56.

Because of our multi-disciplinary team approach and the nursing care, QAHH had an increased number of Clinical Commission Group (CCG) - funded placements in 2014 at 30% - which was almost double that of the previous year. Local Authority-funded placements were slightly down in 2014 (on the 2013) at 35%. Self-funded placements remained constant at 30%; and the remaining 5% were funded by the Veterans Agency.

The increased Fundraising and Marketing Department performed extremely well and having been set a target of £1.11m, achieved at year-end £1.42m. The legacy target was also surpassed with a budgeted figure of £350k for the year - and a year-end of £572k having been achieved.

The Quarterly Trust Receptions continued throughout 2014 with over 94 guests attending and partaking in a detailed tour of the Hospital Home, meeting residents and staff; SMT members and trustees. These receptions will again be repeated in the year ahead as it is a very effective way to interest representatives of grant-giving trusts and corporate organisations and individual supporters.

The SMT and FR+M team members also gave presentations and talks to numerous external organisations in 2014 including local school and youth organisations; Royal British Legion clubs; Rotary Clubs; and at Regimental Association Branch evenings.

The summer Open Day was another great success with over 900 attendees throughout the afternoon who were also entertained to an impressive marching display by the Band of the Light Infantry.

The Christmas Carol Service held at Lancing College Chapel was again a sell-out and 450 attended and is now a well-established diary-event for many QAHH supporters.

Voluntary Income and Fundraising

The Fundraising and Marketing department had a good year, as indicated by the figures left. The QAHH website - with increased information on the Hospital Home now available; resident application form; job vacancies and application form; historical film clips; fundraising information and events – and is now the most used method of acquiring information on QAHH. The website averaged 1500 hits per month throughout 2014, an increase on the previous year. Facebook and Twitter are other mediums that are now increasingly used to access information on the Hospital Home.

QAHH is a unique place and offers very special nursing and rehabilitation services, but the profile of the organisation and our name does not always fire an immediate recognition to many of our potential beneficiaries - being those with an ex-Service background but perhaps from many years past. So better communication and increased profile-building of QAHH - and of course the marketing of the Hospital Home, not just in the South East but beyond our normal catchment areas, is now very much part of the FR+M department strategy.

STRATEGIC REPORT

Financial Overview of 2014

The Charity received total income £4.3m (2013: £4.5m) a reduction of 4% on 2013. The income changes are attributed to the following:

Legacy income increased 63% to £571,841 (2013: £350,513).

Donations and grants, continued support from donors in the year produced Voluntary income (excluding legacies) of £826,436 (2013: £1,345,417) representing a reduction of 39% on 2013. Despite the overall reduction in income from donations it has been a very successful year. The 2013 income figures for donations were considerably higher than expected, as a result of the funds received from the LIBOR distribution amounting to £722,719.

Income from charitable activities, increased by 8% to £2,325,131 (2013: £2,153,241).

The net movement of funds for the year was an reduction of £482,927 (2013: £252,343 increase) after accounting for:

- Realised gains on the investments of £289,895 (2013: £330,973 gains),
- Un-realised losses on investments of £253,992 (2013: £279,069 gains) and
- Actuarial losses on defined benefit pension scheme of £71,000 (2013: £376,000 losses).

Expenditure

The cost in generating voluntary income increased to £272,503 (2013: £190,959) this represents the investment QAHH has made in its fundraising department to sustain and increase where possible the levels of voluntary income.

Capital expenditure amounted to £562,441 (2013: £110,182) representing the continued investment by QAHH in providing the highest possible standards with modern equipment where required to cater for our residents needs. Funding for the capital investment came in the form of the LIBOR funds received at the end of 2013.

Investment Policy

Aims to 'maximise total return' and a benchmark is set to which the portfolio's structure and performance is compared.

At 31 December 2014 the Charity's investments were valued at £4.36m (2013: £4.49m) as set out in Note 9. This amount includes £141,248 (2013: £173,829) held in short term deposits. The reduction in the portfolio is represented by the required drawdown to support the deficit of income over expenditure.

All the holdings bar the property funds are very liquid.

The investments which are managed by Schroders Charities produced a total return of 2.4% against the benchmark return of 3.6% (2013: 16.6% against benchmark of 9.0%) over the last 12 months.

During the year the trading subsidiary, QAHH Services Limited continued to trade for income outside the charitable status. The results are detailed in note 18.

Future Plans

QAHH will continue with its current strategy of developing its services and activities in order to keep up with the care requirements of our residents.

The major initiatives for 2015 will include:

- Continuing our efforts to ensure that QAHH remains as a leading provider of nursing care and rehabilitation.
- Further develop the communication and marketing of the Hospital Home in order to reach a wider audience nationally – to include schools and universities.
- Developing our volunteer roles across the organisation to provide additional support for the increasing demands of all managers.
- Continue with the updating of all of the IT services within the Hospital Home.
- Continue to strengthen the links with all branches of the Armed Forces in order to raise the profile of QAHH within the Service and ex. Service communities.

Future Prospects

The Board of Trustees continue to remain confident of an increasing requirement for the high quality, multi-disciplinary nursing and rehabilitation care that is offered at QAHH. The specialised complex neurological conditions' rehabilitation service continues to be developed, with the addition of the QAHH Wheelchair Clinic during 2014.

STRATEGIC REPORT

Future Prospects

With a decreasing number of organisations qualified to the level of QAHH or with the appropriately-trained and specialised staff and high quality facilities that QAHH has developed – and continues to do so – the trustees are confident that increasing numbers of NHS-funded continuing care placements will continue to be directed to the Hospital Home. In an era of NHS financial constriction and with all hospitals now actively seeking to move patients out of an acute setting once a medical emergency has been stabilised, into an external care setting, such as QAHH – as few other facilities have the level of services that the Hospital Home offers.

Despite an improving national economic climate, it is anticipated that funding overall services at QAHH will continue to remain challenging. For many privately funded applicants to QAHH - or to any other care facility – the capital release funding option of selling or downsizing a family home is sadly the most common method that must be confronted, in order to be able to meet the cost of care fees.

The aim of full-cost recovery for the nursing and rehabilitation services at QAHH whilst remaining a definite intention is unlikely to be achieved in the short to medium term. This in part is due to the fact that dependency levels of new applicants to QAHH continues to increase due in most part to factors concerned with funding of care fees and also from the difficulty and frequent rejections of applications for local Government Social Services care funding.

Despite these factors, the Trustees are unanimously agreed in their policy in not reducing or diluting any of the nursing and rehabilitation services at the Hospital Home and that any operational deficit will be filled by a continuation of the concentrated focus on national fundraising.

Applications and requests for information on QAHH over the past year have continued to increase, particularly through our enhanced website www.qahh.org.uk which is the most commonly used method for accessing information on QAHH. The website is updated and amended on a daily basis.

Risk Management

The Chief Executive is responsible to the board of Trustees for all matters of Risk Management and maintains the Risk Management register. He and the Director of Nursing and Operations are collectively responsible for the overseeing of regular risk assessments in all areas and functions of the Hospital Home.

The QAHH Quality Assurance Nurse also plays a vital role in the regular auditing of all clinical issues including the regular re-visiting of all policies and procedures in conjunction with the Director of Nursing and Operations.

The Hospital Home's Disaster Recovery Plan is updated annually and is fully operational. All members of staff with specific responsibilities have read and understand the document. It is regularly reviewed and updated by the Health and Safety Committee.

The Hospital Home is visited annually by the West Sussex Fire and Rescue Service at which time all QAHH fire policies are reviewed and any recommendations are acted upon.

A review of the risk management policies of the Hospital Home is regularly undertaken by the senior management team. Areas of Risk Management that are regularly carried out are:

- All resident-focused clinical risk assessments.
- All new Trustees, staff and volunteers undergo Disclosure Barring Service checks.
- An annual external audit reporting on identified weaknesses in procedures – with action taken on all recommendations.
- QAHH follows full compliance with the Charities Act the requirements of Charity Law and the Companies Act.
- Health and Safety matters are reviewed regularly by the Health and Safety Committee.
- QAHH undertake all matters that comply with Employment Law.
- Regular Trustee and Board sub-committee meetings are held.
- QAHH is registered and fully compliant with all aspects of Data Protection and the Freedom of information Act.

In line with recommended practice, QAHH regularly reviews the major strategic financial and operational risks to which it may be exposed. The Trustees remain satisfied that all systems are in place and can take the necessary action to mitigate such risks if and when necessary.

Fees Policy

When setting our fees, we seek to achieve a balance between affordability, a level which is consistent with the first class care and accommodation which we provide for our residents, and our desire not to exclude any beneficiary on the grounds of financial hardship. This means that we welcome residents whose care is funded from a variety of sources.

STRATEGIC REPORT

Reserves

The Trustees have formulated the reserves policy for QAHH based upon recommendations from the Finance Committee. The reserves policy is considered appropriate to ensure the continued ability of the Charity to meet its objectives.

In view of our aim to provide long term nursing care to the ex-Service community, the Trustees consider that a total unrestricted reserves fund of 18-24 month's expenditure (currently equal to 8 months expenditure) is reasonable in order to achieve this, to safeguard the future and to provide vital income from the reserves invested. Fundraising activity will be used to maintain the funds on a long-term basis and increase where possible to achieve the optimum level.

The current levels of reserves have fallen below the required levels due to the continued investment in services for the residents and the capital investments made and the continued subsidising needed, of the increasing costs of providing the high levels of care required by our residents currently not being met by the funding levels received.

Unrestricted Fund

The total unrestricted reserves fund of £3.12million (2013: £3.17million) represents the general reserve fund less the deduction for the pension reserve fund.

Restricted Fund

The restricted and endowment reserves are materially represented by the charity's investment in fixed assets. At the end of the year, the restricted reserves including the endowments stood at £6,085,759 (2013: £6,515,869) of which £5,652,577 (2013: £5,554,323) represents our investment in capital items, the buildings and equipment that constitute the Home.

Capital expenditure and other restricted funds £296,959 (2013: £828,204) and the permanent endowment of £136,223 (2013 £133,341) account for the remainder.

Investments and Performance

QAHH investments are held as a reserve against any shortfall in income to ensure we can continue to deliver our charitable objectives.

Our investment objective for securities is to seek to outperform the benchmark over rolling three-year periods by 0.5% to 1.0%. The charity has a diversified portfolio with a medium risk in order to seek to maintain or enhance the real value of the fund.

Investments and Performance

The benchmarks used are as follows:

50%	FTSE All Share
4%	FTSE Europe ex UK
4%	FTSE United States
2.5%	FTSE Japan
2.5%	MSCI Far East ex Japan
3%	MSCI Emerging Markets
15%	FTA Brit Govt. All Stocks
5%	IPD
5%	Rogers Int. Commodity Index
9%	Cash

The finance committee annually reviews the benchmark to ensure that it is still appropriate and on a quarterly basis the committee monitors the investment managers' performance against it.

- Net unrealised losses were made in the year of £253,992 (2013: £279,069 gains).
- Net realised gains amounted to £289,895 (2013: £330,973 gains).
- Net cash drawdowns from the portfolio amounted to £230,000.
- The portfolio reduced in value by 2.9% in the year to £4.36m from £4.49m in 2013.
- Over the 3 year period to 31 December 2014 the portfolio produced a total return of 34.3% against the benchmark total return of 27.2% for the same period (2013: 23.9% against benchmark of 21.1%).

Pensions

The accounts as presented include the full adoption of Financial Reporting Standard 17 ('FRS17'). A qualified independent actuary has prepared a valuation of the scheme for these accounts in accordance with FRS 17. This valuation indicated that a deficit of £0.94m existed at 31 December 2014. This amount has been recognised as a deficit in these accounts.

At 30 April 2005 the existing defined benefit pension scheme was closed to future accrual. A replacement stakeholder scheme came into force on 1 May 2005, this scheme was discontinued on 30 April 2014. Since 1 May 2014 QAHH has provided a workplace pension scheme as to comply with the new pension auto-enrolment rules. This scheme is provided by the Peoples Pension.

Further information regarding the pension funds is set out in notes 5 and 6 to the financial statements.

Statement of Trustees' Responsibilities for the Financial Statements

The Trustees (who are also directors of the Queen Alexandra Hospital Home for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and the application of resources, including net income or expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting procedures and then apply them consistently.
- 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 appropriate to presume that the charitable company will not continue in business.

The Trustees are responsible for the keeping of 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 the safeguarding of the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- The Trustees have taken steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

Trustee Indemnity Insurance

The charity has third party indemnity insurance cover for its Trustees, as disclosed in note 5 to the financial statements.

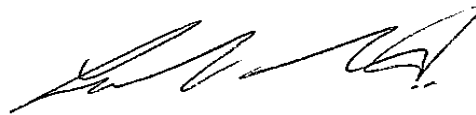
Auditors

A resolution to reappoint Carpenter Box for the coming year will be proposed at the Annual General Meeting in accordance with the Companies Act 2006.

In Gratitude

The Trustees wish to convey their sincere thanks to all the volunteers who gave so generously their time and support to the Queen Alexandra Hospital Home during 2014. With their continued support, we look forward to enhancing the delivery of our charitable services.

This report was approved by the Trustees on 20th May 2015 and signed on their behalf by:



CPJ Field JP
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE QUEEN ALEXANDRA HOSPITAL HOME



Carpenter Box

Chartered Accountants
Chartered Tax Advisers

We have audited the accounts of The Queen Alexandra Hospital Home for the year ended 31 December 2014 which comprise the group statement of financial activities, the summary income and expenditure account, the group and parent charitable company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members and trustees, as a body, in accordance with the Companies Act 2006 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's members and trustees those matters we are required to state to them in an auditors' 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 charity and its trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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 accounts and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2014, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires 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 not visited by us; or

- the parent charitable company accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; and
- we have not received all the information and explanations we require for our audit.

E M Houghton ACA FCCA DChA (Senior Statutory Auditor)
for and on behalf of Carpenter Box

22nd May 2015

Chartered Accountants
Statutory Auditor
Worthing

Carpenter Box is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

For the year ended 31 December 2014

	Note	Unrestricted Funds £	Endowment & Restricted £	2014 Total £	2013 Total £
INCOMING RESOURCES					
Voluntary income	2	995,607	402,670	1,398,277	1,695,930
Activities for generating funds	2	525,071	-	525,071	586,126
Investment income	2	91,182	-	91,182	79,058
Incoming resources from generated funds		1,611,860	402,670	2,014,530	2,361,114
Incoming resources from charitable activities	3	2,325,131	-	2,325,131	2,153,241
Other incoming resources		-	-	-	-
TOTAL INCOMING RESOURCES		3,936,991	402,670	4,339,661	4,514,355
RESOURCES EXPENDED					
Costs of generating voluntary income		228,229	44,274	272,503	190,959
Fundraising trading: Costs of goods sold and other costs		17,140	5,749	22,889	27,920
Investment management fees		28,723	-	28,723	29,576
Cost of activities for generating funds	4	274,092	50,023	324,115	248,455
Charitable activities	4	3,600,716	827,283	4,427,999	4,212,711
Governance costs	4	35,377	-	35,377	34,888
TOTAL RESOURCES EXPENDED		3,910,185	877,306	4,787,491	4,496,054
Net incoming/(outgoing) resources before transfers		26,806	(474,636)	(447,830)	18,301
Transfers between funds		(41,644)	41,644	-	-
Net incoming/(outgoing) resources and surplus/(deficit) of income over expenditure before other recognised gains and losses		(14,838)	(432,992)	(447,830)	18,301
Gains/(losses) on investment assets:					
Realised		289,895	-	289,895	330,973
Unrealised		(256,874)	2,882	(253,992)	279,069
Actuarial gains/(losses) on defined benefit pension scheme	6	(71,000)	-	(71,000)	(376,000)
Net movement in funds		(52,817)	(430,110)	(482,927)	252,343
Funds balance brought forward		3,170,063	6,515,869	9,685,932	9,433,589
FUNDS BALANCE CARRIED FORWARD		3,117,246	6,085,759	9,203,005	9,685,932

The accompanying accounting policies and notes form an integral part of these financial statements.

All of the operations represented by the information above are continuing.

Summary Income and Expenditure Account

For the year ended 31 December 2014

	2014	2013
	Total	Total
	£	£
Income	4,339,661	4,514,355
Realised (loss)/gain on disposal of investment assets	289,895	330,973
Total income	4,629,556	4,845,328
Total expenditure from income funds	4,787,491	4,496,054
NET (EXPENDITURE)/INCOME FOR THE YEAR	(157,935)	349,274

The summary income and expenditure account as required by the Companies Act 2006 is derived from the statement of financial activities, which together with the notes provides full information on the movements during the year on all funds of the charity.

Consolidated and Charity Balance Sheets

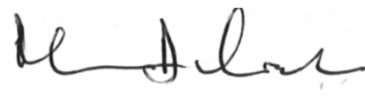
As at 31 December 2014

	Note	Group		Charity	
		2014 Total £	2013 Total £	2014 Total £	2013 Total £
Fixed assets					
Tangible assets	8	5,673,577	5,575,323	5,836,847	5,738,593
Investments	9	4,366,860	4,498,980	4,366,861	4,498,981
TOTAL FIXED ASSETS		10,040,437	10,074,303	10,203,708	10,237,574
Current assets					
Stocks	10	7,625	7,307	7,625	7,307
Debtors	11	196,135	191,147	201,812	225,186
Cash at bank and in hand		169,158	584,131	157,518	548,082
		372,918	782,585	366,955	780,575
Creditors - amounts falling due within one year	12	(270,350)	(231,956)	(264,387)	(229,946)
NET CURRENT ASSETS		102,568	550,629	102,568	550,629
Creditors - amounts falling after more than one year		-	-	-	-
Net assets before pension scheme liability		10,143,005	10,624,932	10,306,276	10,788,203
Defined benefit pension scheme liability		(940,000)	(939,000)	(940,000)	(939,000)
NET ASSETS AFTER PENSION LIABILITY		9,203,005	9,685,932	9,366,276	9,849,203
Capital funds					
Endowment fund	14	136,223	133,341	136,223	133,341
Revenue funds					
Restricted	14	5,949,536	6,382,528	6,112,806	6,545,798
Unrestricted:					
Pension reserve fund	6	(940,000)	(939,000)	(940,000)	(939,000)
General fund	13	4,057,246	4,109,063	4,057,247	4,109,064
(including revaluation reserve £620,787 [2013: £874,779] for Group and Charity)					
Total unrestricted		3,117,246	3,170,063	3,117,247	3,170,064
TOTAL CHARITY FUNDS		9,203,005	9,685,932	9,366,276	9,849,203

Approved by the Board of Trustees on

20th May 2015

and signed on its behalf by


CPJ Field JP DL
Chairman

M Walker JP FCA
Trustee

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2014

	Note	2014 £	2013 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	<i>a</i>	(79,156)	181,401
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Investment income and interest receivable		91,182	79,058
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES			
Purchase of tangible fixed assets		(562,441)	(110,182)
Purchase of investments		(594,362)	(854,329)
Sale of investments		729,804	1,172,947
Net cash (outflow)/inflow from capital expenditure and financial investments		(426,999)	208,436
(DECREASE)/INCREASE IN CASH IN YEAR	<i>b</i>	(414,973)	468,895

	2014 £	2013 £
a. Reconciliation of changes in resources to net cash inflow from operating activities		
Net (outgoing)/incoming resources before gains and losses on investment assets	(447,830)	18,301
Investment income and interest receivable	(91,182)	(79,058)
Depreciation	464,187	397,680
Decrease/(increase) in cash on deposit	32,581	(2,705)
(Increase)/decrease in stock	(318)	1,026
(Increase) in debtors	(4,988)	(15,395)
(Decrease) in creditors	(31,606)	(138,448)
Net cash (outflow)/inflow from operating activities	(79,156)	181,401

b. analysis of changes in cash during the year

	2014	Change in year	2013
Cash at bank and in hand	169,158	(414,973)	584,131

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historic cost convention, with exception of investments which are included at market value. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 2011.

1.2 Basis of consolidation

The group financial statements consolidate those of the charity and of its subsidiary undertakings (note 18) drawn up to 31 December 2014 in full. Surpluses or deficits on intra group transactions have been eliminated.

1.3 Incoming resources

Residents' contributions and capitation grants from the Veterans Agency are recognised in the Statement of Financial Activities on a receivable basis.

Donations and grants are recognised in the Statement of Financial Activities as received and are shown gross.

For estates in which probate has been granted the value of a quantifiable legacy, although not received in the financial year under review, is recognised in the Statement of Financial Activities with the corresponding amount being included as a debtor in the Balance Sheet.

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

1.4 Resources expended

Resources expended are all associated with the sole activity of the provision of residential care.

The charitable company's objective is the provision of residential care and this is achieved principally through its staff.

1.4 Resources expended (continued)

A high standard of buildings, equipment and other facilities are essential to the well-being of residents.

These elements underlie the categorisation of expenditure as follows:

Charitable expenditure comprises resources with the specific purpose of fulfilling the objects of the charity, predominantly the costs of care staff, and also expenditure incurred in support of the charity's primary purpose. This mainly consists of housekeeping expenses and other costs arising from the need to provide a comfortable living environment for the residents.

Governance costs include a proportion of the Chief Executive and head of Finance's salaries, Audit and accountancy fees and Trustees indemnity insurance.

Costs of generating funds include the costs associated with running the fundraising appeals including the development of the donor database, and fundraising events. Where applicable, costs have been apportioned on the basis of time or area, as appropriate to the relevant cost.

1.5 Fund accounting

The charitable company's assets represent the **Capital Fund** (resources invested in the buildings, equipment and vehicles), the **Revenue Fund** (resources held to produce income and to act as a reserve against temporary deficits), **Special Funds** (restricted or designated funds established to meet capital needs or specific projects) and **Endowment Funds** (resources invested in Gifford House 'the property' and a fund held in investments with income at the charity's discretion).

The Capital Fund is shown as a restricted fund, but part of this fund includes amounts designated by the Trustees. From time to time transfers between the Capital fund and the Revenue (unrestricted) fund occur in order to account for the results of projects which the trustees had designated funds to complete.

1.6 Fixed assets and depreciation

Capitalisation levels:

Individual fixed assets costing £2,500 or more are capitalised at cost (2013: £2,500).

IT equipment £400 (2013: £400)

Tangible fixed assets are stated at cost net of depreciation. No depreciation is charged on fixed asset additions in the course of construction.

Depreciation is calculated to write down the cost of all tangible fixed assets except for freehold land by equal annual instalments over their expected useful lives, leading to an annual depreciation charge against the Capital fund.

The periods generally applicable are:

Property - 25 years

Plant, equipment and vehicles - 5 to 10 years

Computer equipment - 3 years

1.7 Investments

Investments appear at market value as fixed assets in the balance sheet as they are held on a long-term basis to provide an essential income to offset part of the operating costs of the charity. Both realised and unrealised gains and losses are credited or charged to the Revenue fund.

1.8 Retirement benefits

Defined benefit pension scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet.

A net surplus is recognised only to the extent that it is recoverable by the charity.

The current service cost and costs from settlements and curtailments are included in operating costs and are allocated to the same expenditure headings as the related staff costs.

1.8 Retirement benefits (continued)

Past service costs are spread over the period until the benefit increases. Interest on the scheme liabilities and the expected return on the scheme assets are included under the appropriate expenditure headings as other finance costs.

Actuarial gains and losses are reported in the Statement of Financial Activities with other gains and losses on investments.

Defined contribution pension scheme

The pension costs charged against operating profits are the employers' contribution payable to the Stakeholder pension scheme and Work Place pension scheme in respect of the accounting period.

1.9 Stock

Stocks are stated at lower of cost or net realisable value.

1.10 Taxation

No provision for taxation, deferred or otherwise, has been made in these financial statements as the Hospital Home is a charity in accordance with the Charities Act 2011 and is exempt from taxation except Value Added Tax, provided that income and gains are applied for charitable purposes under S.505 of the Income and Corporation taxes Act 1998 and S.145 of the Capital Gains Tax Act 1979.

1.11 Cash and liquid resources

For the purpose of the cash flow statement, cash comprises cash in hand and deposits repayable in demand, less overdrafts payable on demand.

Liquid resources comprise term deposits of less than one year (other than cash), and are included in fixed asset investments as they are integral to the portfolio managed by investment managers.

2. Analysis of income from generated funds

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Voluntary income:				
Legacies	571,841	-	571,841	350,513
Donations:			-	
Individuals	144,940	35,122	180,062	91,554
Charitable foundations, HM Forces and Corporates	278,826	367,548	646,374	1,253,863
Total voluntary income	995,607	402,670	1,398,277	1,695,930
Activities for generating funds:				
Fundraising events	20,668	-	20,668	24,591
Nursing and care (non-primary purpose)	492,175	-	492,175	552,256
Other income	12,228	-	12,228	9,279
Total activities for generating funds	525,071	-	525,071	586,126
Investment income:				
Fixed interest securities	12,522	-	12,522	13,045
Equities (UK)	47,019	-	47,019	42,700
Equities (Overseas)	11,191	-	11,191	7,786
Short term deposits	436	-	436	393
UK unit trusts	20,014	-	20,014	9,237
Rebates on unit trusts	-	-	-	5,897
Total investment income	91,182	-	91,182	79,058

Other income in "Activities for generating funds" includes meals income from staff, bar and payphone income, none of which are individually material.

At the Balance Sheet date QAHH had been notified that it was entitled to receive material legacies. As conditions for recognition in accordance with our accounting policy had not been met, these amounts are not included in the Statement of Financial Activities.

3. Analysis of income from charitable activities

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Voluntary income:				
Contributions from residents	2,124,567	-	2,124,567	1,940,324
Veterans Agency capitation grant	200,564	-	200,564	212,917
Total incoming resources from charitable activities	2,325,131	-	2,325,131	2,153,241

4. Analysis of Resources Expended

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Resources expended				
Cost of generating voluntary income				
Telephones, rates, utilities and insurances	2,952	-	2,952	2,024
Advertising and publicity	2,260	-	2,260	1,865
Administration salaries and associated costs	16,179	-	16,179	17,040
Fundraising salaries and associated costs	143,773	32,603	176,376	132,088
Fundraising, advertising and publicity	63,065	11,671	74,736	37,942
	228,229	44,274	272,503	190,959

Costs of generating voluntary income include the costs associated with running the fund-raising appeals including the development of the donor database. Where applicable, administration and other costs have been apportioned on the basis of time or area as appropriate to the relevant cost and on a basis consistent with the use of resources by the fundraising department.

Cost of activities for generating funds

Coffee bar provisions	4,912	5,749	10,661	4,779
Fundraising event costs	5,400	-	5,400	7,962
Fundraising salaries and associated costs	6,828	-	6,828	15,002
Payphones	-	-	-	177
	17,140	5,749	22,889	27,920
Investment management fees	28,723	-	28,723	29,576
Total cost of generating funds	274,092	50,023	324,115	248,455

4. Analysis of Resources Expended (continued)

	Unrestricted £	Restricted £	Direct £	Other £	2014 Total £	2013 Total £
Resources Expended						
Cost of charitable activities						
Nursing care	889,281	18,406	907,687	-	907,687	880,701
Nursing care - agency staff	-	-	-	-	-	-
Health care assistants	1,143,075	2,601	1,145,676	-	1,145,676	1,101,356
Health care assistants - agency staff	42,072	-	42,072	-	42,072	22,578
Physiotherapy	1,399	108,490	109,889	-	109,889	119,182
Alternative therapy	10,400	27,050	37,450	-	37,450	11,440
Occupational therapy and Social and Recreation	25,555	109,560	135,115	-	135,115	139,714
Speech Therapy	5,850	29,770	35,620	-	35,620	31,847
Kitchen	116,004	-	116,004	-	116,004	132,875
Kitchen - agency staff	18,599	-	18,599	-	18,599	3,999
Housekeeping	251,890	-	251,890	-	251,890	238,371
Housekeeping - agency staff	4,107	-	4,107	-	4,107	-
Drivers	19,221	11,098	-	30,319	30,319	28,287
Chaplain	-	1,616	-	1,616	1,616	7,534
Administration	277,393	7,723	-	285,116	285,116	302,013
Maintenance	38,164	18,893	-	57,057	57,057	55,305
Gardener	11,299	-	-	11,299	11,299	7,408
	2,854,309	335,207	2,804,109	385,407	3,189,516	3,082,610
Closed pension scheme costs:						
Charges	36,000	-	-	36,000	36,000	33,000
Pension Protection Fund Levy	3,030	-	-	3,030	3,030	200
	2,893,339	335,207	2,804,109	424,437	3,228,546	3,115,810
Total payroll costs						
Medical officer and locum fees	18,970	-	18,970	-	18,970	23,462
Provisions	111,189	-	111,189	-	111,189	114,310
Surgery, dispensary and therapy	41,230	2,568	43,798	-	43,798	48,062
Other finance costs/(income)	18,000	-	18,000	-	18,000	15,000
Depreciation	-	464,187	-	464,187	464,187	397,680
Vehicle running and travel costs	9,923	18,165	28,088	-	28,088	19,156
Hospital repairs and renewals	50,837	-	-	50,837	50,837	49,879
Domestic and kitchen repairs	7,980	-	-	7,980	7,980	12,219
Sundries	9,574	2,064	-	11,638	11,638	9,690
Property maintenance	42,723	-	-	42,723	42,723	25,917
Gardening	5,822	-	-	5,822	5,822	4,690
Repairs and renewals of equipment	3,923	-	-	3,923	3,923	11,292
Laundry and cleaning	68,218	-	-	68,218	68,218	63,375
Utilities	123,773	5,092	-	128,865	128,865	142,066
Insurance	42,650	-	-	42,650	42,650	41,598
Computer costs	13,015	-	-	13,015	13,015	14,760
Bank charges	4,770	-	-	4,770	4,770	4,175
Other fees and subscriptions	106,642	-	-	106,642	106,642	72,183
Printing, stationery and publications	13,888	-	-	13,888	13,888	12,653
Postage and telephones	14,250	-	-	14,250	14,250	14,734
	707,377	492,076	220,045	979,408	1,199,453	1,096,901
Total non-payroll costs						
	3,600,716	827,283	3,024,154	1,403,845	4,427,999	4,212,711
Total cost of charitable activities						

4. Analysis of Resources Expended (continued)

	Unrestricted £	Restricted £	2014 Total £	2013 Total £	
Resources Expended					
Governance costs					
Staff costs	22,289	-	22,289	21,755	
Insurance	1,990	-	1,990	1,989	
Audit fees - Charity	9,120	-	9,120	9,134	
Audit fees - Subsidiary company	1,978	-	1,978	2,010	
Total governance costs	35,377	-	35,377	34,888	
Analysis of total resources expended					
	Staff costs £	Depreciation £	Other £	2014 Total £	2013 Total £
Provision of residential care					
Provision of services and support costs	3,228,546	464,187	735,266	4,427,999	4,212,711
Other expenditure					
Fundraising, publicity and other	205,132	-	118,983	324,115	248,455
Management and administration	22,289	-	13,088	35,377	34,888
Total resources expended	3,455,967	464,187	867,337	4,787,491	4,496,054

5. Trustees and employees

	2014 Total £	2013 Total £
Staff costs during the year were as follows:		
Wages and salaries	3,160,249	3,032,839
Social security costs	246,338	237,813
Pension costs:		
Defined benefit scheme *	-	-
Defined contribution scheme	12,248	35,617
Work place pension scheme	37,132	-
	3,455,967	3,306,269

* See cost detail at note 6.

Staff costs above include agency staff.

The full time equivalent number of employees of the charitable company during the year was:

	2014 Total	2013 Total
Nurses and health care assistants	81	82
Fundraising	8	8
Other	39	37
	128	127

No payments were made to Trustee's of The Queen Alexandra Hospital Home for remuneration of their services or any reimbursement of expenses for the year ended 31 December 2014 (2013: £83.54 was reimbursed for travel costs).

A premium of £1,990 was paid during the year for the trustee's indemnity insurance (2013: £1,990).

Details of employees who received more than £60,000 in the year are as follows:

	2014 Total	2013 Total
£90,001 - £100,000	2	2

During the year pension contributions of £7,888 (2013: £7,810) were paid on behalf of the employees' as members of the Stakeholder scheme to 30 April 2014 and then as members from 1 May 2014 of the Work Place scheme operated by the charity.

6. Retirement Benefits

The charitable company has been operating a defined benefit pension scheme for the benefit of employees. The scheme is administered by Cartwright Group Limited, in 2013 the scheme was administered by AEGON (formerly Scottish Equitable) and its assets are held separately from those of the charitable company.

The employer contributed 9.8% of salaries during the period up to the closure of the scheme to further accrual on 30 April 2005. The most recently completed triennial actuarial valuation of the scheme was carried out as at 31 March 2013. Following the valuation the scheme's Trustees agreed with the Charity that the annual contributions of £124,000 payable by equal monthly instalments to remove the deficit over 16 years from 1 April 2014.

In accordance with FRS 17 costs and liabilities of the scheme are based on actuarial valuations. The most recent FRS 17 valuation was at 31 December 2014 and was prepared by a qualified actuary. Based on the actuarial valuation, the market value of the pension fund assets at 31 December 2014 was £3,584,000 (2013: £3,107,000).

Because the scheme is closed to further accrual the current service cost under the projected method will increase as the members of the scheme approach retirement.

The principle actuarial assumptions at the balance sheet date (expressed as weighted averages) were

	2014	2013	2012	2011	2010
	%	%	%	%	%
Price inflation	2.10	2.50	2.20	2.20	3.00
Salary inflation	N/A	N/A	N/A	N/A	N/A
Rate of increase in pensions in payment	3.10	3.50	3.00	3.00	3.50
Rate of revaluation of pensions in deferment	2.10	2.50	2.20	2.20	3.00
Rate used to discount scheme liabilities	3.60	4.60	4.50	4.70	5.40

The underlying mortality assumption is based upon the standard table known as S1PA CMI-2012 on a year of birth basis, subject to a 1.25% p.a long term annual rate for future improvement (2013: S1PA CMI_2011 with a 1.25% p.a long term rate of improvement). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 87 years
- Female age 65 now has a life expectancy of 90 years

Employee Benefit obligations

The amounts recognised in the balance sheet as at 31 December 2014 (with comparative figures as at 31 December 2013, 2012, 2011 and 2010) are as follows:

	2014	2013	2012	2011	2010
	£	£	£	£	£
Total market value of assets	3,584,000	3,107,000	2,864,000	2,615,000	2,598,000
Present value of scheme liabilities	(4,524,000)	(4,046,000)	(3,536,000)	(3,317,000)	(3,150,000)
(Deficit)/surplus in the scheme	(940,000)	(939,000)	(672,000)	(702,000)	(552,000)

The amounts to be recognised in the consolidated statement of financial activities for the year ending 31 December 2014 (with comparative figures for the years ending 31 December 2013, 2012, 2011 and 2010) are as follows:

	2014	2013	2012	2011	2010
	£	£	£	£	£
Current service cost	-	-	-	-	-
Interest on scheme liabilities	184,000	156,000	153,000	168,000	191,000
Expected return on scheme assets	(166,000)	(141,000)	(151,000)	(147,000)	(142,000)
Past service cost	-	-	-	-	-
Curtailement gain	-	-	-	-	-
Total other finance costs/(income)	18,000	15,000	2,000	21,000	49,000
Actual return on scheme assets	497,000	253,000	235,000	(58,000)	257,000

6. Retirement Benefits

Changes in the present value of scheme liabilities for the year ended 31 December 2014 (with comparative figures for the years ending 31 December 2013, 2012, 2011 and 2010) are as follows:

	2014 £	2013 £	2012 £	2011 £	2010 £
Value of scheme liabilities at beginning of period	4,046,000	3,536,000	3,317,000	3,150,000	3,391,000
Service cost	-	-	-	-	34,000
Employment contributions	-	-	-	-	-
Interest cost	184,000	156,000	153,000	168,000	191,000
Past service cost	-	-	-	-	-
Curtailement gain	-	-	-	-	-
Actuarial losses/(gains)	402,000	488,000	176,000	75,000	(359,000)
Benefits paid	(108,000)	(134,000)	(110,000)	(76,000)	(73,000)
Charges	-	-	-	-	(34,000)
Additional obligation for insured pensioners	-	-	-	-	-
Present value of scheme liabilities at end of period	4,524,000	4,046,000	3,536,000	3,317,000	3,150,000

Changes in the present value of the Scheme assets for the year ending 31 December 2014 (with comparative figures for the years ending 31 December 2013, 2012, 2011 and 2010) are as follows:

	2014 £	2013 £	2012 £	2011 £	2010 £
Value of scheme assets at beginning of period	3,107,000	2,864,000	2,615,000	2,598,000	2,339,000
Expected return on Scheme assets	166,000	141,000	151,000	147,000	142,000
Actuarial gains/(losses)	331,000	112,000	84,000	(205,000)	115,000
Benefits paid	(108,000)	(134,000)	(110,000)	(76,000)	(73,000)
Charges paid	(36,000)	(33,000)	(36,000)	(23,000)	(34,000)
Contributions paid by the company	124,000	157,000	160,000	174,000	109,000
Employee contributions	-	-	-	-	-
Additional obligation for insured pensioners	-	-	-	-	-
Present value of scheme assets at end of period	3,584,000	3,107,000	2,864,000	2,615,000	2,598,000

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 31 December 2014 (with comparative figures for the years ending 31 December 2013, 2012, 2011 and 2010) are as follows:

	2014	2013	2012	2011	2010
Equities and Property	56%	65%	58%	59%	62%
Bonds	17%	18%	19%	17%	16%
Gilts	26%	8%	8%	9%	7%
Cash	1%	9%	14%	14%	14%
Insured Pensioners	0%	0%	1%	1%	1%
	100%	100%	100%	100%	100%

The expected long-term rate of return on the Scheme assets has been calculated based upon the major asset categories shown in the above table, these are as follows:

	2014	2013	2012	2011	2010
Equities and Property	6.00%	6.50%	6.50%	7.80%	8.00%
Bonds	4.50%	4.60%	4.50%	4.70%	5.40%
Gilts	2.40%	3.60%	2.50%	2.80%	4.20%
Cash	0.50%	0.50%	0.50%	0.50%	0.50%
Annuities	N/A	N/A	N/A	N/A	N/A

Amounts included in other recognised gains and losses:

	2014 £	2013 £	2012 £	2011 £	2010 £
Difference between actual and expected return on scheme assets	331,000	112,000	84,000	(205,000)	115,000
Experience gains and losses arising on the Scheme liabilities	85,000	(301,000)	(92,000)	(50,000)	128,000
Changes in assumptions underlying the present value of scheme liabilities	(487,000)	(187,000)	(84,000)	(25,000)	231,000
Present value of scheme assets at end of period	(71,000)	(376,000)	(92,000)	(280,000)	474,000

6. Retirement Benefits

Movement in surplus/(deficit) during the year ending 31 December 2014 (with comparative figures for the years ending 31 December 2013, 2012, 2011 and 2010) are as follows:

	2014	2013	2012	2011	2010
	£	£	£	£	£
Surplus/(deficit) in Scheme at beginning of year	(939,000)	(672,000)	(702,000)	(552,000)	(1,052,000)
Expenses recognised in the Statement of Consolidated Financial Activities	(18,000)	(15,000)	(2,000)	(21,000)	(49,000)
Contributions by Company	124,000	157,000	160,000	174,000	109,000
Charges Paid	(36,000)	(33,000)	(36,000)	(23,000)	(34,000)
Actuarial gain/(loss)	(71,000)	(376,000)	(92,000)	(280,000)	474,000
Surplus/(deficit) in Scheme at end of year	(940,000)	(939,000)	(672,000)	(702,000)	(552,000)

Amounts for the current and previous accounting periods are as follows:

	2014	2013	2012	2011	2010
	£	£	£	£	£
Present value of Scheme liabilities	(4,524,000)	(4,046,000)	(3,536,000)	(3,317,000)	(3,150,000)
Market value of Scheme assets	3,584,000	3,107,000	2,864,000	2,615,000	2,598,000
Surplus/(deficit) in Scheme	(940,000)	(939,000)	(672,000)	(702,000)	(552,000)
Actual return less expected return on Scheme assets	331,000	112,000	84,000	(205,000)	115,000
Experience gain/(loss) arising on Scheme liabilities	85,000	(301,000)	(92,000)	(50,000)	128,000
Change in assumptions underlying present value of scheme liabilities	(487,000)	(187,000)	(84,000)	(25,000)	231,000

The agreed contributions to be paid by the Company for the forthcoming year (year ending 31 December 2015) is £124,000 (2014: £124,000), the expenses of running the Scheme will be paid directly by The Queen Alexandra Hospital Home, subject to review at future actuarial valuations.

Defined Contribution Scheme

Following the closure to future accrual of the Defined Benefit Scheme the charitable company put in place a stakeholder scheme for the benefit of the employees, to which the charity contributed a matched figure up to the value of 5% of the gross contribution. The scheme was closed on 30 April 2014 following the introduction of the Workplace Pension Scheme.

The Workplace Pension Scheme was made available from 1 May 2014 to comply with the new pension auto-enrolment rules. Contributions in this scheme are matched by the Charity up to the value of 5%.

Charge Over Assets

In 2009 the pension scheme trustee asked for a charge over the property of The Queen Alexandra Hospital Home in order to reduce the Pension Protection Fund Levy (PPF) and to give additional security to the scheme. This security was agreed by the PPF in 2010 but requires recertification each year. Each year the pension scheme trustee will review whether the reduction in the PPF levy which would result from recertifying the security will exceed the costs of recertification.

7. Taxation

No provision has been made for taxation in these financial statements as the company is a charity in accordance with Section 4 of the Charities Act. It is exempt from taxation other than Value Added Tax provided that income and gains are applied to charitable purposes.

8. Tangible fixed assets

	Freehold property	Plant and equipment	Motor vehicles	Total
	£	£	£	£
GROUP				
Cost				
At 1 January 2014	8,043,889	980,965	219,340	9,244,194
Additions	263,271	235,837	63,333	562,441
Disposals	-	-	-	-
At 31 December 2014	8,307,160	1,216,802	282,673	9,806,635
Depreciation				
At 1 January 2014	2,757,901	700,030	210,940	3,668,871
Provided in period	355,510	93,910	14,767	464,187
On disposals	-	-	-	-
At 31 December 2014	3,113,411	793,940	225,707	4,133,058
Net book value at 31 December 2014	5,193,749	422,862	56,966	5,673,577
Net book value at 31 December 2013	5,285,988	280,935	8,400	5,575,323
CHARITY				
Cost				
At 1 January 2014	8,207,159	980,965	219,340	9,407,464
Additions	263,271	235,837	63,333	562,441
Disposals	-	-	-	-
At 31 December 2014	8,470,430	1,216,802	282,673	9,969,905
Depreciation				
At 1 January 2014	2,757,901	700,030	210,940	3,668,871
Provided in period	355,510	93,910	14,767	464,187
On disposals	-	-	-	-
At 31 December 2014	3,113,411	793,940	225,707	4,133,058
Net book value at 31 December 2014	5,357,019	422,862	56,966	5,836,847
Net book value at 31 December 2013	5,449,258	280,935	8,400	5,738,593

9. Fixed asset investments

	2014 Total £	2013 Total £
Quoted investments		
Market value at 1 January 2014	4,325,151	4,033,727
Additions	594,362	854,329
Disposals	(729,804)	(1,172,947)
Net realised/unrealised gains/(losses)	35,903	610,042
Market value at 31 December 2014	4,225,612	4,325,151
Short term deposits	141,248	173,829
	4,366,860	4,498,980
Investments (Group) (Historical cost £3,746,073 [2013: £3,624,201])		
Investments in group undertakings at 1 January 2014 and at 31 December 2014	1	1
	4,366,861	4,498,981
Investments (Charity) (Historical cost £3,746,074 [2013: £3,624,202])		

	2014 Total £	2013 Total £
Analysed as:		
Fixed interest securities - unit trusts	451,853	447,012
Equities - UK	2,054,917	2,337,093
Property funds - UK	223,306	136,186
Property funds - Overseas	82,345	108,019
Equities - Overseas	1,000,658	979,205
Commodities	74,750	133,345
Alternatives - other	337,783	102,680
Hedge funds	-	81,611
	4,225,612	4,325,151

	2014 Total £	2013 Total £
Holdings which exceed 5% of total portfolio at 31 December 2014 are:		
Schroder UK Alpha Plus Fund Income Units	-	286,796
Schroder Income Fund A Income Units	381,834	483,633
AXA Framlington UK Select	339,615	385,947
Legal & General UK Index Trust	225,273	230,984
Artemis UK Special Situations Fund	323,612	330,291
Scottish Widows Investment Partnership	-	264,310
Majedie UK Equity Fund	303,014	302,698
Vanguard S&P 500 UCITS ETF	232,123	-
Aberdeen Foundation Growth Fund	257,993	302,698

The Charity wholly owns the following subsidiary:

	Country of Incorporation	Class of share capital held	Principal activity
QAHH Services limited	England	Ordinary	Provision of nursing care and other trading activities

10. Stocks

	2014		2013	
	Group £	Charity £	Group £	Charity £
Consumable stores	7,625	7,625	7,307	7,307
Total consumable stores	7,625	7,625	7,307	7,307

11. Debtors

	2014		2013	
	Group £	Charity £	Group £	Charity £
Resident contributions receivable	151,552	105,087	135,103	92,438
Group debtors	-	-	-	-
Capitation fees receivable	16,262	16,262	16,262	16,262
Legacies receivable	1,000	1,000	500	500
Income tax recoverable	2,635	2,635	11,420	11,420
Prepayments and other debtors	24,686	24,686	27,862	27,862
Gift aid donations from trading subsidiary	-	12,834	-	17,259
Amounts due from group undertakings	-	39,308	-	59,445
Trade debtors	-	-	-	-
Total debtors	196,135	201,812	191,147	225,186

12. Creditors: amounts falling due within one year

	2014		2013	
	Group £	Charity £	Group £	Charity £
Trade creditors	68,667	64,685	67,878	67,878
Staff remuneration	41,579	41,579	42,341	42,341
Pension	13,096	13,096	7,079	7,079
Social security and other taxes	60,599	60,599	58,431	58,431
Amounts owed to group undertakings	-	-	-	-
Other creditors and accruals	86,409	84,428	56,227	54,217
Total creditors	270,350	264,387	231,956	229,946

13. General fund

	2014		2013	
	Group £	Charity £	Group £	Charity £
Revenue fund				
At 1 January 2014	4,109,063	4,109,064	4,024,524	4,024,525
Retained surplus/(deficit) for the year	(10,173)	(10,173)	102,892	102,892
Transfers from/(to) restricted funds	(41,644)	(41,644)	(18,353)	(18,353)
At 31 December 2014	4,057,246	4,057,247	4,109,063	4,109,064

14. restricted and endowment funds

GROUP	Endowment Funds	Capital Funds	Kitchen Project Fund	Capital Expenditure Fund	Other Restricted Funds	Total
	£	£	£	£	£	£
Revenue fund						
At 1 January 2014	133,341	5,554,323	239,595	-	588,610	6,515,869
Incoming resources	-	-	30,000	-	372,670	402,670
Expenditure	-	(464,187)	(263,507)	-	(149,612)	(877,306)
Gains/(losses) on investments	2,882	-	-	-	-	2,882
Transfer between funds	-	520,797	-	-	(520,797)	-
Transfers from/(to) revenue fund	-	41,644	-	-	-	41,644
At 31 December 2014	136,223	5,652,577	6,088	-	290,871	6,085,759

The Capital Expenditure Fund comprises funds received for specific purposes or designated by Trustees for the acquisition of tangible assets. Once applied they form part of the Capital Fund and are consequently all regarded as restricted, although the Trustees recognise that not all of the funds so described are technically restricted as defined by the SORP.

The transfers between funds during the year are represented by an additional fund for the kitchen refurbishment project which was set up separately to show its progress; transfers to and from this fund represent the introduction of funds from restricted income and the distribution of costs to capital funds. Transfers to the revenue fund represent restricted funds received for the allocation against revenue costs.

The 'other restricted funds' represents the smaller funds with restrictions placed on them. In 2013 this fund included £516,746 received from the Armed Forces Covenant in respect of specific projects scheduled to be undertaken in 2014.

The endowment funds are represented as follows;

The endowment (permanent) fund of £21,000 represents the value of premises owned by the unincorporated charity, The Queen Alexandra Hospital Home (208721) and a "uniting direction" was made by the Charity Commission enabling the two charities to be treated as one.

Two additional endowments (permanent) were added in 2010 and held in 'special trust' for The Sailors & Soldiers Home Fund and Bloomfield Bequest. These two funds are invested separately from the Charity's main fund and its income is available for the charity's purpose.

CHARITY	Endowment Funds	Capital Funds	Kitchen Project Fund	Capital Expenditure Fund	Other Restricted Funds	Total
	£	£	£	£	£	£
Revenue fund						
At 1 January 2014	133,341	5,717,593	239,595	-	588,610	6,679,139
Incoming resources	-	-	30,000	-	372,670	402,670
Expenditure	-	(464,187)	(263,507)	-	(149,612)	(877,306)
Gains/(losses) on investments	2,882	-	-	-	-	2,882
Transfer between funds	-	520,797	-	-	(520,797)	-
Transfers from/(to) revenue fund	-	41,644	-	-	-	41,644
At 31 December 2014	136,223	5,815,847	6,088	-	290,871	6,249,029

17. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 8 or the SORP (2013: NIL)

18. Subsidiary company

The Charity owns the whole of the issued ordinary share capital of QAHH Services Limited registered number 5802953, a company registered in England and Wales.

The trading activities of the subsidiary QAHH Services Limited for the year ended 31 December 2014 were as follows:

	QAHH Services Limited 2014 £	QAHH Services Limited 2013 £
Turnover	492,175	552,256
Cost of sales	477,053	487,693
	15,122	64,563
Other operating income and charges	2,288	2,304
Profit/(loss) on ordinary activities before taxation	12,834	62,259
Appropriation to holding company (Gift aid)	(12,834)	(62,259)
(Loss)/profit for the financial year	(12,834)	(62,259)
Net current assets	1	1
Net assets	1	1
Share capital	1	1
Retained profit	-	-
Net assets	1	1

19. Surplus of income over expenditure

The charity has taken advantage of section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The deficit of income over expenditure for the period includes a deficit of £173,057 (2013: surplus £284,711) which is dealt with in the financial statements of the charity.

Officers and Management

The names of the Trustees who have served during the year and the executives are set out below along with the Finance Committee of The Queen Alexandra Hospital Home.

The Trustees

¹ CPJ Field JP DL	Chairman
¹ Mrs J Annis	Deputy Chairman
Commander D Habershon RN	
Dr P Hughes RD QHP MD FRCP	
¹ GR Jordan	
Air Vice-Marshal P Millar CB	resigned 21 May 2014
Captain C Pile RN	
¹ AMA Price JP	
Mrs R Taylor	
¹ M Walker JP FCA	
J Williams	

Committee members

¹ Member of Finance Committee at 31 December 2014

Additional Trustees and those to fill casual vacancies may be nominated by the existing Trustees and upon a majority vote by the Board, appointed.

Company Secretary

DA Hood, CIPFA (Affil)

Executives

JMA Paxman, JP RMA	Chief Executive
V Walker, RGN JP RMA	Director of Nursing and Operations
DA Hood, CIPFA (Affil)	Head of Finance

Legal and Administrative Information

Auditors and Financial Advisors

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Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

Registered Office

Gifford House
Boundary Road
Worthing
West Sussex
BN11 4LJ

Bankers

Barclays Bank Plc
1 Chapel Road
Worthing
West Sussex
BN11 1EX

Registered Charity Number

1072334

Company Number

03646570

Investment Advisors

Schroder & Co Limited
Schroders Charities
31 Gresham Street
London
EC2V 7QA

Pension Trustees

Independent Trustee Services Limited
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1b Knoll Rise
Orpington
Kent
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Pension Advisors

Cartwright Group Ltd
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Notes

Notes

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Registered Charity No. 1072334
A Company limited by guarantee
Registered in England No. 3646570

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