

# The Queen Alexandra Hospital Home



*Celebrating 90 years of serving those who served*

## Annual Report & Accounts

for the year ended 31st December 2009

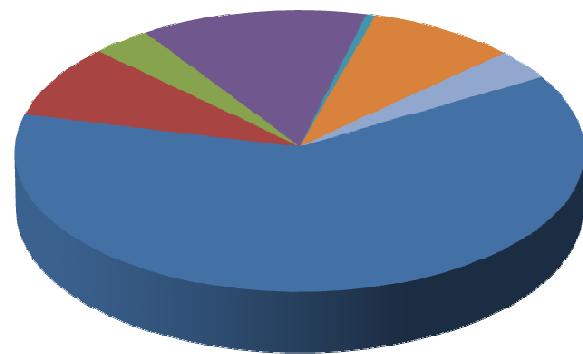
Registered Charity No.1072334

Company No.3646570

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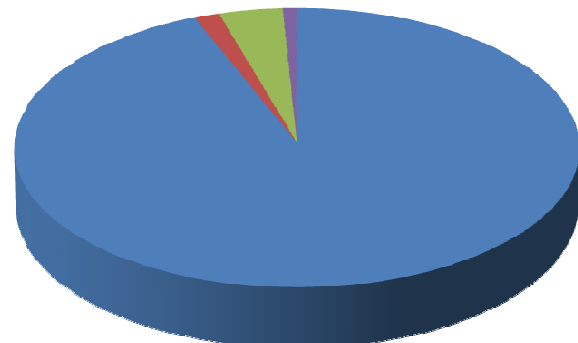
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### Income - £3,589,031



- Income from charitable activities - 62%
- Legacy income - 8%
- Individual donations - 9%
- Charitable foundations and HM Forces - 7%
- Fundraising Events - less than 1%
- Other income - 9%
- Investment - 4%

### Expenditure - £3,992,215



- Cost of charitable activities - 94%
- Cost of activities for generating funds - less than 1%
- Cost of generating voluntary income - 4%
- Governance costs - less than 1%

**Shortfall** of incoming resources before other recognised gains and losses of £403,184 (2008: surplus £636,499).

At 31 December 2009 our investments have a value of £4.3million (2008: £4.1million). In 2009 these investments produced income of £126,337 (2008: £207,912). This return on the investments is vital. Despite this income there is still a shortfall of incoming resources and we rely heavily on fundraising to bridge this gap in income.

# Report of the Trustees of The Queen Alexandra Hospital Home

For the year ended 31 December 2009

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## Reference and Administrative 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 2009.

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 1993 (as amended by the Charities Act 2006).

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

The Queen Alexandra Hospital Home (QAHH) 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 two subsidiary companies, QAHH Limited (company number 5064367) incorporated 4 March 2004 (dormant) and QAHH Services Limited (company number 5802953) incorporated 2 May 2006. Both companies are 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, therefore subject to Charity, Trust and Company Law, and governed by a Memorandum and Articles of Association.

The Board of Trustees oversees the governance of QAHH. The Board meets four times a year to review policy matters, financial control and the charity's investments. Between Board meetings, two appointed Trustees will carry out Trustees' Rounds and will visit QAHH for a detailed tour of inspection. 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 further periods of 4 years. New Trustees who join the Board come with a specific skill or area of interest that will benefit the organisation – the major areas of interest being financial, fundraising, medical, legal and/or corporate experience/ knowledge. There is an induction procedure for new Trustees and training is carried out periodically for all Trustees, when required or requested.

The day-to-day management of the affairs of QAHH is delegated by the Trustees to the Chief Executive, who is assisted by the Director of Nursing and Operations (known internally as Matron). Both give a detailed report on their areas of responsibility at each Board meeting.

Below this, there is a middle management team composed of the Deputy Matron; the Head of Finance; the Head of Fundraising and also the Human Resources Manager; it also includes the two Ward Managers and the Night Services Manager.

There is one Board committee which is:

**Finance** - maintains an overview of the strategies, policies and operations of QAHH to secure effective management of QAHH's financial resources.

## Related parties

The Charity's wholly owned subsidiary QAHH Limited was established to design and build the new annex at QAHH which was completed during 2006. The Company is now dormant. A new 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. Both companies gift aid any profits to the Charity.

# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

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## Our Aims and Objectives

### Purpose and Aims

Our charity's principal purposes as set out in the objects in the company's memorandum of association are:

- 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 achieved 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 we are set to help. The review also helps us ensure our aim, 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.

### The focus of our work:

- Full nursing and medical care, in a very comfortable environment with modern equipment and facilities, by highly motivated and well-qualified staff.
- Rehabilitation services such as physiotherapy, occupational therapy, speech therapy, counselling and 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 the end of life.

### Our medium to long-term aims are:

- 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 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 maximum bed occupancy.
- To increase financial input through increased fundraising resources.





# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

## Our Aims and Objectives (continued)

### Our main aims for 2009 were:

- To satisfy from our own resources or in conjunction with other charities, the needs and requirements of our residents.
- To maintain bed occupancy at no less than 57 residents out of our maximum of 60 beds.
- To meet all the requirements of the Care Standards and to strive to achieve the best grading possible.
- To continue to meet changing requirements and circumstances so as to increase overall efficiency and reduce organisational costs.
- To increase the level of income through fundraising on a national scale.
- To continue the process for a balanced budget.

### Overview of 2009:

2009 has been a difficult year financially, as was to be expected considering the world-wide economic downturn. Although the stated objectives have all been met, it has been with varying degrees of success:

- The needs and requirements of our residents have been met.
- Maintaining bed occupancy at the stated level was challenging, due to the unusual level of sudden deaths; a 3 month period midyear when we were unable to accept any new applicants despite empty beds due to a request from higher health authorities; and also because of the seasonal peaks and troughs of demand for bed applications – so this aim of 57 full beds was not achieved for the whole of 09. Bed occupancy averaged 53 for the year. However fee income from PCT- funded placements has mitigated considerably on this shortfall.
- The minimum Care Standards were all achieved and exceeded and QAHH had a `Good` grading following our inspection.
- Changing requirements were met and costs savings were found in the organisational structure.
- Fundraising was another aim that did not reach its target due to the economic downturn and fall in interest rates. Legacy income did however reach expected targets for the year.
- The process for a balanced budget after fundraising income continued with cost savings being made where possible and income generated to the maximum, when possible.
- The raising of funding for the remaining upgrading projects continues – we are delighted to report that funding for the upgrade to the corridor and general areas was achieved during the year and this project will commence in early 2010.

### Our Objectives for 2010 are:

- To continue to satisfy from our own resources - or in conjunction with other charities - the needs and requirements of all our residents.
- To again strive to maintain bed occupancy at no less than 57 residents, out of our maximum of 60 beds.
- To maintain the number of PCT- funded placements at QAHH.
- To again meet and exceed all the requirements of the Standards and Regulations.
- To register with - and meet the new requirements of - the Care Quality Commission during 2010.
- To maintain and endeavour to increase the level of income through national fundraising.
- To achieve Beacon status for the Gold Standards Framework and End-of-Life care.
- To continue to raise specific restricted funding to enable the two remaining smaller-scale upgrading projects – the bathroom areas (£260,000); and the kitchen (£230,000) – and in that sequence - to be undertaken by 2012/3 or earlier if the full cost of each project has been raised.
- To continue the process to achieve a balanced budget after fundraising income.



# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

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## Review of Activities

The purpose of QAHH is to provide nursing and rehabilitation care to former members of HM Forces - and their wives and dependents. Few other organisations now offer nursing care to the level of QAHH, but are more commonly concerned with the cheaper and less costly area of Residential Care.

During the early part of the year the upgrading of the old wards was completed bringing them up to the standard – and in the view of many current residents – exceeding the standard of accommodation achieved by the building of the Alexandra Ward in 2006. Work was completed in February 2009. All rooms at QAHH now have overhead ceiling hoists, upgraded lighting and heating and all rooms are either single or double occupancy. As has been reported here previously, it was decided to retain a number of double-occupancy rooms at the request of current quadriplegic residents who dislike the loneliness and solitude of a single room - and also because of a number of respite applications from married couples who are now accommodated together, as opposed to being offered separate, single rooms.

Following agreement by the Charity Commission (CC), the entry criteria for applicants was expanded in 2007 to include a small number of non-primary beneficiaries (those with no service or connection with HM Forces) thus allowing access to the facilities of QAHH to a wider public.

Consequently the QAHH Mission Statement was changed in 2009 with CC approval to:

**‘It is the mission of the Queen Alexandra Hospital Home to provide a multi-disciplinary approach for the care and rehabilitation of those with neurological and medical disabilities – principally for those who have served with HM Forces.’**

During 2009, five (5) Primary Care Trust (PCT)-funded, non-primary beneficiaries were accepted into QAHH for varying lengths of time. QAHH is now deemed a ‘preferred’ placement for an increasing number of PCT’s for placement of Continuing Care cases with complex disabilities and for End-of-Life cases. Because of the facilities that QAHH is able to offer in the form of a large, well-equipped Physiotherapy department; Speech therapy and a large and busy Occupational therapy department – and because of the reputation of QAHH for the rehabilitation of those with neurological disabilities (an acquired brain injury) (ABI), there has been a continued increase in the number of PCT placements to the Hospital Home over the past year.

QAHH’s reputation is now well-established in this category and it is envisaged that there will continue to be an increased demand in the future.

Facilities at QAHH have continued to be improved in 2009 with the completion of the accommodation upgrade in the older part of the building. The upgrade to the corridors and general areas also in the older part of QAHH will also be carried out in the early part of 2010 bringing a more modern and lighter feel to these formerly rather dated areas. The construction of a wheelchair-friendly, raised-garden area for residents use has also been constructed during 2009, kindly funded by a grant-giving trust. The flat roof area covering much of the older part of the Hospital Home has had extensive work carried out to it during the year and has been re-surfaced and re-covered which will ensure that it will be 15 years before similar work will again be required. The transformation during the summer months of the former vegetable garden area into a new grass lawn was greeted with enthusiasm by the residents and has had major aesthetic value for them, when viewed from inside the Residents’ Day Room area.

The accreditation and Commendation grading in late 2008 of the Gold Standard Framework for End of Life Care to QAHH is being built upon and work and training continues in order to achieve Beacon-status in late 2010. As in 2008, members of the multi-disciplinary team again attended an external 2-day Cognitive Rehabilitation Workshop for Professionals. The Director of Nursing has continued to lead the internal working party that is developing and taking forward this new process with the remainder of the multi-disciplinary team – with remarkable success to the great majority of all residents – particularly those with an ABI. QAHH is well-known at PCT and Strategic Health Authority level and is recognised as one of the few organisations with the resources, facilities and expertise for the successful and effective rehabilitation and care of those with neurological disabilities.

QAHH’s links with the MOD continue to strengthen – QAHH continued to accept MOD student nurses for one of their six-week, external placements over the past year and this will again continue in 2010.

Links with the Universities of Sussex and also the University of Surrey continued with regular student nurse placements throughout the year. During the latter part of 2009 an Educational Audit was carried out by the University of Sussex and QAHH received a very good grading.

# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

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## Review of Activities (continued)

The Fundraising department, under a new Head of Fundraising from early 2009, is now well-established and has proved very effective in attracting funding for specific activities. With the current economic climate and shrinking of many investment areas, the process of fundraising will continue to be a challenging area for the next 3 years. QAHH fundraising will therefore be primarily directed towards raising funding for specific activities and also to continue to seek funding for the two remaining upgrading areas that wait to be completed, as mentioned earlier in this report.

Applications for beds continue to be submitted. Average bed occupancy for the past year was 53 (with a maximum capacity of 60) and again as mentioned earlier, the Hospital Home did not reach our objective of 57 full beds throughout the year. This was due to many factors – one being the closing for new applications for a 3 month period during the early part of the summer due to a request from the public health department over a suspected health matter. This occurred after a member of staff on returning from a visit to his home in Africa, was found to have a notifiable condition. It proved unfounded and new applications were accepted again after a 3 month period.

The increasing cost of care to individuals was also a factor in a difficult economic climate and those who might previously have come to QAHH, delayed their decision until their disability and/or decreasing personal health eventually forced them to seek residential nursing care at QAHH-but at a much later stage than might have been more normally expected. We have also seen an increasing number of applications from those with elements of dementia which, sadly for the applicant, are always unsuccessful due to the registration of QAHH as a service provider for care of the physically disabled. There are no plans to change this registration in the short to medium term.

With the facilities and specialisations that the Hospital Home now has, the average age of those coming to QAHH has again fallen and continues to do so. The current youngest resident at QAHH is 24. The eldest being in his 90's. 128 residents were cared for at QAHH over the year – many of these being respite cases.

Activities and outings continue to be a major part of life at the Hospital Home. A Social and Recreational Committee (as in years past, this is composed of Residents and members of staff and is chaired by the Director of Nursing and Operations) plan wide-ranging activities.

Visits in this past year have included trips to many London museums; the Bovington Tank museum; the London Eye; Buckingham Palace; St James' Palace; and the Twickenham rugby ground for a number of international matches. Perhaps the most popular of trips are the monthly country-runs along the coast and up onto the downs, with a pub stop and picnic lunch. We are, as ever, extremely grateful for all those organisations who have offered hospitality to the residents over the past 12 months – the Not Forgotten Association; the London Taxi Drivers Benevolent Association; the Worthing Rotarians; the Royal Naval Association; The Royal Air Force Association; the Worthing Burma Star Association; the Lest We Forget Association - and in particular, the local branches of the Royal British Legion.

The **Director of Nursing and Operations** continues to be responsible for the overall delivery of care and services; she is also the Registered Manager of QAHH under the Care Standards regulations. She is assisted by a Deputy Matron and by two Ward managers (Alexandra Ward and Norfolk Ward) and together they lead a large staff, making up a strong and committed team. QAHH attracts and retains good staff by offering an excellent package of pay and conditions. This is regularly reviewed and compared, with other similar organisations. QAHH pays in line with the Agenda for Change rates for all those under the umbrella of the Nursing and Midwifery Council.

Training is a high priority and is also under the management of the Director of Nursing and Operations. Apart from all mandatory training that is undertaken regularly as policies dictate, we ensure that all QAHH staff are fully qualified and trained for their role, to ensure safe practice, job satisfaction and individual personal development. This has resulted in a strong, loyal and committed staff which further translates into minimum disruption to our residents.

## Policy

The policy of the Trustees continues to be that of maintaining QAHH 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 non-primary beneficiaries.

The policy of the Trustees continues to commit the organisation to further enhance and improve services and facilities as funds become available.

# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

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## Organisation

Day-to-day control of all activities within QAHH rests with the **Chief Executive**, who is responsible to the Board of Trustees for carrying out of the agreed policy and objectives of the Hospital Home. He deals specifically with all strategic matters relating to finance and fundraising; all matters concerned with Health and Safety and is responsible for the overall smooth running and financial health of the Hospital Home. He is supported by the **Director of Nursing and Operations** (known internally as Matron), who oversees the day-to-day management and affairs of the whole organisation – residents, all staffing matters, operational issues and, importantly, all new applications for beds. Applicants applying to QAHH will first be directed to the **Commissioning and Placement Officer** who will issue and process completed application forms. She will then arrange for Matron or one of her Ward Managers to undertake a formal assessment visit to the applicant - either at their home or in some cases in hospital - at which time the level of care (and rehabilitation needs) required by the applicant can be ascertained, which in turn will give an indication of the fee level that will be charged to the individual (based on the level of Registered Nurse input required).

## Review of the year

### Financial overview

The statement of financial activities is set out on page 15. The Charity suffered from a reduction in total Incoming Resources of 18% to £3.59m in 2009 (2008: £4.38m).

The decrease was the result of the following:

- Legacy income declined by 36% to £305,308 in 2009 from £477,175 in 2008.
- Donations, individual and from Charitable foundations and HM Forces declined by 51% to £601,880 in 2009 from £1,231,909. (In 2008 £481,050 was received as a response to the restricted Phase2 fund whereas only £20,000 was received in 2009).
- Investment income declined by 40% to £126,338 in 2009 from £207,912 in 2008.
- Fee income declined by 7% to £2,223,655 in 2009 from £2,390,759 in 2008. The Phase2 building works were still in progress at the beginning of the year meaning a reduced availability of beds.

## Review of the year

The net movement in funds for the year was a reduction of £347,460 (2008: reduction £809,879), after accounting for :

Realised losses on investments of £11,057 (2008: losses £85,123),

Un-realised gains of £672,781 (2008: losses £1,019,255) and Actuarial losses of £606,000 (2008: losses of £342,000) in respect of the defined benefit pension scheme.

The Levy for the Pension Protection Fund (PPF) amounted to £32,508 in 2009 (2008: £30,577). In 2009 security over the property of QAHH was sought to reduce the level of PPF Levy paid. Subject to approval this will be in place for the year 2010/2011.

Despite the increase in the value of the investment portfolio, the investment income generated from the portfolio of £126,377 was considerably down on the returns of 2008 (£207,912). The portfolio holdings provide a much needed source of income each year and overall represent 3.5% in 2009 of total income (2008: 4.7%).

**The investment policy** aims to 'maximise total return' and a benchmark is set to which the portfolio's structure and performance is compared. The portfolio's overall return, amounted to 22.3% ahead of the benchmark of 19.0% (2008: loss 21% overall return).

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.

QAHH Limited is dormant.

**The Trustees gratefully acknowledge the financial support given to the Charity by so many generous donors and without whose support the Charity could not continue.**



# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

## Review of the year (continued)

### Voluntary income and fundraising

QAHH relies on voluntary income and fundraising to fund the shortfall between care fees and the true cost of providing our high level of nursing care and therapies.

In 2009 we received £907,378 (£2008: £1,709,084) in donations through the generosity of our community, companies and charitable trusts, an additional £19,076 (2008: £25,164) was raised from fundraising events, raffles and collections. Restricted funds for the Phase2 project amounted to £20,000 with a further £25,000 received for the next phase of works - to begin when full funding is received.

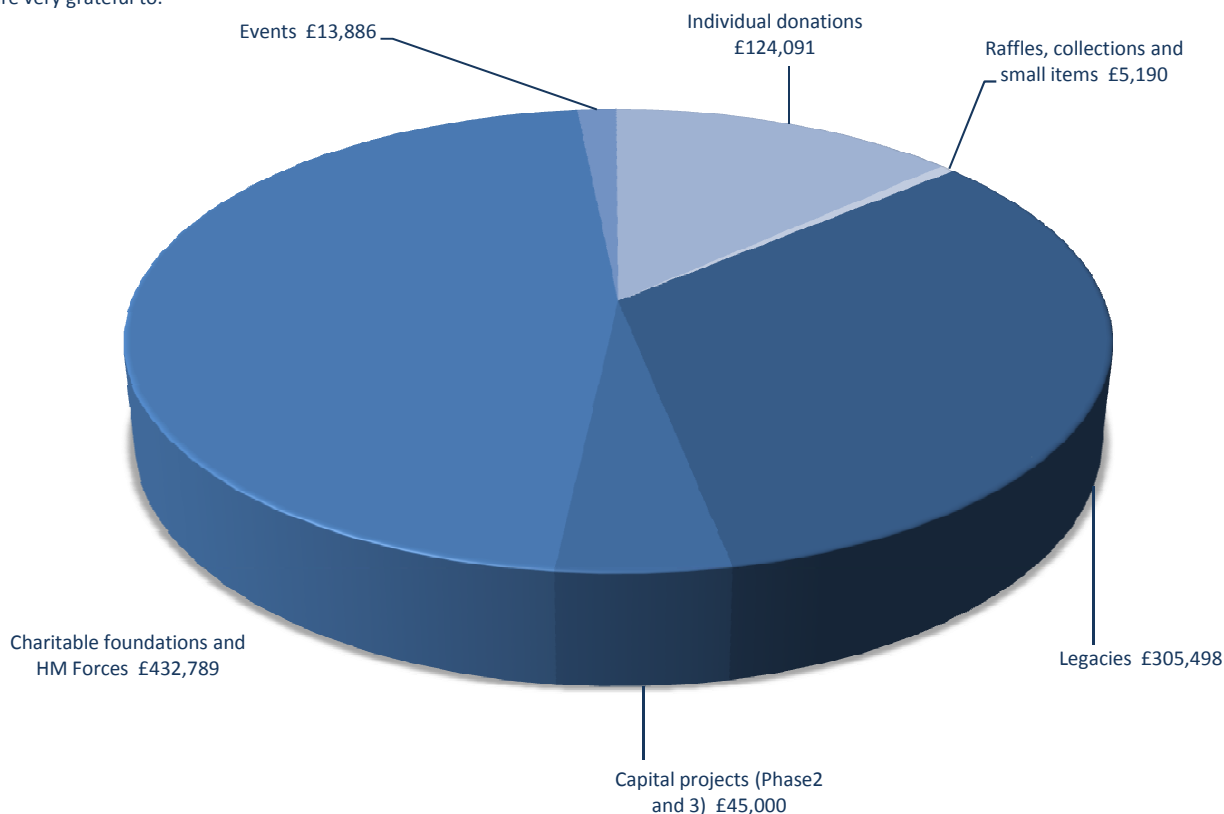
### Fundraising expenditure

Fundraising, marketing and publicity costs amounted to £151,416 (2008: £145,713) with events and associated fundraising costs amounting to £23,257 (2008: £15,190).

Events were kept to a minimum in 2009 as they were in 2008 with the emphasis and direction for fundraising continuing to be that of applications to charitable trusts and larger organisations. Support from within the local community was also a helpful source of income not just through funding but with the support of volunteers whom we are very grateful to.

### Fundraising activities and achievements in 2009 included:

- The major part of Phase2 was completed in 2008 with the 38 bedded Norfolk ward completed and all residents moved in. Funding was fully received for this Phase and only the final part of Phase2 remains, (being the roof replacement and the corridor upgrading). This final part of the Phase was added in 2009 as a necessity to complete the ward upgrade. Funding has been received and work is due to start early 2010 once the vital roof works have been completed.
- Continued support and funding received for the much needed physiotherapy and occupational therapy suites, providing funding for 2009 and a proportion of 2010.
- The Carol Concert took place at Lancing College and raised over £1,000.
- The annual Open Day at QAHH as always proved to be a success with over £6,000 raised and huge support from people in the local community.
- The Golf Day returned with a visit to Worthing Golf Club. The day was very well supported and raised over £5,500.



# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

## 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.

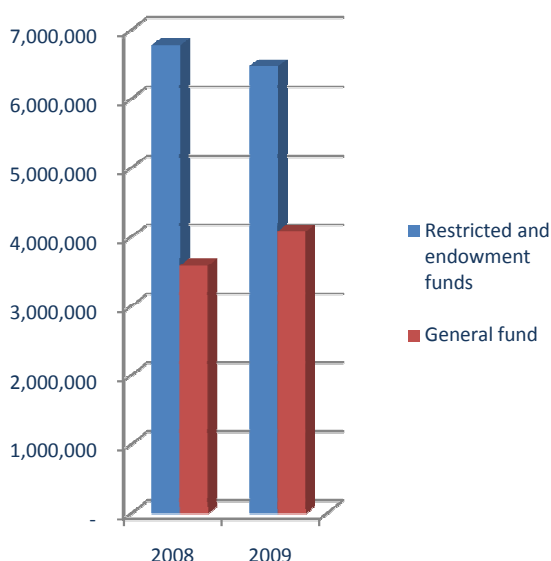
## Unrestricted Fund

The total unrestricted reserves fund of £3.02million (2008: £3.08million) represents the general reserve fund less the deduction for the pension reserve fund. This equates to 9 months expenditure. 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 is reasonable in order to achieve this. Fundraising activity will be used to maintain the funds on a long-term basis and increase where possible to achieve the optimum level.

## 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 stood at £6,484,533 (2008: £6,775,333) of which £6,131,109 (2008: £6,177,985) represents our investment in capital items, the buildings and equipment that constitute the Home. The Phase 2 fund £173,034 (2008: £355,589), Capital expenditure and other restricted funds £180,390 (2008: £241,759) 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.

The benchmark used is as follows:

50%	FTSE All Share
4%	FTSE World Europe ex UK
4%	FT World United States
2.5%	FT World Japan
2.5%	MSCI AC Far East ex Japan
3%	MSCI Emerging Markets Free
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.

In 2009, our investments made a steady recovery on the global meltdown in 2008 and early 2009 with an overall return of 22.3% ahead of the benchmark of 19% (2008: loss 21%). Substantial unrealised gains were made in the year of £672,781 (2008: unrealised losses £1,019,255). The current allocation is reflective of the markets, with cash holdings kept to a minimum in response to the current poor returns. The cash management scheme (managed by Schroders & Co. Ltd) was closed during the year and the funds held were transferred to the main portfolio as higher returns could be yielded.

## Pensions

The accounts as presented include the full adoption of accounting standard FRS 17.

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.

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

# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

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## Future Prospects

The Board of Trustees remain confident of an increasing requirement for the high quality, multi-disciplinary nursing and rehabilitation care that is offered at QAHH. The development of the specialised ABI rehabilitation service has been very successful and with an ever increasing number of PCT- funded placements seeking beds at QAHH, this is an area of care for which the Trustees see an increasing demand. The widening of the entry criteria in 2008 is in tune with this increasing demand.

With the continued downturn in the economic climate nationally and with very low interests rates; reduction of public funding and the re-direction of much of the limited funding of both the NHS and Social Services towards cheaper domiciliary care and a difficult housing market which forms the usual capital release for privately funded residents at QAHH to meet their placement costs, funding overall services remains the major issue for QAHH. Full-cost recovery, whilst remaining an aim, is unlikely to be achieved in the immediate future. This is because the dependency level of most residents coming to the Hospital Home is far higher than in years past, due in turn to factors connected with the cost of care generally and also the reduced central-government funding for care. The Trustees continue in their agreed policy not to reduce or dilute any of the nursing or rehabilitation services – consequently any operational deficit will be filled by a more concentrated focus upon professional, national, fundraising.

Applications and requests for information on QAHH over the past 12 months have increased, particularly through our upgraded website [www.qahh.org.uk](http://www.qahh.org.uk) which is regularly updated and amended. This continues to be the most common method of initially accessing information on the Hospital Home by interested applicants.

**The intention of the Trustees for the future remains that of continuing to meet the demand for the nursing and rehabilitation services offered at QAHH - and also to improve and expand on all the facilities and services of the Hospital Home, as funding allows.**

## Risk Management

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

The Hospital Home Disaster Recovery Plan is current and updated annually and fully operational. All members of staff with specific responsibilities have read are aware of 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 Service at which time QAHH fire policies are reviewed - and also by an outside Risk and Health and Safety consultant. The recommendations of both are updated and acted upon.

The newly established Care Quality Commission (having taken over from the Commission for Social Care Inspection during 2009) will continue to carry out a tour of inspection which will include a review of the risk management policies of the Hospital Home.

Areas of Risk Management that are regularly carried out are:

- All resident-focused clinical risk assessments.
- New Trustees undergo disclosure checks.
- All new staff undergo disclosure checks.
- An annual external audit of the financial policies and 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.
- QAHH is fully compliant with all matters of Employment Law.
- Regular Trustees meetings - and the one Board sub committee - are held.
- QAHH is registered and fully compliant with all aspects of Data Protection Act and 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 are able to take the necessary action to mitigate such risks, where and when necessary.

# Report of the Trustees of The Queen Alexandra Hospital Home (continued)

For the year ended 31 December 2009

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## 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 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 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 7 to the financial statements.

## Auditors

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

## In Gratitude

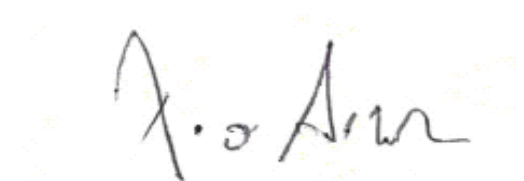
The Trustees wish to convey their sincere thanks to all the volunteers who have so generously given their time and support to the Queen Alexandra Hospital Home over the past year. With their support, we look forward to continuing to enhance the delivery of our charitable services.

## In Memoriam

The Trustees wish to record their sadness and loss at the sudden death of Surgeon Vice Admiral Ian Jenkins in February 2009 at Windsor Castle where he was the Constable of the Castle. Ian was a very loyal, hard working and well - respected Trustee of QAHH since January 2007 and he will be very greatly missed.

This report was approved by the Trustees

on 15th April 2010 and signed on their behalf by:



Rear Admiral RO Irwin CB  
Chairman

# Officers and Management

For the year ended 31 December 2009

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

## The Trustees

Rear Admiral RO Irwin, CB (Chairman)

I Eady (Deputy Chairman) 1

DLE Jones FCA 1

Air Vice-Marshal P Millar CB

Brigadier WE Shackell CBE 1

RMG Thornely

F Wilson 1

Mrs S Geddes

Surgeon Vice Admiral IL Jenkins CB CVO FRCS deceased 19 February 2009

Colonel SD Rowland-Jones

C Field 1

Mrs J Annis appointed 11 February 2010

## Committee members

1 Finance Committee

One third of the Trustees retire at each Annual General Meeting but are eligible for re-election in the absence of any disqualifying factor. 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 (Chief Executive)

V Walker (Director of Nursing and Operations)

DA Hood CIPFA (Affil) Head of Finance



# Professional Advisors and Company Information

For the year ended 31 December 2009

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## Registered Office

Gifford House  
Boundary Road  
Worthing  
West Sussex  
BN11 4LJ

## Investment Advisors

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

## Bankers

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

## Registered Charity Number

1072334

## Company Number

3646570

## Auditors and Financial Advisors

Carpenter Box LLP  
Grafton Lodge  
15 Grafton Road  
Worthing  
West Sussex  
BN11 1QR

## Pension Trustees

Lawrence Graham LLP  
4 More London Riverside  
London  
SE1 2AU

## Legal Advisors

Thomas Eggar LLP  
Belmont House  
Station Way  
Crawley  
West Sussex  
RH10 1JA

# Independent Auditors Report to the Members of The Queen Alexandra Hospital Home

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We have audited the financial statements of The Queen Alexandra Hospital Home for the year ended 31 December 2009 which comprise the principal accounting policies, the group statement of financial activities, the income and expenditure account, the group and charitable company balance sheets, the group cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act and Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

H J Julian (FCA) Senior Statutory Auditor

For and on behalf of Carpenter Box LLP

Chartered Accountants

Statutory Auditors

Grafton Lodge

15 Grafton Road

Worthing

West Sussex BN11 1QR



Date 19th April 2010

# Consolidated Statement of Financial Activities

For the year ended 31 December 2009

	Note	Unrestricted Funds £	Endowment & Restricted Funds £	2009 Total £	2008 Total £
<b>Incoming resources</b>					
Voluntary income	2	671,602	235,776	907,378	1,709,084
Activities for generating funds	2	331,661	-	331,661	76,203
Investment income	2	113,123	13,214	126,337	207,912
<b>Incoming resources from generated funds</b>		<b>1,116,386</b>	<b>248,990</b>	<b>1,365,376</b>	<b>1,993,199</b>
<b>Incoming resources from charitable activities</b>	3	<b>2,223,655</b>	<b>-</b>	<b>2,223,655</b>	<b>2,390,759</b>
<b>Other incoming resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total incoming resources</b>		<b>3,340,041</b>	<b>248,990</b>	<b>3,589,031</b>	<b>4,383,958</b>
<b>Resources expended</b>					
Costs of generating voluntary income	4	150,544	872	151,416	145,713
Fundraising trading: Costs of goods sold and other costs	4	41,670	875	42,545	36,183
Investment management costs	4	17,179	-	17,179	18,371
<b>Cost of generating funds</b>	4	<b>209,393</b>	<b>1,747</b>	<b>211,140</b>	<b>200,267</b>
<b>Charitable activities</b>		<b>3,190,543</b>	<b>557,547</b>	<b>3,748,090</b>	<b>3,517,222</b>
<b>Governance costs</b>	4	<b>32,985</b>	<b>-</b>	<b>32,985</b>	<b>29,970</b>
<b>Total resources expended</b>		<b>3,432,921</b>	<b>559,294</b>	<b>3,992,215</b>	<b>3,747,459</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(92,880)</b>	<b>(310,304)</b>	<b>(403,184)</b>	<b>636,499</b>
Transfers between funds		(19,504)	19,504	-	-
<b>Net (outgoing)/incoming resources and (deficit)/surplus of income over expenditure before other recognised gains and losses</b>		<b>(112,384)</b>	<b>(290,800)</b>	<b>(403,184)</b>	<b>636,499</b>
Gains/(losses) on investment assets:					
Realised		(11,057)	-	(11,057)	(85,123)
Unrealised		672,781	-	672,781	(1,019,255)
Actuarial losses on defined benefit pension scheme	6	(606,000)	-	(606,000)	(342,000)
<b>Net movement in funds</b>		<b>(56,660)</b>	<b>(290,800)</b>	<b>(347,460)</b>	<b>(809,879)</b>
Fund balance brought forward		3,084,526	6,775,333	9,859,859	10,669,738
<b>Funds balance carried forward</b>		<b>3,027,866</b>	<b>6,484,533</b>	<b>9,512,399</b>	<b>9,859,859</b>

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 2009

	2009 Total £	2008 Total £
Income	3,589,031	4,383,958
Realised (loss)/gain on disposal of investment assets	(11,057)	(85,123)
<b>Total income</b>	<b>3,577,974</b>	<b>4,298,835</b>
<b>Total expenditure from income funds</b>	<b>3,992,215</b>	<b>3,747,459</b>
<b>Net income for the year</b>	<b>(414,241)</b>	<b>551,376</b>

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 Balance Sheet

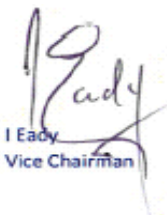
As at 31 December 2009

	Note	2009 Total £	2008 Total £
<b>Fixed assets</b>			
Tangible assets	8	6,131,109	6,177,985
Investments	9	4,302,861	4,102,855
<b>Total fixed assets</b>		<b>10,433,970</b>	<b>10,280,840</b>
<b>Current assets</b>			
Stocks	10	11,238	12,613
Debtors	11	241,022	227,922
Cash at bank and in hand		141,542	95,398
		<b>393,802</b>	<b>335,933</b>
Creditors - amounts falling due within one year	12	(263,373)	(259,914)
<b>Net current assets</b>		<b>130,429</b>	<b>76,019</b>
Creditors - amounts falling due after more than one year		-	-
<b>Net assets before pension liability</b>		<b>10,564,399</b>	<b>10,356,859</b>
Defined benefit pension scheme liability		(1,052,000)	(497,000)
<b>Net assets after pension liability</b>		<b>9,512,399</b>	<b>9,859,859</b>
<b>Capital funds</b>			
Endowment fund	14	21,000	21,000
<b>Income funds</b>			
Restricted	14	6,463,533	6,754,333
Unrestricted:			
Pension reserve fund	6	(1,052,000)	(497,000)
General fund	13	4,079,866	3,581,526
(including revaluation reserve £399,901 [2008: £88,262])			
Total unrestricted		<b>3,027,866</b>	<b>3,084,526</b>
<b>Net assets after pension liability</b>		<b>9,512,399</b>	<b>9,859,859</b>

Approved by the Board of Trustees on 15th April 2010

and signed on its behalf by

  
 R O Irwin  
 Chairman

  
 I Eady  
 Vice Chairman

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

Company No.3646570




# Charity Balance Sheet

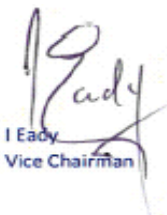
As at 31 December 2009

	Note	2009 Total £	2008 Total £
<b>Fixed assets</b>			
Tangible assets	8	6,294,379	6,341,255
Investments	9	4,302,863	4,102,857
<b>Total fixed assets</b>		<b>10,597,242</b>	<b>10,444,112</b>
<b>Current assets</b>			
Stocks	10	11,238	12,613
Debtors	11	260,004	240,133
Cash at bank and in hand		128,444	81,369
		<hr/>	<hr/>
		399,686	334,115
Creditors - amounts falling due within one year	12	(269,257)	(258,096)
<b>Net current assets</b>		<b>130,429</b>	<b>76,019</b>
Creditors - amounts falling due after more than one year		-	-
<b>Net assets before pension liability</b>		<b>10,727,671</b>	<b>10,520,131</b>
Defined benefit pension scheme liability		(1,052,000)	(497,000)
<b>Net assets after pension liability</b>		<b>9,675,671</b>	<b>10,023,131</b>
<b>Capital funds</b>			
Endowment fund	14	21,000	21,000
<b>Income funds</b>			
Restricted	14	6,626,803	6,917,603
Unrestricted:			
Pension reserve fund	6	(1,052,000)	(497,000)
General fund	13	4,079,868	3,581,528
(including revaluation reserve £399,901 [2008: £88,262])			
Total unrestricted		<hr/>	<hr/>
		3,027,868	3,084,528
<b>Net assets after pension liability</b>		<b>9,675,671</b>	<b>10,023,131</b>

Approved by the Board of Trustees on 15th April 2010

and signed on its behalf by

  
 R O Irwin  
 Chairman

  
 I Eady  
 Vice Chairman

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

Company No.3646570

# Consolidated Cash Flow Statement

For the year ended 31 December 2009

	Note	2009 Total £	2008 Total £
Net cash (outflow) from operating activities	<i>a</i>	(262,372)	731,277
Net cash (outflow) from financing		-	-
Returns on investment and servicing of finance	<i>b</i>	126,337	207,912
Capital expenditure and financial investments	<i>c</i>	(505,431)	(1,243,743)
Management of liquid resources		687,610	181,829
<b>Increase/(decrease) in cash in the year</b>	<i>d</i>	<b>46,144</b>	<b>(122,725)</b>

## Notes to the Cash Flow Statement

### a. Reconciliation of net incoming resources to net cash inflow/(outflow) from operating activities

Net outgoing resources	(403,184)	636,499
Investment income	(126,337)	(207,912)
Depreciation	326,417	337,435
(Gain)/loss on asset disposal	-	-
Decrease in stock	1,375	235
Increase in debtors	(13,100)	(43,721)
(Decrease)/Increase in creditors	(47,543)	8,741
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(262,372)</b>	<b>731,277</b>

### b. Returns on investments and servicing of finance

Investment income received	126,337	207,912
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### c. Capital expenditure and financial investments

Capital expenditure	(279,541)	(1,099,602)
Sales of tangible fixed assets	-	-
Investment purchases	(666,599)	(443,030)
Investment sales	440,709	298,889
<b>Total capital expenditure and financial investment</b>	<b>(505,431)</b>	<b>(1,243,743)</b>

### d. Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the year	46,144	(122,725)
Cash outflow from financing in the year	-	-
<b>Change in net funds</b>	<b>46,144</b>	<b>(122,725)</b>
Net funds balance brought forward	95,398	218,123
<b>Net funds balance carried forward</b>	<b>141,542</b>	<b>95,398</b>

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 1. Accounting policies

### 1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention, with the 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 1993 (as amended by the Charities Act 2006).

### 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 2009 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 a 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 in respect of 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 expended 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 the Head of Finance's salaries, Audit and accountancy fees and Trustees indemnity insurance.

Costs of generating funds include the costs associated with running the fund-raising appeals including the development of the donor database, and fund-raising 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 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

The capitalisation levels were reviewed during 2009:

- Individual fixed assets costing £2,500 or more are capitalised at cost (2008: £250).
- IT equipment £400 (2008: £250).

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

# Notes to the consolidated accounts

For the year ended 31 December 2009

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## 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 vest. Interest on the scheme liabilities and the expected return on 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' contributions payable to the stakeholder 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 1993 (as amended by the Charities Act 2006) 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 1988 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 on 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.

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 2. Analysis of income from generated funds

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
<b>Voluntary income:</b>				
Legacies	305,498	-	305,498	477,175
Donations:				
Individuals	119,341	4,750	124,091	104,479
Charitable foundations and HM Forces	246,763	231,026	477,789	1,127,430
<b>Total voluntary income</b>	<b>671,602</b>	<b>235,776</b>	<b>907,378</b>	<b>1,709,084</b>
<b>Activities for generating funds:</b>				
Fundraising events	19,076	-	19,076	25,164
Nursing and care (non-primary purpose)	302,886	-	302,886	35,359
Other income	9,699	-	9,699	15,680
<b>Total activities for generating funds</b>	<b>331,661</b>	<b>-</b>	<b>331,661</b>	<b>76,203</b>
<b>Investment income:</b>				
Fixed interest securities	21,113	-	21,113	22,027
Equities (UK)	55,939	-	55,939	64,890
Equities (Overseas)	4,251	-	4,251	5,302
Short term deposits	1,531	13,214	14,745	84,887
UK unit trusts	6,115	-	6,115	5,463
Rebates on unit trusts	24,174	-	24,174	25,343
<b>Total investment income</b>	<b>113,123</b>	<b>13,214</b>	<b>126,337</b>	<b>207,912</b>

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

## 3. Analysis of income from charitable activities

### Incoming resources from charitable activities

Contributions from residents	1,833,323	-	1,833,323	1,873,621
Veterans Agency capitation grant	390,332	-	390,332	517,138
<b>Total incoming resources from charitable activities</b>	<b>2,223,655</b>	<b>-</b>	<b>2,223,655</b>	<b>2,390,759</b>



# Notes to the consolidated accounts

For the year ended 31 December 2009

## 4. Analysis of resources expended

	Unrestricted £	Restricted £	2009 Total £	2008 Total £
<b>Resources expended</b>				
<b>Cost of generating voluntary income</b>				
Telephone, rates, utilities and insurances	1,515	-	1,515	1,315
Advertising and publicity	4,973	-	4,973	2,340
Administration salaries and associated costs	16,207	-	16,207	15,829
Fundraising salaries and associated costs	95,787	-	95,787	86,610
Fundraising , advertising and publicity	32,062	872	32,934	39,619
	<hr/>			
	150,544	872	151,416	145,713

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

Bar staff and provisions	18,812	-	18,812	20,480
Fundraising costs re:events	13,886	875	14,761	4,123
Fundraising salaries and associated costs	8,496	-	8,496	11,067
Payphones	476	-	476	513
	<hr/>			
	41,670	875	42,545	36,183
Investment management fees	17,179	-	17,179	18,371

<b>Total cost of generating funds</b>	<b>209,393</b>	<b>1,747</b>	<b>211,140</b>	<b>200,267</b>
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# Notes to the consolidated accounts

For the year ended 31 December 2009

## 4. Analysis of resources expended (continued)

	Unrestricted £	Restricted £	Direct £	Other £	2009 Total £	2008 Total £
<b>Resources expended</b>						
<b>Cost of charitable activities</b>						
Nursing care	704,856	17,923	722,779	-	722,779	690,060
Nursing care - agency staff	40,596	-	40,596	-	40,596	4,202
Health care assistants	966,120	13,175	979,295	-	979,295	943,591
Health care assistants - agency staff	15,438	-	15,438	-	15,438	5,523
Physiotherapy	284	88,244	88,528	-	88,528	91,759
Alternative therapy	139	1,050	1,189	-	1,189	-
Occupational therapy	26,222	53,786	80,008	-	80,008	46,323
Speech therapy	-	24,129	24,129	-	24,129	19,090
Kitchen	95,132	-	95,132	-	95,132	87,891
Kitchen - agency staff	20,471	-	20,471	-	20,471	12,511
Housekeeping	234,866	-	234,866	-	234,866	224,509
Housekeeping - agency staff	2,005	-	2,005	-	2,005	10,571
Drivers	26,546	-	-	26,546	26,546	25,393
Chaplain	2,373	6,000	-	8,373	8,373	8,158
Administration	285,508	-	-	285,508	285,508	270,384
Administration - agency staff	2,293	-	-	2,293	2,293	11,608
Maintenance	58,864	2,148	-	61,012	61,012	57,555
Gardener	17,712	-	-	17,712	17,712	17,125
	<b>2,499,425</b>	<b>206,455</b>	<b>2,304,436</b>	<b>401,444</b>	<b>2,705,880</b>	<b>2,526,253</b>
<b>Closed pension scheme costs:</b>						
Current service cost	18,000	-	15,300	2,700	18,000	66,700
Pension Protection Fund Levy	32,508	-	4,876	27,632	32,508	30,577
Contributions	-	-	-	-	-	-
Curtailment gains	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
	<b>2,549,933</b>	<b>206,455</b>	<b>2,324,612</b>	<b>431,776</b>	<b>2,756,388</b>	<b>2,623,530</b>
<b>Total payroll costs</b>						
Medical officer and locum fees	16,311	-	16,311	-	16,311	12,286
Provisions	104,814	-	104,814	-	104,814	107,591
Surgery, dispensary and therapy	50,047	922	50,969	-	50,969	39,853
Bad debts	1,129	-	1,129	-	1,129	-
Other finance costs/(income)	40,000	-	34,000	6,000	40,000	(15,000)
Depreciation	-	326,417	-	326,417	326,417	337,435
Vehicle running costs	16,214	3,659	19,873	-	19,873	18,499
Travel for assessments	877	-	877	-	877	1,841
Hospital repairs and renewals	36,861	15,244	-	52,105	52,105	26,692
Domestic and kitchen repairs	9,559	-	-	9,559	9,559	9,894
Staff vending machine	1,209	-	-	1,209	1,209	1,433
Publications	591	-	-	591	591	16
Sundries (including entertaining and pets)	6,479	2,595	-	9,074	9,074	9,256
Property maintenance	25,390	767	-	26,157	26,157	36,021
Gardening	1,464	-	-	1,464	1,464	1,323
Repairs and renewals of equipment	5,556	-	-	5,556	5,556	2,728
Laundry and cleaning	56,180	750	-	56,930	56,930	57,402
Utilities	105,764	738	-	106,502	106,502	103,227
Insurance	35,330	-	-	35,330	35,330	44,656
Computer costs	9,323	-	-	9,323	9,323	6,736
Bank charges	3,055	-	-	3,055	3,055	2,275
Other fees and subscriptions	89,149	-	-	89,149	89,149	71,005
Personnel management fees	1,093	-	-	1,093	1,093	-
Printing and stationery	13,653	-	-	13,653	13,653	6,754
Postage and telephones	10,562	-	-	10,562	10,562	11,769
	<b>640,610</b>	<b>351,092</b>	<b>227,973</b>	<b>763,729</b>	<b>991,702</b>	<b>893,692</b>
<b>Total non-payroll costs</b>	<b>640,610</b>	<b>351,092</b>	<b>227,973</b>	<b>763,729</b>	<b>991,702</b>	<b>893,692</b>
<b>Total cost of charitable activities</b>	<b>3,190,543</b>	<b>557,547</b>	<b>2,552,585</b>	<b>1,195,505</b>	<b>3,748,090</b>	<b>3,517,222</b>

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 4. Analysis of resources expended (continued)

	Unrestricted £	Restricted £	2009 Total £	2008 Total £	
<b>Resources expended</b>					
<b>Governance costs</b>					
Staff costs	18,930	-	18,930	18,762	
Insurance	1,761	-	1,761	1,575	
Trustee training	1,242	-	1,242	-	
Audit fees - charity	8,636	-	8,636	7,675	
Audit fees - Subsidiary company	1,835	-	1,835	1,958	
Accountancy fees	581	-	581	-	
<b>Total governance costs</b>	<b>32,985</b>	<b>-</b>	<b>32,985</b>	<b>29,970</b>	
<b>Analysis of total resources expended</b>					
	Staff costs	Depreciation	Other	2009 Total £	2008 Total £
<b>Provision of residential care</b>					
Provision of services and support costs	2,756,388	326,417	665,285	3,748,090	3,517,222
<b>Other expenditure</b>					
Fundraising, publicity and other	135,699	-	75,441	211,140	200,267
Management and administration	18,930	-	14,055	32,985	29,970
<b>Total resources expended</b>	<b>2,911,017</b>	<b>326,417</b>	<b>754,781</b>	<b>3,992,215</b>	<b>3,747,459</b>

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 5. Trustees and employees

	2009 Total £	2008 Total £
Staff costs during the year were as follows:		
Wages and salaries	2,669,699	2,529,262
Social security costs	214,705	209,591
Pensions costs:		
Defined benefit scheme	-	-
Defined contribution scheme	26,613	27,725
	<hr/> 2,911,017	<hr/> 2,766,578

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

	2009 Total	2008 Total
Nurses and health care assistants	76	75
Fundraising	4	4
Other	42	42
	<hr/> 122	<hr/> 121

No trustees received any remuneration for their services or any reimbursement of expenses for the year ended 31 December 2009 (2008: nil).

A premium of £1,575 was paid during the year for trustee's indemnity insurance (2008: £1,575).

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

	2009	2008
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-

During the year pension contributions of £6,839 (2008: £6,673) were paid on behalf of the employees' as members of the Stakeholder scheme operated by the charity.

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 6. Retirement benefits

The charitable company has been operating a defined benefit pension scheme for the benefit of employees. The scheme is administered by AEGON (formerly Scottish Equitable) and its assets are held separately from those of the charitable company. The scheme was closed to further accrual with effect from 30 April 2005.

In accordance with FRS 17 costs and liabilities of the scheme are based on actuarial valuations. The most recent draft actuarial valuation was as at 31 December 2009 and was prepared by a qualified actuary. Based on the actuarial valuation, the market value of the pension fund assets at 31 December 2009 excluding insured pensioners was £2,302,000 (2008: £1,938,000).

The employer contributed 9.8% of salaries during the period up to the closure of the scheme to future accrual on 30 April 2005. The most recently completed triennial actuarial valuation of the scheme was carried out as at 31 March 2007. Following the valuation the Scheme's Trustees agreed with the Company that annual contributions of £109,000, payable by equal monthly instalments be paid to remove the deficit over the 10 years from 31 March 2008.

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

The major assumptions used for the updated actuarial valuation were:

	2009	2008	2007
Price inflation	3.70%	3.10%	3.40%
Salary inflation	N/A	N/A	N/A
Rate of increase in persons in payment	3.70%	3.20%	3.10%
Rate of revaluation of pensions in deferment	3.70%	3.10%	3.40%
Rate used to discount schemes liabilities	5.70%	6.70%	5.80%

At 31 December 2009 the assets in the scheme and expected long-term rate of return have been estimated by the actuary to be:

	Rate of return	2009	Rate of return	2008	Rate of return	2007
	%	£	%	£	%	£
Equities	8.50%	1,496,000	7.90%	1,559,000	8.10%	1,955,000
Bonds	5.70%	276,000	0.00%	-	0.00%	-
Gilts	4.50%	248,000	3.90%	232,000	4.80%	291,000
Cash	0.50%	282,000	2.00%	147,000	5.75%	183,000
Annuities	N/A	-	N/A	-	N/A	-
Total market value of assets		<u>2,302,000</u>		<u>1,938,000</u>		<u>2,429,000</u>
Present value of scheme liabilities		(3,354,000)		(2,435,000)		(2,628,000)
(Deficit)/surplus in the scheme		(1,052,000)		(497,000)		(199,000)

Net pension (deficit)/asset	(1,052,000)	(497,000)	(199,000)
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# Notes to the consolidated accounts

For the year ended 31 December 2009

## 6. Retirement benefits

	2009	2008
	£	£
<b>Amounts included in total resources expended :</b>		
Current service costs	18,000	74,000
<b>Total amount included in total resources expended</b>	<b>18,000</b>	<b>74,000</b>

	2009	2008
	£	£
<b>Analysis of net return on scheme</b>		
Expected return on pension scheme assets	124,000	167,000
Interest on pension scheme liabilities	(164,000)	(152,000)
<b>Net return</b>	<b>(40,000)</b>	<b>15,000</b>

	2009	2008
	£	£
<b>Amounts included in other recognised gains and losses:</b>		
Difference between actual and expected return on scheme assets	246,000	(630,000)
Experience gains and losses arising on the scheme liabilities	(45,000)	(20,000)
Changes in assumptions underlying the present value of scheme liabilities	(807,000)	308,000
<b>Total actuarial gain/(loss) recognised in the statement of recognised gains and losses</b>	<b>(606,000)</b>	<b>(342,000)</b>

	2009	2008
	%	%
<b>Amounts included in other recognised gains and losses:</b>		
As a % of scheme assets:		
Difference between actual and expected return on scheme assets	10.50%	32.50%
As a % of present value of scheme liabilities:		
Experience gains and losses arising on the scheme liabilities	1.00%	1.00%
Changes in assumptions underlying the present value of scheme liabilities	24.00%	12.70%
Total actuarial gains and losses in net movement of funds	18.00%	14.00%

	2009	2008
	£	£
<b>Analysis of movement in scheme during the year</b>		
(Deficit) in the scheme at the beginning of the year	(497,000)	(199,000)
Current service cost	(18,000)	(74,000)
Curtailement gains	-	-
Contributions	109,000	103,000
Other finance income/(costs)	(40,000)	15,000
Actuarial (loss)/gain	(606,000)	(342,000)
<b>Deficit in the scheme at the end of the year</b>	<b>(1,052,000)</b>	<b>(497,000)</b>

### Defined contribution scheme

The charitable company has put in place a stakeholder scheme for the benefit of the employees, to which the charity contributes a matched figure up to the value of 5% of the gross contribution.

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 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 purpose.

## 8. Tangible Fixed Assets

Group	Freehold property	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2009	6,971,044	759,724	210,340	7,941,108
Additions	259,412	20,129	-	279,541
Disposals	-	-	(1,500)	(1,500)
<b>At 31 December 2009</b>	<b>7,230,456</b>	<b>779,853</b>	<b>208,840</b>	<b>8,219,149</b>
Depreciation				
At 1 January 2009	1,256,254	336,871	169,998	1,763,123
Provided in period	239,216	68,003	19,198	326,417
On disposals	-	-	(1,500)	(1,500)
<b>At 31 December 2009</b>	<b>1,495,470</b>	<b>404,874</b>	<b>187,696</b>	<b>2,088,040</b>
<b>Net book value at 31 December 2009</b>	<b>5,734,986</b>	<b>374,979</b>	<b>21,144</b>	<b>6,131,109</b>
<b>Net book value at 31 December 2008</b>	<b>5,714,790</b>	<b>422,853</b>	<b>40,342</b>	<b>6,177,985</b>

Charity	Freehold property	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2009	7,134,314	759,724	210,340	8,104,378
Additions	259,412	20,129	-	279,541
Disposals	-	-	(1,500)	(1,500)
<b>At 31 December 2009</b>	<b>7,393,726</b>	<b>779,853</b>	<b>208,840</b>	<b>8,382,419</b>
Depreciation				
At 1 January 2009	1,256,254	336,871	169,998	1,763,123
Provided in period	239,216	68,003	19,198	326,417
On disposals	-	-	(1,500)	(1,500)
<b>At 31 December 2009</b>	<b>1,495,470</b>	<b>404,874</b>	<b>187,696</b>	<b>2,088,040</b>
<b>Net book value at 31 December 2009</b>	<b>5,898,256</b>	<b>374,979</b>	<b>21,144</b>	<b>6,294,379</b>
<b>Net book value at 31 December 2008</b>	<b>5,878,060</b>	<b>422,853</b>	<b>40,342</b>	<b>6,341,255</b>

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 9. Fixed Asset Investments

	2009 Total £	2008 Total £
<b>Quoted Investments</b>		
Market value at 1 January 2009	3,318,824	4,279,061
Additions	666,599	443,030
Disposals	(440,709)	(298,889)
Net realised/unrealised gains/(losses)	661,365	(1,104,378)
Market value at 31 December 2009	4,206,079	3,318,824
Short term deposits	96,782	784,031
Investments (Group) (Historical cost £3,902,960 [2008: £4,014,593])	4,302,861	4,102,855
Investments in group undertakings at 1 January 2009 And at 31 December 2009	2	2
Investments (Charity) (Historical cost £3,902,962 [2008: £4,014,595])	4,302,863	4,102,857

	2009 Total £	2008 Total £
Analysed as:		
Fixed interest securities - unit trusts	641,157	464,790
Equities - UK	2,147,237	1,664,113
Property funds - UK	122,649	142,249
Property funds - Overseas	72,236	83,003
Equities - Overseas	735,323	577,593
Commodities	218,863	77,721
Hedge Funds	268,614	309,355
	4,206,079	3,318,824

	2009 Total £	2008 Total £
Holdings which <b>exceed 5%</b> of the total portfolio at 31 December 2009 are:		

Schroder Charity Equity Fund A Income Units	728,619	585,031
Schroder UK Alpha Plus Fund Income Units	485,703	329,918
M&G Strategic Corporate Bond	237,101	-
Schroder Income Fund A Income Units	376,624	294,751
Schroder Charity Fixed Interest Fund Income Units	-	464,790
Opus AIF Diversified	-	245,259

### The Charity wholly owns the following subsidiaries:

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



# Notes to the consolidated accounts

For the year ended 31 December 2009

## 10. Stocks

	2009		2008	
	Group £	Charity £	Group £	Charity £
Consumable stores	11,238	11,238	12,613	12,613
<b>Total consumable stores</b>	<b>11,238</b>	<b>11,238</b>	<b>12,613</b>	<b>12,613</b>

## 11. Debtors

	2009		2008	
	Group £	Charity £	Group £	Charity £
Resident contributions receivable	137,859	110,929	91,929	91,929
Group debtors	-	-	-	-
Capitation fees receivable	57,272	57,272	44,527	44,527
Legacies receivable	22,312	22,312	61,531	61,531
Income tax recoverable	4,096	4,096	4,059	4,059
Prepayments and other debtors	19,483	19,483	25,876	25,876
Gift aid donations	-	45,912	-	12,211
Trade debtors	-	-	-	-
<b>Total Debtors</b>	<b>241,022</b>	<b>260,004</b>	<b>227,922</b>	<b>240,133</b>

## 12. Creditors: amounts falling due within one year

	2009		2008	
	Group £	Charity £	Group £	Charity £
Trade creditors	67,489	67,489	45,063	45,063
Staff remuneration	40,802	40,802	35,834	35,834
Pension	4,525	4,525	4,759	4,759
Social security and other taxes	58,238	58,238	57,450	57,450
Amounts owed to group undertakings	-	7,760	-	-
Other creditors and accruals	92,319	90,443	116,808	114,990
<b>Total Creditors</b>	<b>263,373</b>	<b>269,257</b>	<b>259,914</b>	<b>258,096</b>

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 13. General fund

	2009		2008	
	Group £	Charity £	Group £	Charity £
<b>Revenue fund</b>				
At 1 January 2009	3,581,526	3,581,528	4,443,230	4,443,232
Retained surplus/(deficit) for the year	517,844	517,844	(825,049)	(825,049)
Transfer from/(to) restricted funds	(19,504)	(19,504)	(36,655)	(36,655)
<b>At 31 December 2009</b>	<b>4,079,866</b>	<b>4,079,868</b>	<b>3,581,526</b>	<b>3,581,528</b>

## 14. Restricted and endowment funds

Group	Endowment Fund £	Capital Fund £	Phase 2 Fund £	Capital Expenditure Fund £	Other Restricted Funds £	Total £
<b>Revenue fund</b>						
At 1 January 2009	21,000	6,156,985	355,589	43,597	198,162	6,775,333
Incoming resources	-	-	33,214	37,845	177,931	248,990
Expenditure	-	(326,417)	-	-	(232,877)	(559,294)
Transfers between funds	-	260,037	(215,769)	51,177	(95,445)	-
Transfers from/(to) Revenue Fund	-	19,504	-	(107,619)	107,619	19,504
<b>At 31 December 2009</b>	<b>21,000</b>	<b>6,110,109</b>	<b>173,034</b>	<b>25,000</b>	<b>155,390</b>	<b>6,484,533</b>

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 Phase 2 development 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 the revenue or capital funds. Transfers to the revenue fund represent restricted funds received for the allocation against revenue costs.

The endowment fund is represented by an estimate of the original cost of the main site of the Home at Boundary Road, Worthing, which is considered to be inalienable property.

Charity	Endowment Fund £	Capital Fund £	Phase 2 Fund £	Capital Expenditure Fund £	Other Restricted Funds £	Total £
<b>Revenue fund</b>						
At 1 January 2009	21,000	6,320,255	355,589	43,597	198,162	6,938,603
Incoming resources	-	-	33,214	37,845	177,931	248,990
Expenditure	-	(326,417)	-	-	(232,877)	(559,294)
Transfers between funds	-	260,037	(215,769)	51,177	(95,445)	-
Transfers from/(to) Revenue Fund	-	19,504	-	(107,619)	107,619	19,504
<b>At 31 December 2009</b>	<b>21,000</b>	<b>6,273,379</b>	<b>173,034</b>	<b>25,000</b>	<b>155,390</b>	<b>6,647,803</b>

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 15. Analysis of net assets between funds

Group	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due > 1year £	Total £
<b>Endowment fund</b>					
Capital fund	21,000	-	-	-	21,000
	<b>21,000</b>	-	-	-	<b>21,000</b>
<b>Restricted fund</b>					
Capital fund	6,110,109	-	-	-	6,110,109
Capital expenditure fund	-	-	25,000	-	25,000
Refurbishment and revenue fund	-	-	155,390	-	155,390
Phase 2 restricted fund	-	173,034	-	-	173,034
	<b>6,110,109</b>	<b>173,034</b>	<b>180,390</b>	-	<b>6,463,533</b>
<b>Unrestricted fund</b>					
Revenue fund	-	4,129,827	(49,961)	-	4,079,866
(including unrealised gains of £672,781)					
Pension fund liability	-	-	-	(1,052,000)	(1,052,000)
	-	<b>4,129,827</b>	<b>(49,961)</b>	<b>(1,052,000)</b>	<b>3,027,866</b>
<b>Group</b>	<b>6,131,109</b>	<b>4,302,861</b>	<b>130,429</b>	<b>(1,052,000)</b>	<b>9,512,399</b>

Charity	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due > 1year £	Total £
<b>Endowment fund</b>					
Capital fund	21,000	-	-	-	21,000
	<b>21,000</b>	-	-	-	<b>21,000</b>
<b>Restricted fund</b>					
Capital fund	6,273,379	-	-	-	6,273,379
Capital expenditure fund	-	-	25,000	-	25,000
Refurbishment and revenue fund	-	-	155,390	-	155,390
Phase 2 restricted fund	-	173,034	-	-	173,034
	<b>6,273,379</b>	<b>173,034</b>	<b>180,390</b>	-	<b>6,626,803</b>
<b>Unrestricted fund</b>					
Revenue fund	-	4,129,829	(49,961)	-	4,079,868
(including unrealised gains of £672,781)					
Pension fund liability	-	-	-	(1,052,000)	(1,052,000)
	-	<b>4,129,829</b>	<b>(49,961)</b>	<b>(1,052,000)</b>	<b>3,027,868</b>
<b>Charity</b>	<b>6,294,379</b>	<b>4,302,863</b>	<b>130,429</b>	<b>(1,052,000)</b>	<b>9,675,671</b>

## 16. Capital commitments

There were no capital commitments at 31 December 2009 (2008: The capital commitments at 31 December 2008 were those of the Phase 2 project, with the remainder of the work to be completed and invoiced estimated to be £303,424).

# Notes to the consolidated accounts

For the year ended 31 December 2009

## 17. Related party transactions

During the year the Charity incurred legal fees amounting to £20,735 (2008: £2,174) payable to Thomas Eggar LLP. The balance outstanding at the year-end was Nil (2008: Nil). R M G Thornely, Trustee, is a partner in Thomas Eggar. There were no other transactions with Trustee's during the year or prior year.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS8 or the SORP.

## 18. Subsidiary companies

The Charity owns the whole of the issued ordinary share capital of QAHH Limited registered number 5064367 and QAHH Services Limited registered number 5802953, companies registered in England and Wales.

The trading activities of the subsidiary QAHH Services Limited for the year ended 31 December 2009 were as follows:

	QAHH Services Limited	QAHH Services Limited
	2009	2008
	£	£
Turnover	302,886	35,359
Cost of sales	149,921	21,175
	<hr/>	<hr/>
Other operating income and charges	152,965	14,184
	2,053	1,973
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>150,912</b>	<b>12,211</b>
Appropriation to holding company	(150,912)	(12,211)
<b>(Loss)/profit for the financial year</b>	<b>-</b>	<b>-</b>
Net current assets	1	1
<b>Net assets</b>	<b>1</b>	<b>1</b>
Share capital	1	1
Retained profit	-	-
<b>Net assets</b>	<b>1</b>	<b>1</b>

QAHH Limited is dormant.

## 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 £566,769 (2008: surplus £622,315) which is dealt with in the financial statements of the charity.

## 20. Charity Merger

During 2009 QAHH was approached by The Soldiers and Sailors Home Eastbourne (SSHE) with a view to setting up a scheme which would allow QAHH to take control of the assets of SSHE. The Bloomfield Bequest is a fund arising from the charity Leonard Lionel Bloomfield which is regulated by a scheme of the High Court of Justice (Chancery Division) of the 18th March 1935. The Sailors and Soldiers Home Fund is the accumulated reserves of the charity. Both funds are restricted in that the income may only be used for the assistance of disabled ex-Servicemen. This includes the provision of grants to other organisations having as their object the assistance of disabled ex-Servicemen. The scheme was approved on 15 February 2010 by the Charity Commission. The assets are expected to be transferred to QAHH by the end of

*" A remarkable charity, caring for remarkable people "*



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