

ANNUAL REPORT & ACCOUNTS
For the year ended 31 December

2015

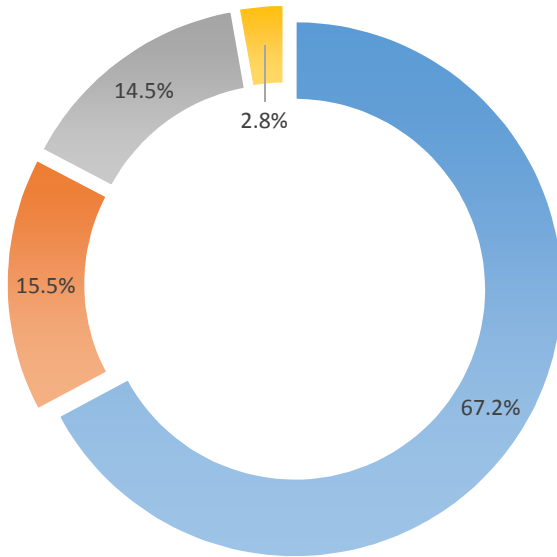


Supporting physically disabled ex-Servicemen
and women of the past, present and future

qahh.org.uk

How the funds have helped

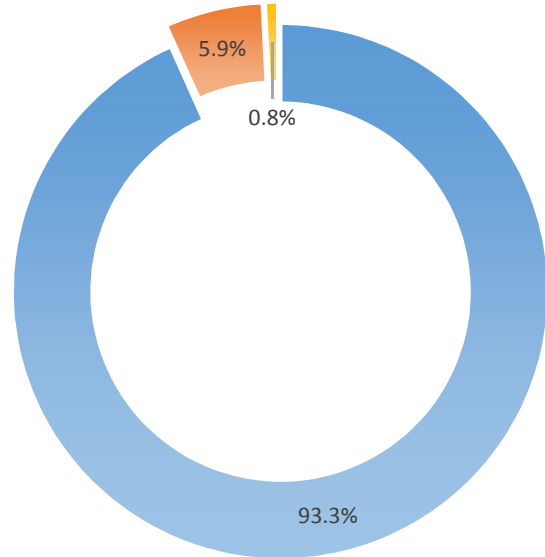
How the money came in



- Charitable activities
- Donations and fundraising events
- Legacies
- Investment and other income

Total income £4.2m

How the money went out



- Charitable activities
- Fundraising costs
- Investment and other income costs

Total expenditure £4.8m

Fundraising performance

for every **£1** raised from fundraising
77p was spent directly supporting our residents

How the charity is supported

Property and equipment used by the charity	£5.3m
Investments held	£3.8m
Working capital	£0.3m
Other assets and liabilities	£(0.8m)

Total £8.5m

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Report of the trustees for the year ending 31 December 2015

The Trustees present their annual report and audited financial statements of the charity for the year ended 31 December 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 (FRS 102) (effective 1 January 2015).

CHAIRMAN'S REPORT

This is my first Chairman's Report having taken over from my predecessor, Colin Field, in September. I would like to thank Colin for his eight years as a QAHH trustee and specifically for his careful guidance of the Hospital Home during his term as Chairman. I am delighted that he has agreed to become a QAHH Patron and that he will continue to retain close contact with the Hospital Home.

I am immensely proud and honoured to be appointed the Chairman of this wonderful charity. As a former Commodore in the Royal Navy I understand former Servicemen and women, and their families, and know how important it is to have facilities and organisations such as QAHH to give essential support and assistance when it is needed.

2015 was the first time in a decade in which there were no upgrading projects to commence, as the final project was completed in the early weeks of 2015. This has left the Hospital Home fully modernised and ready for the challenges of the future. It also means that all of our fundraising activities can now be focused on continuing to raise standards whilst raising funds to assure the financial future of QAHH and contributing to the running of all our nursing and multi-disciplinary services.

The major challenge of the future will be the full funding of our services. It will not be due a lack of applicants and it will certainly not be because of empty beds. Neither will it be an inability to attract dedicated and committed members of staff. All this while continuing to remain focussed on the increasingly regulated environment in which we have to operate.

It has been the policy of the QAHH trustees, since our inception in 1919, that services and standards at QAHH will neither be diluted nor reduced despite the inevitable rise in costs each year. The board fully intend to continue that policy. It costs in the region of £5m each year to run all of our nursing and rehabilitation services, for which the Hospital Home receives in the region of £3.5m in fees. The shortfall then has to be made up from extensive fundraising, which has been very successful, and I am extremely grateful to all those who have supported QAHH in 2015. Their generosity is much appreciated.

We are reviewing every option to narrow the funding gap which must include finding innovative ways of raising extra revenue and this may require further investment to increase our capacity. We are beginning to plan for our Centenary celebrations in 2019 and I am determined that we will be able to look forward with assured confidence to a vibrant and successful QAHH in the following centenary.

I am very grateful to my fellow trustees who give so much to steer QAHH forward strategically; to the staff who work tirelessly and so professionally for our residents; to all the volunteers and supporters who bring skills, laughter and a different outlook to life at QAHH; and lastly to the senior management team, led by John Paxman and Valerie Walker. Together, we all look forward to another exciting year ahead.

James Fanshawe CBE
Chairman

OBJECTIVES AND ACTIVITIES

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.
- 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.

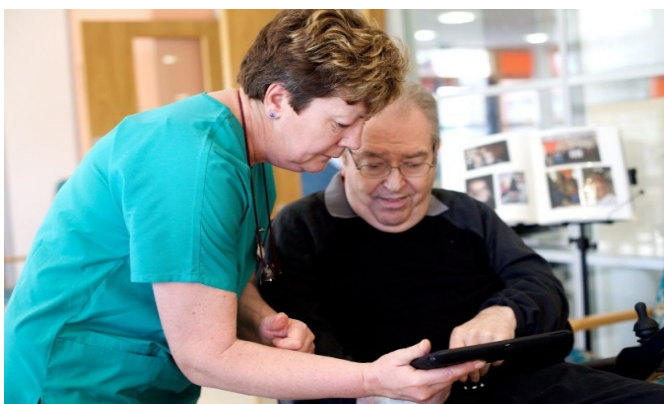
ACHIEVEMENTS AND PERFORMANCE

Our main objectives for 2015 were:

AIM: To satisfy from our own resources, or in conjunction with other charities, the needs and requirements of all our residents.

OUTCOME: Staffing levels were maintained throughout the year at a level sufficient to support the needs of the residents, Social and recreational activities provided the necessary requirements to allow the residents to be kept mentally alert.

AIM: To maintain bed occupancy at an average of 56 residents (out of a maximum of 60 beds available). **OUTCOME:** The average occupancy for 2015 was 56, with an overall service provided to 105 individuals, an increase of 8% on 2014.



AIM: Continue the process to reduce the operational financial deficit and the pension scheme deficit. **OUTCOME:** Despite the continued hard work, the operational deficit increased in 2015. Dependency levels of residents have continued to increase requiring further investment from the charity's reserves, but with no major increase in the fee levels received from NHS and local authorities. Much work has taken place reduce the pension scheme deficit and this has been reflected in the reduced liability in the accounts.



AIM: Continue to maintain close working relationships with Clinical Commissioning Groups (CCGs) and local authority funding bodies. **OUTCOME:** The number of residents admitted from CCGs and Local Authority placements continue to increase. Discussions continue around the subject of funding to help support the needs of these residents.

AIM: Develop and offer a programme of workshops to school and youth groups educating young people on QAHH and physical disability; and the Armed Forces. **OUTCOME:** The workshops have reached over 3,400 children in 25 schools, providing a much appreciated education on physical disability and the Armed Forces. The feedback from this project has been outstanding and awareness has been the key point.



AIM: 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. **OUTCOME:** Receptions were held during the year providing an opportunity for these bodies to meet the staff and tour the facilities. These receptions provide an opportunity to show the high levels of care and facilities that are available at QAHH.

AIM: Increase the marketing of the QAHH nursing and rehabilitation services to a wider audience nationally. **OUTCOME:** QAHH has continued to spread the word attracting new residents from as far Cornwall. However, due to families wanting to be nearby, the majority of current residents come from the South East.

Organisational Overview of 2015

2015 was financially similar to 2014, 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 56 filled beds throughout 2015 against a budgeted figure of 56.

Because of our multi-disciplinary team (MDT) approach and the nursing care, QAHH continued to have a similar percentage of Clinical Commissioning Group (CCG) - funded placements in 2015 (on 2014) at 28%. Local Authority-funded placements were at a lower level in 2015 (on 2014) at 32%. Self-funded placements increased to 36%; and the remaining 4% were funded by the Veterans Agency.

The Fundraising and Marketing Department had a number of personnel changes in 2015 as a number of staff members moved on in career-progression moves. Despite this, the department performed well and having been set a target of £1.28m, achieved at year-end £1.24m. The legacy target with a budgeted figure of £350k for the year - was surpassed with a year-end of £606k having been achieved.

The Quarterly Trust Receptions continued throughout 2015 with over 84 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; corporate organisations; and individual supporters.

The SMT and FR+M team members also gave presentations and talks to numerous external organisations in 2015 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 800 paying attendees (+ many children at no cost) throughout the afternoon and who were all entertained to an impressive marching display by the Band of the Royal Logistic Corps.

The Christmas Carol Service again held at Lancing College Chapel in mid-December was the usual sell-out and 450 attended. This 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 above. The QAHH website - with regularly-updated information on the Hospital Home now available; resident application forms; job vacancies and application forms; historical film clips; fundraising information and events and is now the most used method of acquiring information on QAHH. The website averaged 1800 hits per month throughout 2015, which was a significant increase on previous years. 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 still 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 improved marketing, communication and increased profile-building of QAHH is now very much part of the FR+M department strategy.

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 2015 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 remain very difficult. As in recent past years, those who are successful in obtaining funding – be it CCG-funded or Local Authority funding – are all of significantly higher nursing dependency than applicant cases of two to 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, together with accommodation costs, from which a very 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.

With all the rehabilitation services now available at QAHH, developed over the past 8 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 completion of the final upgrading project in early 2015 now allows all Fundraising and Marketing department efforts to be focused on sourcing funding for services; reduction of the on-going operational deficit; and to build the available reserves currently standing at the equivalent of 8 months expenditure. The target for reserves stands at 9-12 months expenditure.

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 2015 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.

As outlined in the Chairman’s Report – the chairmanship of the trustee board changed in September when Colin Field JP DL handed over to Commodore James Fanshawe CBE, a former senior officer in the Royal Navy.

Volunteers

Volunteers at QAHH continue to bring new ideas; enthusiasm; increased efficiency; and fun to all areas of the organisation. Although a huge benefit to the organisation the financial gain to the charity of the volunteers is minimal as most of the tasks would not be completed by paid members of staff should volunteers not be available.

During 2015 our QAHH Ambassadors continued 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.

FINANCIAL REVIEW

Financial review

In view of the reduction overall in income and the increase in expenditure, the trustees are mindful of the continued pressure on the available reserves.

With these figures in mind the strategic direction for the future includes new projects and an increased emphasis on reducing the deficit.

Fundraising will continue to provide a much needed bridge in the gap between income from charitable activities (principally nursing and care charges) against the full cost of the services provided to the beneficiaries.

Donations and grants, continued support from donors in the year produced Voluntary income (excluding legacies) of £628,431 (2014: £826,436) representing a reduction of 24% on 2014. Despite the overall reduction in income from donations it has still been a successful year for fundraising. Legacies continued to increase £606,263 (2014: £571,841) reflecting the continued increase and support for QAHH.

Income from charitable activities, increased by 3.4% to £2,405,752 (2014: £2,325,131).

Expenditure

The cost in generating voluntary income reduced to £263,759 (2014: £272,503). QAHH continues to invest in its fundraising department to sustain and increase where possible the levels of voluntary income.

Capital expenditure amounted to £105,857 (2014: £562,441). Capital expenditure significantly reduced in 2015 a result of all the major projects being completed. Further capital projects are planned in 2016 with the expected building works to the Norfolk Wards to improve and create further rooms and the continued upgrade of equipment including the overhead tracking hoists.

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 9-12 month's expenditure is reasonable to enable the charity to cope with unforeseen expenditure or a loss of income. The charity currently relies on voluntary income and legacies amounting to in excess of £1m, still leaving a deficit. The level of reserves is currently equal to 8 months expenditure operating costs and is regularly reviewed. Fundraising activity will be used to maintain the funds on a long-term basis and increase where possible to achieve the optimal level should it not be maintained.

The current levels of available reserves have fallen below the required levels due to the continued investment in services and the subsidising needed for the increasing costs of providing the high levels of care required which are not currently being met by the funding levels received.

Unrestricted Fund

The total unrestricted reserves fund of £2.93million (2014: £3.12million) represents the unrestricted 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 £5,615,564 (2014: £6,085,759) of which £5,305,025 (2014: £5,652,577) represents our investment in capital items, the buildings and equipment that constitute the Home.

Capital expenditure and other restricted funds £178,968 (2014: £296,959) and the permanent endowment of £131,571 (2014 £136,223) 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.

At 31 December 2015 the Charity's investments were valued at £3.77m (2014: £4.36m) as set out in Note 9. This amount includes £73,381 (2014: £141,248) held in short term deposits. The reduction in the portfolio is represented by the required drawdown to support the shortfall of income over expenditure.

The holdings excluding the property funds remain very liquid.

The investments which are managed by Schroders Charities produced a total return of 1.1% against the benchmark return of 0.6% (2014: 2.4% against benchmark of 3.6%) over the last 12 months. (2014: 34.3% against benchmark of 27.2%).

The investment manager performance is measured by QAHH over the longer term and uses a 3 year total return figure to provide a more accurate performance measure. The total return for the 3 years to 31 December 2015 was 20.8% against the benchmark for the same period of 17.2%.

- Net unrealised losses were made in the year of £103,416 (2014: £253,992 losses).
- Net realised gains amounted to £90,652 (2014: £289,895 gains).
- Net cash drawdowns from the portfolio amounted to £650,000 (2014: £230,000).

Investment Policy

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

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.

**Benchmark: 50% FTSE All Sh, 4% FTSE EUexUK, 4% FTSE US, 2.5% FTSE Jp, 2.5% MSCI FarEastexJp, 3% MSCI EM, 15% FTA Govt, 5% IPS, 5% RogersCommHdg\$, 9% Cash*

Trading Subsidiary

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.

Pensions

The accounts as presented include the full adoption of Financial Reporting Standard 102 ('FRS 102'). A qualified independent actuary has prepared a valuation of the scheme for these accounts in accordance with FRS 102. This valuation indicated that a deficit of £823,000 existed at 31 December 2015 (2014: £940,000 deficit). 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.

Fees Policy

When setting our fees, we seek to achieve a balance between affordability, at 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.

Pay policy for senior staff

The trustees oversee and approve the salaries of the senior management team and key management personnel in charge of directing and controlling the charity on a day to day basis.

The pay of the senior staff is reviewed annually and is normally increased in accordance with annual inflation.

New senior positions are benchmarked against similar organisations or in the case of clinical staff, Agenda for Change is used as the benchmark.

Risk Management

The Chief Executive maintains a Risk Register. This is updated following regular reviews of the activities and future strategy of the Charity as part of a formal risk management process. This involves examining the types of risk the Charity faces and prioritising them in terms of likelihood of occurrence and consequence. The trustees employ the following specific measures to manage potential risks;

- an appropriate variety of professional skills and experience within the Board of Trustees;
- a range of policies to ensure there is sufficient liquidity and cash to meet its liabilities as they fall due. Regular cash flow forecasts are prepared to ensure the charity is able to pay its debts as they fall due;
- employment of professionally qualified staff in key areas such as clinical services, finance and human resources;
- comprehensive and adequate insurance provision;
- setting standards to meet or exceed those required by legislation and regulations;
- sufficient controls and good internal communications;
- comprehensive written policies and procedures covering all of the Charity's activities.

The Trustees review potential risks to the Charity and the Charity's Risk Register regularly, and consider that the Charity has sufficient vision and potential to enable it to continue in providing exceptionally high levels of care to its beneficiaries.

- Funding issues remain a constant concern with the continued lack of Government support for long-term care, providing a significant risk to long-term survival of care home operators.
- Meeting the required registration standards from the governing body, the Care Quality Commission (CQC).
- Long-term financial sustainability is the major financial risk for the charity, with ongoing deficits. Strategic plans are in progress to help reduce the deficits.
- Non-financial risks including service provision, health and safety and fire are managed with regular training for all staff.

PLANS FOR FUTURE PERIODS

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 new initiatives for 2016 will include:

- Adding an extension to Norfolk South Ward so as to maintain long-term bed occupancy at a maximum level of 60 full beds.
- Undertake a market research exercise to establish the requirement and funding possibilities for establishing new In-Reach/Out Reach services at QAHH.
- Subject to satisfactorily completing the business plan and financial viability study, continue with the planned introduction of a QAHH charity shop to establish this as an income source.
- Commence detailed planning for the 2019 QAHH Centenary celebrations.



Future Prospects

The Board of Trustees continue to remain confident of an increasing requirement for the high quality, Multi-disciplinary team nursing and rehabilitation care that is offered at QAHH.

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 a continuing era of NHS financial constriction, all hospitals now actively seek to rapidly move patients out of an acute setting, once a medical emergency has been stabilised, into an external care setting such as QAHH. There are now very few other organisations that have the facilities and the level of services that the Hospital Home is able to offer.

Despite a slowly 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 – the capital release of selling or downsizing a family home is sadly the most common method that must be faced, in order to be able to meet the cost of care at QAHH or elsewhere.

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 frequent rejection of applications for local authority 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.

Our main objectives for 2016 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 in excess of 90% of the available beds.
- Continue the process to reduce the operational financial deficit and the pension scheme deficit - the aim is to reduce costs by 5%.
- Continue to maintain close working relationships with CCGs and local authority funding bodies and continually lobby and pressurise local authorities to meet QAHH minimum funding levels.
- Increase the marketing of the QAHH nursing and rehabilitation services to a wider audience nationally.
- Continue the programme of workshops to school and youth groups, whilst funds are available, 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 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.



How the objectives for 2016 will affect the charity:

In 2015 the average occupancy level at QAHH was 56 with a total of 58 beds available. At the beginning of 2016 one further bed will be made available on completion of internal building works giving 59 beds. The intention is to replace two of the existing small rooms and replace with four single ensuite rooms providing sufficient rooms to maintain an increased average occupancy. The effect is to provide further beds to meet the demand but without increasing the staffing needs. The outcome will mean increased income in excess of the related costs reducing the deficit. This project is expected to be completed at the end of 2016/2017.

The other main objectives are primarily focussed on reducing the funding deficit.

Providing the quality and high level of care comes at a considerable cost to QAHH, we will strive to reduce our costs to provide efficiency but without losing the effectiveness and quality of care that has become vital in our objectives.



STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Queen Alexandra Hospital Home (QAHH) was founded in 1919 and incorporated as a Company Limited by Guarantee in 1998 (registered number 3646570) and registered as a charity (registered number 1072334) thereafter subject to Charity, Trust and Company Law and governed by a Memorandum and Articles of Association. Its registered 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.

Appointment of Trustees

The appointment of new trustees is undertaken by the chairman of the board - who will nominate an individual to fill a vacancy, with the approval of the full board. This is then agreed and a new trustee will then have a number of briefing sessions with the senior management team and the chairman. New trustees will also undertake a number of visits to the Hospital Home to understand the workings of the organisation and to meet staff members and residents. New trustees will also be invited to undertake one of the Quarterly Visiting Trustee Visits to the Hospital Home accompanied by the chairman.

New Trustees are invited to join 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.

All new trustees are required to undergo Disclosure and Barring Service Checks.

Organisation

Every quarter, two appointed Trustees will carry out Trustees' Rounds and make inspections of all departments.

The Board manages the business and affairs of QAHH and at its meetings the board reviews the performance of QAHH. There are two subcommittees – the Finance committee overseeing the financial affairs of QAHH and also considers and approves the operational and capital budgets; and Fundraising and Marketing Committee. 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 subcommittees. 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.

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 13. The principal place of business and professional advisers of the charity are given on page 13.

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. During 2015 the new post of Deputy Director of Nursing and Operations was established and filled, with the aim of allowing the Director of Nursing and Operations to become more focussed on strategic matters and also for succession planning purposes.

Under the SMT, the departmental managers are – the newly established post of Deputy Director of Nursing and Operations (Deputy Matron); the Head of Finance; the Head of Fundraising and Marketing; the Human Resources Manager and the two Ward Managers.

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.

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

Commodore J Fanshawe CBE	①	Chairman	appointed 20 May 2015
CPJ Field JP DL			appointed Chairman 9 September 2015 resigned 9 September 2015 resigned as Chairman 9 September 2015
Mrs J Annis	① ②	Deputy Chairman	
Commander D Habershon RN	②		
Dr P Hughes RD QHP MD FRCP			
GR Jordan			resigned 20 May 2015
Captain C Pile RN	②		
AMA Price JP	①		
Colonel JRC Saville			appointed 16 March 2016
Mrs R Taylor			
M Walker JP FCA	①		
J Williams	②		resigned 16 March 2016

Sub-committee members

① Member of Finance Committee at 31 December 2015

② Member of Fundraising and Marketing Committee at 31 December 2015

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

Executives

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

Legal and administrative information

Auditors and Financial Advisors

Carpenter Box
Amelia House
Crescent Road
Worthing
West Sussex BN11 1QR

Pension Trustees

Independent Trustee Services Limited
Central Court
1b Knoll Rise
Orpington
Kent BR6 0JA

Pension Administrators

Cartwright Group
250 Fowler Avenue
Farnborough Business Park
Farnborough
Hants GU14 7JP

Bankers

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

Registered Office

Gifford House
Boundary Road
Worthing
West Sussex BN11 4LJ

Solicitors

GWCA
13/14 Liverpool Terrace
Worthing
West Sussex BN11 1TQ

Investment Managers

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

Registered Charity Number

1072334

Company Number

03646570

Country of incorporation

England and Wales

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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

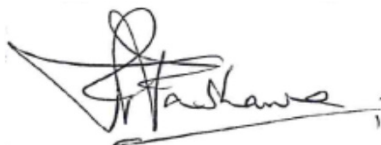
Auditors

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 2015. With their continued support, we look forward to enhancing the delivery of our charitable services.

This report was approved by the Trustees on 18th May 2016 and signed on their behalf by:



J Fanshawe CBE
Chairman

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



We have audited the accounts of The Queen Alexandra Hospital Home for the year ended 31 December 2015 which comprise the group statement of financial activities, the summary income and expenditure account, the group and parent charitable company balance sheets, the group statement of cash flows 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), including Financial Reporting Standard 102.

We have audited the accounts of The Queen Alexandra Hospital Home for the year ended 31 December 2015 which comprise the group statement of financial activities, the summary income and expenditure account, the group and parent charitable company balance sheets, the group statement of cash flows 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), including Financial Reporting Standard 102.

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/auditscopeukprivate.

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 2015, 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.

Eileen Houghton ACA (Senior Statutory Auditor)
for and on behalf of Carpenter Box
Chartered Accountants
Statutory Auditor
Worthing

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

Consolidated Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 December 2015

	Note	Unrestricted Funds £	Endowment & Restricted £	2015 Total £	Unrestricted Funds £	Endowment & Restricted £	2014 Total £
INCOME AND ENDOWMENTS FROM							
Donations and legacies	2	908,040	326,654	1,234,694	995,607	402,670	1,398,277
Other trading activities	2	437,658	-	437,658	525,071	-	525,071
Investments	2	99,045	-	99,045	91,182	-	91,182
		1,444,743	326,654	1,771,397	1,611,860	402,670	2,014,530
Charitable activities	3	2,405,752	-	2,405,752	2,325,131	-	2,325,131
Other income		-	-	-	-	-	-
TOTAL INCOME		3,850,495	326,654	4,177,149	3,936,991	402,670	4,339,661
EXPENDITURE ON							
Raising funds	4	300,102	23,673	323,775	274,092	50,023	324,115
Charitable activities	4	3,731,947	780,327	4,512,274	3,660,093	827,283	4,487,376
TOTAL EXPENDITURE		4,032,049	804,000	4,836,049	3,934,185	877,306	4,811,491
Net income/(expenditure) before investments		(181,554)	(477,346)	(658,900)	2,806	(474,636)	(471,830)
NET GAINS/(LOSSES) ON INVESTMENTS	9	(9,074)	(3,690)	(12,764)	33,021	2,882	35,903
NET INCOME/ (EXPENDITURE)		(190,628)	(481,036)	(671,664)	35,827	(471,754)	(435,927)
Transfers between funds							
		(11,803)	11,803	-	(41,644)	41,644	-
Actuarial gains/(losses) on defined benefit pension scheme	6	25,000	-	25,000	(47,000)	-	(47,000)
Net movement in funds		(177,431)	(469,233)	(646,664)	(52,817)	(430,110)	(482,927)
Funds balance brought forward		3,117,246	6,085,759	9,203,005	3,170,063	6,515,869	9,685,932
FUNDS BALANCE CARRIED FORWARD		2,939,815	5,616,526	8,556,341	3,117,246	6,085,759	9,203,005

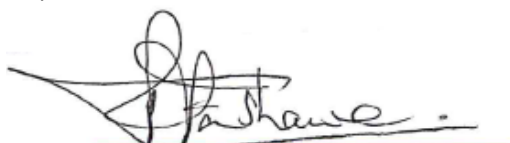
The accompanying accounting policies and notes form an integral part of these financial statements.
All of the operations represented by the information above are continuing.

Consolidated and Charity Balance Sheets

As at 31 December 2015

	Note	Group		Charity	
		2015 Total £	2014 Total £	2015 Total £	2014 Total £
Fixed assets					
Tangible assets	8	5,326,026	5,673,577	5,489,296	5,836,847
Investments	9	3,772,323	4,366,860	3,772,324	4,366,861
TOTAL FIXED ASSETS		9,098,349	10,040,437	9,261,620	10,203,708
Current assets					
Stocks	10	9,232	7,625	9,232	7,625
Debtors	11	337,944	196,135	337,890	201,812
Cash at bank and in hand		202,078	169,158	200,032	157,518
Creditors - amounts falling due within one year	12	549,254 (268,262)	372,918 (270,350)	547,154 (266,162)	366,955 (264,387)
NET CURRENT ASSETS		280,992	102,568	280,992	102,568
Creditors - amounts falling after more than one year		-	-	-	-
Net assets before pension scheme liability		9,379,341	10,143,005	9,542,612	10,306,276
Defined benefit pension scheme liability		(823,000)	(940,000)	(823,000)	(940,000)
NET ASSETS AFTER PENSION LIABILITY		8,556,341	9,203,005	8,719,612	9,366,276
Capital funds					
Endowment fund	14	131,571	136,223	131,571	136,223
Revenue funds					
Restricted	14	5,483,993	5,949,536	5,647,263	6,112,806
Unrestricted:					
Pension reserve fund	6	(823,000)	(940,000)	(823,000)	(940,000)
General fund (including revaluation reserve £519,075 [2014: £620,787] for Group and Charity)	13	3,763,777	4,057,246	3,763,778	4,057,247
Total unrestricted		2,940,777	3,117,246	2,940,778	3,117,247
TOTAL CHARITY FUNDS		8,556,341	9,203,005	8,719,612	9,366,276

Approved by the Board of Trustees on 18th May 2016.
and signed on its behalf by


J. Fanshawe CBE
Chairman


M Walker JP FCA
Trustee

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

Company No. 03646570

qahh.org.uk

Consolidated Cash Flow Statement

For the year ended 31 December 2015

Note	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net cash provided by (used in) operating activities	(474,174)	(79,156)	(464,580)	(54,747)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income and interest receivable	99,045	91,182	99,045	91,182
Purchase of tangible fixed assets	(105,857)	(562,441)	(105,857)	(562,441)
Purchase of investments	(142,774)	(594,362)	(142,774)	(594,362)
Sale of investments	656,680	729,804	656,680	729,804
Net cash provided by (used in) investing activities	507,094	(335,817)	507,094	(335,817)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD				
	32,920	(414,973)	42,514	(390,564)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD				
	169,158	584,131	157,518	548,082
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD				
	202,078	169,158	200,032	157,518

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
a. Reconciliation of net movement in funds to net cash flow from operating activities				
Net (outgoing)/incoming resources before gains and losses on investment assets	(658,900)	(471,830)	(658,900)	(471,830)
Investment income and interest receivable	(99,045)	(91,182)	(99,045)	(91,182)
Depreciation	453,409	464,187	453,409	464,187
Decrease/(increase) in cash on deposit	67,866	32,581	67,866	32,581
(Increase)/decrease in stock	(1,607)	(318)	(1,607)	(318)
(Increase) in debtors	(141,809)	(4,988)	(136,078)	(23,374)
Increase/(decrease) in creditors	(94,088)	(7,606)	(90,225)	35,189
Net cash provided by (used in) operating activities	(474,174)	(79,156)	(464,580)	(54,747)

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

1. Accounting policies

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Auditing and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011, the Companies Act 2006 and the UK Generally Accepted Practice as it applies from 1 January 2015.

The charity adopted SORP (FRS 102) in the current year and an explanation of how the transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 21.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 2015 in full. Surpluses or deficits on intra group transactions have been eliminated. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

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.

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.

Governance costs under FRS 102 have been included in expenditure on 'charitable activities'. The comparative has also been amended to reflect the FRS 102 requirements.

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 Funds (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 (2014: £2,500).

IT equipment £400 or more (2014: £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.

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.

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.

1.12 Volunteers

The charity benefits from the involvement and support of its volunteers. In accordance with FRS102 and the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the accounts.

1.13 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.

1.14 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.

1.15 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.16 Financial instruments

The charity only has financial assets and financial instruments of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Analysis of income from generated funds

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Voluntary income:				
Legacies	606,263	-	606,263	571,841
Donations:				
Individuals	79,376	3,551	82,927	180,062
Charitable foundations, HM Forces and Corporates	222,401	323,103	545,504	646,374
Total voluntary income	908,040	326,654	1,234,694	1,398,277
Activities for generating funds:				
Fundraising events	19,683	-	19,683	20,668
Nursing and care (non-primary purpose)	400,596	-	400,596	492,175
Other income	17,379	-	17,379	12,228
Total activities for generating funds	437,658	-	437,658	525,071
Investment income:				
Fixed interest securities	12,673	-	12,673	12,522
Equities (UK)	56,363	-	56,363	47,019
Equities (Overseas)	12,379	-	12,379	11,191
Short term deposits	221	-	221	436
UK unit trusts	17,409	-	17,409	20,014
Total investment income	99,045	-	99,045	91,182

Other income in "Activities for generating funds" includes meals income from staff, coffee shop 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 £	2015 Total £	2014 Total £
Voluntary income:				
Contributions from residents	2,220,575	-	2,220,575	2,124,567
Veterans Agency capitation grant	185,177	-	185,177	200,564
Total incoming resources from charitable activities	2,405,752	-	2,405,752	2,325,131

4. Analysis of Resources Expended

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Resources expended				
Cost of generating voluntary income				
Telephones, rates, utilities and insurances	2,733	-	2,733	2,952
Advertising and publicity	2,175	-	2,175	2,260
Administration salaries and associated costs	16,628	-	16,628	16,179
Fundraising salaries and associated costs	182,636	5,182	187,818	176,376
Fundraising, advertising and publicity	35,914	18,491	54,405	74,736
	240,086	23,673	263,759	272,503

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	8,351	-	8,351	10,661
Fundraising event costs	13,042	-	13,042	5,400
Fundraising salaries and associated costs	8,934	-	8,934	6,828
	30,327	-	30,327	22,889
Investment management fees	29,689	-	29,689	28,723
Total cost of generating funds	300,102	23,673	323,775	324,115

4. Analysis of Resources Expended (continued)

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Resources Expended				
Cost of charitable activities				
Nursing care	908,942	5,082	914,024	907,687
Health care assistants	1,214,284	1,200	1,215,484	1,145,676
Health care assistants - agency staff	46,800	-	46,800	42,072
Physiotherapy	1,627	112,120	113,747	109,889
Alternative therapy	-	24,600	24,600	37,450
Occupational therapy and Social and Recreation	1,794	121,260	123,054	135,115
Speech Therapy	1,533	34,085	35,618	35,620
Kitchen	109,224	-	109,224	116,004
Kitchen - agency staff	10,494	-	10,494	18,599
Housekeeping	238,896	-	238,896	251,890
Housekeeping - agency staff	25,976	-	25,976	4,107
Drivers	27,495	1,122	28,617	30,319
Chaplain	1,325	7,321	8,646	1,616
Administration	315,928	-	315,928	307,405
Maintenance	56,780	-	56,780	57,057
Gardener	-	5,205	5,205	11,299
	2,961,098	311,995	3,273,093	3,211,805
Closed pension scheme costs:				
Charges	-	-	-	36,000
Pension Protection Fund Levy	2,967	-	2,967	3,030
	2,964,065	311,995	3,276,060	3,250,835
Total payroll costs				
Medical officer and locum fees	19,652	-	19,652	18,970
Provisions	118,148	-	118,148	111,189
Surgery, dispensary and therapy	44,459	2,582	47,041	43,798
Other finance costs/(income)	32,000	-	32,000	42,000
Audit fees	13,200	-	13,200	11,098
Bad debts	1,113	-	1,113	-
Depreciation	-	453,409	453,409	464,187
Vehicle running and travel costs	13,657	2,246	15,903	28,088
Hospital repairs and renewals	49,138	-	49,138	50,837
Domestic and kitchen repairs	15,718	-	15,718	7,980
Sundries	9,317	1,533	10,850	11,638
Property maintenance	46,801	-	46,801	42,723
Gardening	13	4,617	4,630	5,822
Repairs and renewals of equipment	3,320	-	3,320	3,923
Laundry and cleaning	68,166	-	68,166	68,218
Utilities	123,517	3,945	127,462	128,865
Insurance	51,776	-	51,776	44,640
Computer costs	14,258	-	14,258	13,015
Bank charges	2,513	-	2,513	4,770
Other fees and subscriptions	113,859	-	113,859	106,642
Printing, stationery and publications	18,153	-	18,153	13,888
Postage and telephones	9,104	-	9,104	14,250
	767,882	468,332	1,236,214	1,236,541
Total non-payroll costs				
	3,731,947	780,327	4,512,274	4,487,376
Total cost of charitable activities				

4. Analysis of Resources Expended (continued)

Analysis of total resources expended

	Staff costs £	Depreciation £	Other £	2015 Total £	2014 Total £
Provision of residential care					
Provision of services and support costs	3,276,060	453,409	782,805	4,512,274	4,487,376
Other expenditure					
Fundraising, publicity and other	213,380	-	110,395	323,775	324,115
Total resources expended	3,489,440	453,409	893,200	4,836,049	4,811,491

5. Trustees and employees

	2015 Total £	2014 Total £
Staff costs during the year were as follows:		
Wages and salaries	3,181,775	3,160,249
Social security costs	246,002	246,338
Pension costs:		
Defined benefit scheme *	-	-
Defined contribution scheme	-	12,248
Work place pension scheme	61,663	37,132
	3,489,440	3,455,967

* 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:

	2015 Total	2014 Total
Nurses and health care assistants	85	81
Raising Funds	7	8
Other	42	39
	134	128

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 2015 (2014: None). During the year donations totalling £967 were made to QAHH.

A premium of £1,990 was paid during the year for the trustee's indemnity insurance (2014: £1,990).

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

	2015 Total	2014 Total
£90,001 - £100,000	2	2

During the year pension contributions of £8,026 (2014: £7,888) were paid on behalf of the employees' as members of the Work Place scheme operated by the charity.

During the year the total paid to additional key management personnel was £106,795. Included within this amount was £1,825 for contributions to the Work Place Pension 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 102 costs and liabilities of the scheme are based on actuarial valuations. The most recent FRS102 valuation was at 31 December 2015 and was prepared by a qualified actuary. Based on the actuarial valuation, the market value of the pension fund assets at 31 December 2015 was £3,390,000 (2014: £3,584,000).

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

	2015 %	2014 %
Discount rate	3.90	3.60
RPI assumption	3.20	3.10
CPI assumption	2.20	2.10
LPI assumption	3.10	3.00

The underlying mortality assumption is based upon the standard table known as S1PA on a year of birth usage CMI_2012 future improvement factors and a long-term rate of future improvement of 1.25% p.a (2014: S1PA with CMI_2012 future improvement factors and a long-term future improvement rate of 1.25% p.a). This results in the following life expectancies:

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

Employee Benefit obligations

The amounts recognised in the balance sheet as at 31 December 2015 (with comparative figures as at 31 December 2014) are as follows:

	2015 £	2014 £
Market value of Scheme assets	3,390,000	3,584,000
Present value of Scheme liabilities	(4,213,000)	(4,524,000)
Deficit in the Scheme	(823,000)	(940,000)

The amounts to be recognised in the consolidated statement of financial activities for the year ending 31 December 2015 (with comparative figures for the years ending 31 December 2014) are as follows:

	2015 £	2014 £
Current service cost	-	-
Administrative expenses	-	-
Interest on Scheme liabilities	158,000	184,000
Expected return on Scheme assets	(126,000)	(142,000)
Past service cost	-	-
Curtailement gain	-	-
Total other finance costs/(income)	32,000	42,000
Actual return on Scheme assets	(24,000)	497,000

The expected return on scheme assets including comparative for 2014 has been amended to reflect the requirements of FRS 102. Comparatives for 2013, 2012, 2011 have not been amended

6. Retirement Benefits

Changes in the present value of the Scheme liabilities for the year ended 31 December 2015 (with comparative figures for the year ending 31 December 2014) are as follows:

	2015 £	2014 £
Value of scheme liabilities at beginning of period	4,524,000	4,046,000
Service cost	-	-
Employment contributions	-	-
Interest cost	158,000	184,000
Past service cost	-	-
Curtailment gain	-	-
Actuarial losses/(gains)	(175,000)	402,000
Benefits paid	(294,000)	(108,000)
Present value of Scheme liabilities at end of period	4,213,000	4,524,000

Changes in the present value of the Scheme assets for the year ending 31 December 2015 (with comparative figures for the years ending 31 December 2014) are as follows:

	2015 £	2014 £
Market value of Scheme assets at beginning of period	3,584,000	3,107,000
Interest on Scheme assets	126,000	142,000
Actuarial gains/(losses)	(150,000)	355,000
Benefits paid	(294,000)	(108,000)
Administrative expenses	-	(36,000)
Contributions paid by the company	124,000	124,000
Employee contributions	-	-
Market value of Scheme assets at end of period	3,390,000	3,584,000

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 31 December 2015 (with comparative figures for the years ending 31 December 2014) are as follows:

	2015	2014
Equities and Property	60%	56%
Bonds & Gilts	39%	43%
Cash	1%	1%
	100%	100%

Analysis of amount recognisable in Other Comprehensive Income (OCI) for the year ending 31 December 2015 (with comparative figures for the year ending 31 December 2014) are as follows:

	2015 £	2014 £
Actual return less expected return on Scheme assets	(150,000)	355,000
Expected less actual Scheme expenses	-	-
Experience gains and losses arising on the Scheme liabilities	28,000	85,000
Changes in assumptions underlying the present value of Scheme liabilities	147,000	(487,000)
Actuarial gain/(loss) recognised in OCI	25,000	(47,000)

6. Retirement Benefits

Movement in surplus/(deficit) during the year ending 31 December 2015 (with comparative figures for the year ending 31 December 2014) are as follows:

	2015	2014
	£	£
Deficit in Scheme at beginning of year	(940,000)	(939,000)
Recognised in Statement of Financial Activities	(32,000)	(42,000)
Contributions by Company	124,000	124,000
Charges Paid	-	(36,000)
Actuarial gain/(loss) recognised in OCI	25,000	(47,000)
Deficit in Scheme at end of year	(823,000)	(940,000)

The agreed contributions to be paid by the Company for the forthcoming year (year ending 31 December 2016) is £124,000 (2015: £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 2015	8,307,160	1,216,802	282,673	9,806,635
Additions	-	105,857	-	105,857
Disposals	-	(36,215)	(32,157)	(68,372)
At 31 December 2015	8,307,160	1,286,444	250,516	9,844,120
Depreciation				
At 1 January 2015	3,113,411	793,940	225,707	4,133,058
Provided in period	353,033	85,609	14,766	453,408
On disposals	-	(36,215)	(32,157)	(68,372)
At 31 December 2015	3,466,444	843,334	208,316	4,518,094
Net book value at 31 December 2015	4,840,716	443,110	42,200	5,326,026
Net book value at 31 December 2014	5,193,749	422,862	56,966	5,673,577
CHARITY				
Cost				
At 1 January 2015	8,470,430	1,216,802	282,673	9,969,905
Additions	-	105,857	-	105,857
Disposals	-	(36,215)	(32,157)	(68,372)
At 31 December 2015	8,470,430	1,286,444	250,516	10,007,390
Depreciation				
At 1 January 2015	3,113,411	793,940	225,707	4,133,058
Provided in period	353,033	85,609	14,766	453,408
On disposals	-	(36,215)	(32,157)	(68,372)
At 31 December 2015	3,466,444	843,334	208,316	4,518,094
Net book value at 31 December 2015	5,003,986	443,110	42,200	5,489,296
Net book value at 31 December 2014	5,357,019	422,862	56,966	5,836,847

Three vehicles were disposed of during the year. All three vehicles were fully depreciated and had no written down value. No amounts were received for these vehicles.

9. Fixed asset investments

	2015 Total £	2014 Total £
Quoted investments		
Market value at 1 January 2015	4,225,612	4,325,151
Additions	142,774	594,362
Disposals	(656,680)	(729,804)
Net realised/unrealised gains/(losses)	(12,764)	35,903
Market value at 31 December 2015	3,698,942	4,225,612
Short term deposits	73,381	141,248
	3,772,323	4,366,860
Investments (Group) (Historical cost £3,253,251 [2014: £3,746,073])		
Investments in group undertakings at 1 January 2015 and at 31 December 2015	1	1
	3,772,324	4,366,861
Investments (Charity) (Historical cost £3,253,252 [2014: £3,746,074])		
	2015 Total £	2014 Total £
Analysed as:		
Fixed interest securities - unit trusts	262,693	451,853
Equities - UK	1,837,252	2,054,917
Property funds - UK	225,571	223,306
Property funds - Overseas	67,523	82,345
Equities - Overseas	928,903	1,000,658
Commodities	52,990	74,750
Alternatives - other	238,193	337,783
Hedge funds	85,817	-
	3,698,942	4,225,612

The Charity wholly owns the following subsidiary:

	Country of Incorporation	Class of share capital held	Principal activity
QAHH Services limited	England	Ordinary - 100% of ownership	Provision of nursing care and other trading activities

10. Stocks

	2015		2014	
	Group £	Charity £	Group £	Charity £
Consumable stores	9,232	9,232	7,625	7,625
Total consumable stores	9,232	9,232	7,625	7,625

11. Debtors

	2015		2014	
	Group £	Charity £	Group £	Charity £
Resident contributions receivable	182,237	111,074	151,552	105,087
Group debtors	-	-	-	-
Capitation fees receivable	13,289	13,289	16,262	16,262
Legacies receivable	112,654	112,654	1,000	1,000
Income tax recoverable	3,041	3,041	2,635	2,635
Prepayments and other debtors	26,723	26,723	24,686	24,686
Gift aid donations from trading subsidiary	-	11,072	-	12,834
Amounts due from group undertakings	-	60,037	-	39,308
Trade debtors	-	-	-	-
Total debtors	337,944	337,890	196,135	201,812

12. Creditors: amounts falling due within one year

	2015		2014	
	Group £	Charity £	Group £	Charity £
Trade creditors	71,792	71,792	68,667	64,685
Staff remuneration	40,017	40,017	41,579	41,579
Pension	13,678	13,678	13,096	13,096
Social security and other taxes	58,829	58,829	60,599	60,599
Amounts owed to group undertakings	-	-	-	-
Other creditors and accruals	83,946	81,846	86,409	84,428
Total creditors	268,262	266,162	270,350	264,387

13. General fund

	2015		2014	
	Group £	Charity £	Group £	Charity £
Revenue fund				
At 1 January 2015	4,057,246	4,057,247	4,109,063	4,109,064
Retained surplus/(deficit) for the year	(281,666)	(281,666)	(10,173)	(10,173)
Transfers from/(to) restricted funds	(11,803)	(11,803)	(41,644)	(41,644)
At 31 December 2015	3,763,777	3,763,778	4,057,246	4,057,247

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 2015	136,223	5,652,577	6,088	-	290,871	6,085,759
Incoming resources	-	-	-	-	326,654	326,654
Expenditure	-	(453,409)	-	-	(350,591)	(804,000)
Gains/(losses) on investments	(4,652)	-	-	-	-	(4,652)
Transfer between funds	-	94,054	-	-	(94,054)	-
Transfers from/(to) revenue fund	-	11,803	-	-	-	11,803
At 31 December 2015	131,571	5,305,025	6,088	-	172,880	5,615,564

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.

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 2015	136,223	5,815,847	6,088	-	290,871	6,249,029
Incoming resources	-	-	-	-	326,654	326,654
Expenditure	-	(453,409)	-	-	(350,591)	(804,000)
Gains/(losses) on investments	(4,652)	-	-	-	-	(4,652)
Transfer between funds	-	94,054	-	-	(94,054)	-
Transfers from/(to) revenue fund	-	11,803	-	-	-	11,803
At 31 December 2015	131,571	5,468,295	6,088	-	172,880	5,778,834

15. Analysis of net assets between funds

GROUP	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due >1year	Total
	£	£	£	£	£
Endowment fund					
Capital fund (including unrealised losses of £3,690)	21,000	110,571	-	-	131,571
	21,000	110,571	-	-	131,571
Restricted fund					
Capital fund	5,305,025	-	-	-	5,305,025
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	172,880	-	172,880
Kitchen Project fund	-	6,088	-	-	6,088
	5,305,025	6,088	172,880	-	5,483,993
Unrestricted fund					
Revenue fund (including unrealised losses of £99,726)	-	3,655,664	108,112	-	3,763,776
Pension fund liability	-	-	-	(823,000)	(823,000)
	-	3,655,664	108,112	(823,000)	2,940,776
	5,326,025	3,772,323	280,992	(823,000)	8,556,340
CHARITY					
	£	£	£	£	£
Endowment fund					
Capital fund (including unrealised losses of £3,690)	21,000	110,571	-	-	131,571
	21,000	110,571	-	-	131,571
Restricted fund					
Capital fund	5,468,295	-	-	-	5,468,295
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	172,880	-	172,880
Kitchen Project fund	-	6,088	-	-	6,088
	5,468,295	6,088	172,880	-	5,647,263
Unrestricted fund					
Revenue fund (including unrealised losses of £99,726)	-	3,655,665	108,112	-	3,763,777
Pension fund liability	-	-	-	(823,000)	(823,000)
	-	3,655,665	108,112	(823,000)	2,940,777
	5,489,295	3,772,324	280,992	(823,000)	8,719,611

16. Capital commitments

There were no capital commitments at 31 December 2015 (2014: None). No other commitments had been made at 31 December 2015 (2014: None).

17. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 or the SORP (2014: 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 2015 were as follows:

	QAHH Services Limited 2015 £	QAHH Services Limited 2014 £
Turnover	400,596	492,175
Cost of sales	387,090	477,053
	13,506	15,122
Other operating income and charges	2,433	2,288
Profit/(loss) on ordinary activities before taxation	11,073	12,834
Appropriation to holding company (Gift aid)	(11,073)	(12,834)
(Loss)/profit for the financial year	(11,073)	(12,834)
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 £581,754 (2014: surplus £173,057) which is dealt with in the financial statements of the charity.

20. Grants/ Donations receivable

Under the terms of the Grant/ Donation Agreement or contract, the following funders are disclosed individually.

Funder	Project	Amount
Big Lottery Fund Grant	Youth Outreach Project	£9,855
Garfield Western Foundation	Core rehab costs	£25,000
Seafarers UK	Neuropsychology	£9,450

The Big Lottery Fund provided a Grant towards the cost of the `Youth Outreach Project`, setup to provide a greater awareness to young people about not only the ex-Service community but to disabled people. This project runs in 2015 and 2016.

21. First-time adoption of SORP (FRS 102)

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 December 2015.

The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of SORP (FRS 102) were as follows:

Governance costs under FRS 102 have been included in expenditure on 'charitable activities'. The comparative has also been amended to reflect the FRS 102 requirement.

Recognition of the actuarial gains/(losses) on the defined benefit pension scheme previously recognised under FRS 17 have been restated to reflect the FRS 102 requirement. The FRS discount rate is now used rather than the expected asset return value.

b) Reconciliation of total consolidated funds.

Adjustments to previously reported funds balance at the end of the comparative period were as follows:

	2014
	£
Total consolidated funds at 31 December 2014 under SORP (2005)	9,203,005
Governance costs	(35,377)
Cost of charitable activities - re-allocation of governance	35,377
Other finance costs	24,000
Actuarial gains/(losses) on defined benefit pension scheme	(24,000)
Total consolidated funds at 31 December 2014 under FRS 102	9,203,005

23. Analysis of governance

	Basis of apportionment	2015	2014
		£	£
Salaries, wages and related costs	Time apportionment	22,251	22,289
Insurance	Governance	1,990	1,990
Audit fees - charity	Governance	11,100	9,120
Audit fees - subsidiary company	Governance	2,100	1,978
Total governance		37,441	35,377

23. Contingent assets - legacy income

As at 31 December 2015 the charity had been notified of one residuary legacy the value of which is uncertain as the executor is awaiting confirmation of other claims on the estate and probate has yet to be passed.

Notes

Notes

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