

ANNUAL REPORT & ACCOUNTS  
For the year ended 31 December

2017



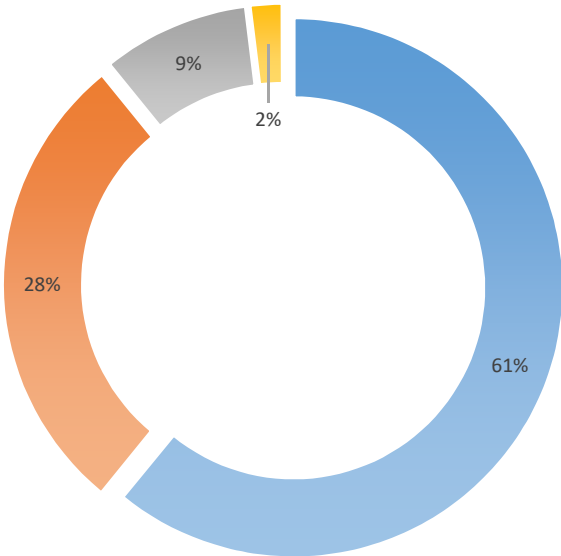
# Care for Veterans

The Queen Alexandra Hospital Home since 1919

Registered Charity No. 1072334

### How the funds have helped

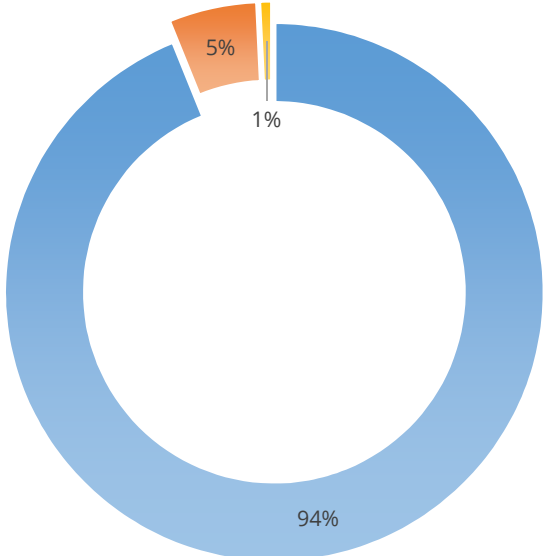
How the money came in



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

Total income £5.11m

How the money went out



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

Total expenditure £5.09m

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## Report of the trustees for the year ending 31 December 2017

The Trustees present their annual report and audited financial statements of the charity for the year ended 31 December 2017. 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. This is also a directors report for company law.

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

I am very pleased to provide a foreword to this report for 2017, which was a seminal year for Care for Veterans.

Firstly, after 98 years, and after considerable consultation, the Trustees took the decision to update the name as it was felt that the title of The Queen Alexandra Hospital Home no longer gave a fair representation of what we do. It was also confusing to those who were not directly involved with the home and this was impacting on our ability to attract funding. As a result, the title was changed to **Care for Veterans (CfV)** in September.

Secondly, having received the LIBOR funds which I reported last year, we completed an extension which has added a further four fully modernised suites which are now in the Richmond Wing which complements the Alexandra and Norfolk Wings. The term 'ward' has been substituted by 'wing' to avoid misleading connotations with hospitals. It should also be recorded that we received LIBOR funding to support three years of the operating costs for end-of-life care.

Whilst the pressures of attracting sufficient finance to operate the organisation tend to dominate board discussions, I am very pleased to report that the level of care we offer to residents continues to improve. This is well illustrated by the continuing award of 'Beacon' status from the Gold Standards Framework and the high number of applications we receive for beds. This continues to be due to the ever-increasing recognition of the level of nursing and rehabilitation that is undertaken at CfV. It also reflects a much greater awareness from funders, notably the NHS Clinical Commissioning Groups and local authorities, that CfV offers a very high level of specialisation that is difficult to find elsewhere.

We were honoured to receive a visit from our President, HRH Princess Alexandra, in October. The Princess officially opened the Richmond Wing and marked the transition from QAHH to CfV. We continue to mark our history by stressing the fact that the organisation was 'Queen Alexandra Hospital Home since 1919' in our paperwork and are now preparing to mark and celebrate the centenary in 2019.

It is not cheap or easy to provide the necessary level of care for our residents as there is always a shortfall between the income we receive and the overall operating costs. Therefore, we rely heavily on a range of fundraising activities which have been run throughout the year. We are also very fortunate to have attracted significant legacy income in 2017 which contributed to ending the year with a positive movement in funds. I am extremely grateful to all those who so generously include CfV in their Wills. Legacies are a vital part of our fundraising effort and there have been several very generous donations through the year.

2017 marked the departure of John Paxman in July after 17 years as the Chief Executive and the arrival of his successor, Andy Neaves. I wish them both the best of luck. My fellow Trustees and I have worked closely with the management team over the past year looking at innovative new ways to develop the capabilities of CfV and we are now looking at some exciting new options as well as ensuring that we make every penny we receive count towards making a real contribution to our core objectives.

As always, the success of CfV depends on a very strong team working together to produce the best results. I would like to acknowledge the efforts, hard work, professionalism and dedication of the Trustees, the senior management team, all the staff, the volunteers and supporters, which make it all possible. There is a very tangible sense of pride in what is achieved, which runs through all the staff and those who give their time to support CfV. They should be congratulated for everything they do and I know how much their efforts are appreciated with deserved praise from our many visitors.

2018 will no doubt throw up new challenges and we must all adapt to what lies ahead. I am confident that we will continue to prove that we offer a first-class service to our residents whilst developing the way in which we do our activities and what we offer.

**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

Care for Veterans (CfV) will consider applications from service veterans or their families irrespective of their geographical location within the United Kingdom.

Following receipt of an application CfV will undertake an assessment of the potential resident to ensure that their condition is such that Care for Veterans are both safe and capable of managing.

CfV accepts 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 CfV is subsidised by the charity, thanks to the generosity of the many supporters and donors.

### We help our residents in the following way:

- Modern facilities and equipment
- Full nursing and medical care
- Rehabilitation services
- Social interaction with like-minded former members of HM Forces
- Facilities and support to assist in personal matters
- Contact re-established with former Service units and Regiments – if desired
- A caring and supportive, family-environment until end-of-life

### Our Medium to Long-term Strategy is:

- To deliver a high standard of nursing care to all residents
- To upgrade facilities as required
- To promote increasing awareness of CfV
- To develop a green strategy to decrease utilities and preserve the environment
- To maximise income by maintaining high bed occupancy
- To increase financial input through increased fundraising resources
- To review contracts to ensure a requirement and cost effectiveness

## ACHIEVEMENTS AND PERFORMANCE

**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. The recruitment of nursing staff, especially registered nurses proved particularly challenging. Therapy services alongside social and recreational activities ensured residents maintained or improved their functional abilities when possible.

**AIM:** To maintain bed occupancy of available beds above 90%

**OUTCOME:** Average occupancy for 2017 - 96% (2016: 95%), with an overall service provided to 116 individuals (78 permanent residents and 38 respite residents). Capacity was reduced due to the demolition of two, and rebuilding of four new rooms.

**AIM:** To undertake and complete the construction of an additional two bedrooms and to upgrade the current two small rooms on Norfolk South by the end of July 17.

**OUTCOME:** The rooms were completed and commissioned in August in-line with the contract. There was a building error in the wet rooms resulting in a delay in occupation of the rooms. They were considered fit for purpose in November 2017.

**AIM:** To complete the rebranding of the title 'The Queen Alexandra Hospital Home' by September and launch a new title by no later than the beginning of November 2017.

**OUTCOME:** The rebranding from 'Queen Alexandra Hospital Home' to Care for Veterans was successfully completed on 5<sup>th</sup> October 2017.

**AIM:** Continue the process of reducing the operational financial deficit and the pension scheme deficit.

**OUTCOME:** The operational deficit for 2017 was £1,672,805 (2016: £1,627,622) an increase of 2.8% on 2016. The cost of care for residents continues to rise. Staffing levels have increased as the complexity of residents has increased. Residents funded by social services and commissioners often attract less funding and once resident attract below inflation fee increases. Work continues to reduce the pension scheme deficit which has been reflected in the reduced liability in the accounts.

**AIM:** Continue with the detailed planning for the 2019 Centenary celebrations.

**OUTCOME:** A committee has been developed to oversee the 2019 celebrations. An appointment has been made with the Sussex Lieutenancy to arrange Royal involvement at one or more functions. The aim is for predominantly local activities with one potential function in London.

**AIM:** Continue to maintain close working relationships with CCGs and local funding bodies.

**OUTCOME:** The number of CCG and/or local authority funded residents fell in 2017. This may be as a result of CCG/CHC and or social services failing to meet the minimum funding.

**AIM:** Further ensure the long-term future of QAHH by maintaining close and collaborative relationships with the Armed Forces; and ex. Service organisations; and to maintain a high profile within Worthing and the surrounding areas.

**OUTCOME:** A dedicated Trust fundraiser was appointed in 2017 which saw an increase in revenue from £1,617,073 in 2016 to £1,851,467 in 2017, a rise of 13%. An additional £229,488 was also received for end of life care and has been deferred over three years 2017, 2018 and 2019.

**Operational Overview of 2017**

2017 saw the completion of the extension using revenue obtained from the LIBOR funds. The project was delivered on budget but due to a building error its opening was delayed. However, by the end of the year the rooms were opened raising the number of available beds at Care for Veterans to 60. Despite the temporary loss of the two rooms during the extension CfV still achieved a 96% occupancy rate.

The Fundraising and Marketing Department had another strong year achieving a total of £1,851,467 in donations and legacies (2016: £1,617,073). Legacies dropped in 2017 to £453,799 against the above average amount of £1,052,631 in 2016.

Funding for applicants who are unable to self-fund, remained difficult as NHS and local authority budgets continued to be under considerable pressure. With CfV's specialisation in the care and rehabilitation of those with either acquired brain injury or progressive neurological conditions. In addition to CfV's award winning end-of-life care. Demand for both permanent and respite beds remains high. This high demand has resulted in an increase in self-funded applications as central funding falls well short of the actual cost of care. With the local closure of many nursing homes CfV is confident that this demand will continue.

Following a lengthy consultation process the rebranding from Queen Alexandra Hospital Home to Care for Veterans occurred on the 5<sup>th</sup> October 2017. Our CfV President, HRH Princess Alexandra gave full support to the project and the general response has been very favourable with an increase in both applications and donations. The project was achieved at a cost of £14k, some £6k under the allocated £20k budget as a result of some hard bargaining by the fundraising team.

On the 31<sup>st</sup> October CfV received a further visit by the CfV President, HRH Princess Alexandra. She opened the new Richmond Wing as CfV changed to three wings, Alexandra, Norfolk and the newly extended Richmond wing. HRH spoke to the majority of residents, on-duty staff and fundraisers resulting in her planned one-hour stay extending to almost two and a half hours. During the visit, it was announced that HRH Princess Alexandra had agreed to extend her patronage for an additional three years.

CfV is a unique establishment and offers very special nursing and rehabilitation services. However, it does suffer from having a split site with exceptional nursing wings, modern rehabilitation areas and recently re-furbished catering facilities. However, Gifford House and the laundry and maintenance block are falling into disrepair and will require repairs soon. There are plans to try and identify financial support for one or both projects.

Finally, the new Chief Executive, Mr Andy Neaves MSc BSc (Hons), was appointed on 17<sup>th</sup> July.

**Review of Activities**

- Social care has changed dramatically in the last two decades: now, residential homes have residents who would previously have been in nursing homes – and nursing homes look after people who would have previously required hospital care. As has always been the case, the aim and purpose of CfV continues to be the provision of high quality nursing care and rehabilitation to former members of HM Forces and their dependents.
- Demand for beds remained high in 2017. However, the nursing dependency of those now applying to come to CfV continues to increase compared to the dependency levels of those who applied five years ago. This change has a direct link to funding as local authority's low dependency levels do not generate the income necessary to staff a facility and therefore bespoke funding is used for residents whose dependency levels are high.
- The cost of care reflects the extremely high standard of clinical care CfV can provide. In addition to good nurse/staff ratios CfV benefits from on-site physiotherapy, occupational therapy, speech and language therapy, chiropody and neuropsychology. In addition, there is an extensive social and recreational area providing functional rehabilitation for the residents. This excellent level of care, which is constantly being developed results in the Hospital Home being highly regarded as an excellent placement site for complex, long-stay patients from NHS hospitals. It is anticipated that the demand for CfV beds will only increase in the future.
- In a project funded by Aged Veterans UK CfV provided an out-patient physiotherapy service to local veterans which attracted extremely positive feedback and is now being considered as an ongoing service to generate revenue.
- CfV continues to provide clinical placements site for student nurses from both the Ministry of Defence and Brighton University. It remains a sought-after placement site because of the range of facilities that are available and because of the knowledge and hands on experience these students acquire, working with those who have physical disabilities and complex progressive neurological conditions.

**Volunteers**

- CfV continues to be well supported by both corporate volunteers from local companies and individuals who are registered with CfV. 2017 was a successful year for recruiting the latter category with an increase of 15% on 2016. These individual volunteers provide numerous duties at CfV for which we would otherwise have to pay external organisations. We are incredibly grateful to all our volunteers for their commitment to CfV.



**Financial review**

The cost of providing the high level of care to the residents amounted to £4.78m during 2017. This represents an increase of 3% (from £4.64m in 2016).

The total fee income for care amounted to £3.11m this represents an increase of over 3% (from 2016: £3.02m) this came in the form of funding directly from the residents and other funding organisations (principally local authorities and NHS continuing care).

Average occupancy for the year fell to 55 from 57 in 2016, due to the reduced availability of beds during the building of the Richmond Wing extension.

Fundraising continues to provide a vital income stream to bridge the gap between income and expenditure. The generosity of our supporters and donors has continued in 2017, despite the legacy income being significantly below 2016 at £0.45m(2016: £1.05m) the total voluntary income amounted to £1.85m (2016: £1.61m).

Legacy income remains a very unpredictable source of income and we are working hard to increase awareness of CfV to all generations in helping to provide long-term support of the charity. Focus remains on increasing the supporter base and with a full strength of committed, fundraising staff we hope to continue with the success of 2017 in the coming years.

The capital project of the extension to the Richmond Wing was completed in 2017 on budget. This extension removed two small rooms and was replaced by four large, modern, en-suite rooms adding flexibility to the demand of care but without the need to increase overheads by any substantial amounts.

A summary of the charity's strategy is set out in the Trustee's Report, and details of the Charity's results for the year are set out in the Statement of Financial Activities (page 17).

**Reserves**

The Trustees have formulated the reserves policy for CfV 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 £1.5m. The level of reserves is currently equal to 9 months expenditure and is regularly reviewed. Fundraising activity is used to maintain the funds to obtain the optimal level. The current levels of available reserves are within the required levels.

**Unrestricted Fund**

The total unrestricted reserves fund of £3.55m (2016: £3.47m) 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 £5.66m (2016: £5.30m) of which £5.30m (2016: £5.20m) represents our investment in capital items i.e the buildings and equipment that constitute the Home.

Capital expenditure and other restricted funds £0.38m (2016: £0.14m) and the permanent endowment of £0.16m (2016: £0.15m) account for the remainder.

### Quoted Investments and Performance

CfV 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 2017 the Charity's investments were valued at £4.45m (2016: £3.79m) as set out in Note 9. This amount includes £0.30m (2016: £0.17m) held in short term deposits.

The holdings excluding the property funds remain very liquid.

The investments which are managed by Schroders Charities produced a total return of 9.4% against the composite index return of 8.8% over the last 12 months. (2016: 14.5% against composite index of 15.1%).

The investment manager performance is measured by CfV 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 2017 was 26.0% against the composite index for the same period of 27.9%.

Cash held on the portfolio to meet expenditure needs was a modest drag on performance during the 3 year period. Portfolio performance is after all costs whereas the composite index does not have any costs associated. This type of composite is challenging for the whole industry in that there are no costs built into them. Any index-tracker in equities and bonds will modestly lag the relevant index used in the composite once costs are taken into account. Property funds have tended to lag the IPD property index due to costs.

The performance has been consistent with the markets generally, and the Trustees consider that the approach used by Schroders and the diversification levels suitable.

### Investment Policy

The policy aims to 'maximise total return' and a benchmark is set to which the portfolio's structure and performance is compared. The finance committee reviews the \*benchmark annually 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% IPD, 5% RogersCommHdg\$, 9% Cash*

### Trading Subsidiary

During the year the trading subsidiary, Care for Veterans Services Limited (formally 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 ('FRS102'). A qualified independent actuary has prepared a valuation of the scheme for these accounts in accordance with FRS102. This valuation indicated that a deficit of £578,000 existed at 31 December 2017 (2016: £812,000 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 CfV has provided a workplace pension scheme in order 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

In setting resident's fees, CfV seeks to achieve a balance between affordability, at a level which is consistent with the first-class care and accommodation provided and our desire not to exclude any beneficiary on the grounds of financial hardship. CfV welcomes residents whose care is funded from a variety of sources.

### Remuneration for Senior Staff

The Remuneration Committee oversee and approve the salaries of the senior management team and of other key personnel, who have control of the day-to-day management of the charity. Salaries are reviewed annually and benchmarked against other similar organisations and in the case of clinical staff, the Nursing and Midwifery Council's `Agenda for Change` is used as the benchmark.

### Risk Management

The Trustees consider that the principal risks and uncertainties facing the Charity, and plans which are in place for managing these are as follows:

#### Risk and Uncertainty

- Ability to ensure the Charity continues to provide the highest affordable quality of care for its residents
- Securing consistent fundraising income and the potential for a reduction in income from Legacies
- Lack of funding as the cost of delivering social care rises more quickly than funding for long-term care, increasing the operational deficit.
- Fall in value of investments
- Further deterioration of non-clinical areas that will require refurbishment

#### Charity Plans

- Effective recruitment and retention of professional qualified staff
- Meeting or exceeding standards set by legislation and regulations
- Meeting the required registration standards from the governing body, the Care Quality Commission (CQC)
- Mandated annual training for all staff
- Comprehensive and adequate insurance provision
- Organisational and fundraising strategic plans are in place to reduce the operational deficit
- Additional fundraising sources are constantly sought whether by charges for clinical delivery, cost savings or grants
- The Trustees seek to ensure nine months of funding as a reserve to cover any temporary shortfalls in revenue
- An environmental policy is being developed to save on utility charges and create revenue via the feed-in tariff
- The diverse and successful investment portfolio continues to contribute towards the charity's requirements
- The investment managers provide regular reports and assurances, which are reviewed by the trustees
- A variety of investment holdings within the portfolio reduces overall risk risk
- Feasibility studies to be carried out in 2018 to look at the long-term requirements for the property, in terms of any under utilised areas and the potential renovation of other areas where required.

## PLANS FOR FUTURE PERIODS

### Future Plans

The Trustees agreed that CfV will continue to develop its services and activities to keep up with the changing care requirements of our residents.

The major initiatives for 2018 will include:

- Developing an environmentally green policy to decrease expenditure and create an income with the installation of solar panels, turbines, insulation and window replacement.
- To review and, if necessary, develop the cost of care measurement tool to ensure fees are set at an appropriate level
- To continue planning for the 2019 Centenary celebrations

### Future Prospects

The Board of Trustees remain confident of the requirement for high quality, multi-disciplinary team of nursing and rehabilitation care that is offered at CfV. Very few care facilities offer a similar level of nursing care and rehabilitation as CfV. The trustees are confident that increasing numbers of NHS-funded continuing care cases will continue to be offered to the Hospital Home. There is an increasing demand for social care to relieve an expensive NHS acute setting. Once a medical emergency has been stabilised, transfer to an external, financially-cheaper, care facility such as CfV becomes an NHS priority. However, once these residents have been in CfV for a period adding inflationary rises to fees has proved challenging.

For applicants admitted to CfV who are unable to access local authority funding, as their assets are considered too high, they will then be required to privately fund the cost of their care. This could entail the acceptance of having to equity release through the selling of a family home.

It is anticipated that funding overall services at CfV will continue to remain challenging. Running and staff costs increase annually and in addition as dependency levels of those applying increases, so does the requirement for more highly trained staff. If Local Authority funding does not cover the minimum fee levels families will inevitably have to make top-up payments towards the fee from their own resources, to keep a family member at CfV.

Despite these factors, the Trustees are unanimously agreed that their policy of maintaining the highest levels of affordable nursing and rehabilitation services will remain in place in the year ahead. The continuing operational deficit will be met by fundraising on a national scale. In addition, contract reviews and the anticipated feed-in tariff from the environmental project will also help address the shortfall.

Applications and requests for information on CfV over the past year have continued to increase, and have accelerated since the rebranding to Care for Veterans. The new website is proving beneficial receiving significantly more visits than the previous QAHH site.

## 2018 OBJECTIVES

### **Our main objectives for 2018 are:**

- To meet the needs of the residents with high grade accommodation and excellent clinical care
- To develop an environmental strategy to reduce utility costs and produce feed-in tariffs
- To reduce the operational financial deficit
- Continue existing and develop new methods to manage the pension deficit
- Maintain working relationships with Clinical Commissioning Groups (CCG's) and local authority funding bodies and negotiate on inflation level fee increases for long-term residents
- Planning for the 2019 Centenary celebrations
- Raise the profile of Care for Veterans and increase the fundraising database

### **How the objectives for 2018 will affect the charity:**

- Staffing levels to be benchmarked against best-practice guidelines to maintain the excellent level of care.
- The two additional rooms completed in 2017 will contribute to reducing the deficit. A review of the manner in which fees are calculated to ensure the costing tool is suitable and correctly sets resident's fees.
- Fees will rise by the cost of inflation and cancellation charges will be introduced for residents, especially respite residents, who can cancel at short notice affecting revenue.
- Consideration will be given to developing an outpatient service and letting space within the site will be considered.
- Providing high-level clinical services is increasingly expensive. CfV's Trustees will continue to strive to reduce costs without reducing the quality of care.
  
- The environmental project will assist with both revenue generation and environmental responsibility. The Carbon Trust, in March 18, will undertake a free site survey and offer impartial recommendations. Following this, CfV will invest from either Trust grants or the investment portfolio to install a combination of solar panels, immersion switches, micro combined heat and power pumps (MCHP), insulation and a rolling window replacement window programme all of which will reduce the significant monthly utility bills. In addition, the solar panels and MCHP will produce a tax-free feed-in tariff.

# STRUCTURE, GOVERNANCE AND MANAGEMENT

## Governing Document

Care for Veterans, formally 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 Care for Veterans Services Limited (company number 5802953) incorporated 2 May 2006. The company is limited with the single shareholder being Care for Veterans.

## Appointment of Trustees

The Chairman of the Board undertakes the appointment of new Trustees. The Chairmen will nominate an individual when a vacancy exists and, subject to the approval of the full board, they will be invited to join the Board. Following appointment to the Board a new Trustee will;

- undergo a number of briefing sessions with the senior management team and the Chairman.
- undertake a number of visits to CfV to understand the workings of the organisation and to meet staff members and residents
- be invited to undertake one of the Quarterly Visiting Trustee Visits to the Hospital Home on behalf of the chairman
- be invited to join the Board, for a period of four years and then may be re-elected for one further period of four 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 undertake Trustees' Rounds and make inspections of all departments.
- The Board manages the business and affairs of CfV and reviews the performance of CfV at quarterly Board meetings.
- Extraordinary meetings can be called at the Chairman's discretion.
- There are three subcommittees – the Finance committee that oversees the financial affairs of CfV and considers and approves the operational and capital budgets; the Fundraising and Marketing Committee; and the Remuneration 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 Mr Andy Neaves MSc BSc(Hons). He is also 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 Director of Nursing and Operations who is the 'Registered Manager' for CQC matters supports him with regard to CQC.

The Trustees, who for the purposes of company law are the Directors of the Company, oversee the operations of CfV. 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 CfV. He 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.

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

Under the SMT, the departmental managers are – the Head of Finance; the Head of Fundraising and Marketing; the Head of Support Services and the Head of Clinical Services who manage the various sub-departments.

### Related Parties

The Charity's wholly owned subsidiary Care for Veterans Services Limited (formally 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 Charity recharges the cost of care and 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 Sub-Committees of Care for Veterans.

#### The Trustees

Commodore J Fanshawe CBE	①③	Chairman
Mrs J Annis	①②	Deputy Chairman
Commander D Habershon RN	②	
Dr P Hughes RD QHP MD FRCP		
Captain C Pile RN	②	
AMA Price JP	①	
Colonel JRC Saville FIMechE		
Mrs R Taylor	③	
M Walker JP FCA	①③	

#### Sub-committee members

- ① Member of Finance Committee at 31 December 2017
- ② Member of Fundraising and Marketing Committee at 31 December 2017
- ③ Member of the Remuneration Committee

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

AD Neaves, MSc BSc(Hons)	Chief Executive
V Walker, RGN JP RMA	Director of Nursing and Operations

#### Legal and administrative information

##### Auditors and Financial Advisors

MHA 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  
Mill Pool House  
Mill Lane  
Godalming  
Surrey GU7 1EY

##### Bankers

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

##### Principle office of Charity and 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

##### Registered Charity Number

1072334

##### Company Number

03646570

##### Country of incorporation

**Statement of Trustees' Responsibilities for the Financial Statements**

The Trustees (who are also directors of Care for Veterans 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 2011 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 MHA 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 Care for Veterans during 2017. With their continued support, we look forward to enhancing the delivery of our charitable services.

This report was approved by the Trustees  
on 23 May 2018 and signed on their behalf by:



**J Fanshawe CBE**  
Chairman



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE FOR VETERANS



### Opinion

We have audited the financial statements of Care For Veterans (the 'charitable company') for the year ended 31 December 2017 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 related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE FOR VETERANS



### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's 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 charitable company and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'E. Houghton', with a horizontal line underneath.

**Eileen Houghton ACA FCCA DChA (Senior Statutory Auditor)**

**for and on behalf of MHA Carpenter Box**

**Chartered Accountants  
Statutory Auditor  
Worthing**

Dated 31st May 2018

## Consolidated Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 December 2017

	Note	Unrestricted Funds £	Endowment & Restricted £	2017 Total £	Unrestricted Funds £	Endowment & Restricted £	2016 Total £
<b>INCOME AND ENDOWMENTS FROM</b>							
Donations and legacies	2	846,158	1,005,309	1,851,467	1,340,535	276,538	1,617,073
Other trading activities	2	425,942	-	425,942	462,432	-	462,432
Investments	2	85,293	-	85,293	98,005	-	98,005
		1,357,394	1,005,309	2,362,703	1,900,972	276,538	2,177,510
Charitable activities	3	2,748,911	-	2,748,911	2,608,568	-	2,608,568
Other income		-	-	-	-	-	-
<b>TOTAL INCOME</b>		<b>4,106,305</b>	<b>1,005,309</b>	<b>5,111,614</b>	<b>4,509,540</b>	<b>276,538</b>	<b>4,786,078</b>
<b>EXPENDITURE ON</b>							
Raising funds	4	302,138	9,884	312,022	250,468	28,022	278,490
Charitable activities	4	3,930,122	856,640	4,786,762	3,965,736	681,012	4,646,748
<b>TOTAL EXPENDITURE</b>		<b>4,232,260</b>	<b>866,524</b>	<b>5,098,784</b>	<b>4,216,204</b>	<b>709,034</b>	<b>4,925,238</b>
Net income/(expenditure) before investments		<b>(125,955)</b>	<b>138,785</b>	<b>12,830</b>	<b>293,336</b>	<b>(432,496)</b>	<b>(139,160)</b>
<b>NET GAINS/(LOSSES) ON INVESTMENTS</b>	9	276,451	6,024	282,475	424,397	19,747	444,144
<b>NET INCOME/ (EXPENDITURE)</b>		150,496	144,809	295,305	717,733	(412,749)	304,984
<b>Transfers between funds</b>							
Actuarial gains/(losses) on defined benefit pension scheme	6	23,054	(23,054)	-	(99,052)	99,052	-
		130,000	-	130,000	(83,000)	-	(83,000)
<b>Net movement in funds</b>		303,550	121,755	425,305	535,681	(313,697)	221,984
Funds balance brought forward		3,476,458	5,301,867	8,778,325	2,940,777	5,615,564	8,556,341
<b>FUNDS BALANCE CARRIED FORWARD</b>		<b>3,780,008</b>	<b>5,423,622</b>	<b>9,203,630</b>	<b>3,476,458</b>	<b>5,301,867</b>	<b>8,778,325</b>

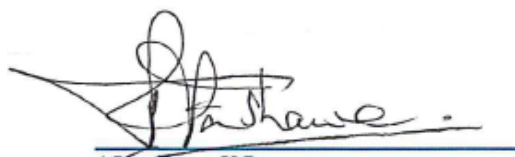
The accompanying accounting policies and notes form an integral part of these financial statements.  
All of the operations represented by the information above are continuing.

## Consolidated and Charity Balance Sheets

As at 31 December 2017

	Note	Group		Charity	
		2017 Total £	2016 Total £	2017 Total £	2016 Total £
<b>Fixed assets</b>					
Tangible assets	8	5,136,604	5,034,434	5,299,874	5,197,704
Investments	9	4,451,314	3,799,256	4,451,315	3,799,257
<b>TOTAL FIXED ASSETS</b>		<b>9,587,918</b>	<b>8,833,690</b>	<b>9,751,189</b>	<b>8,996,961</b>
<b>Current assets</b>					
Stocks	10	9,636	9,275	9,636	9,275
Debtors	11	585,309	888,475	607,034	889,170
Cash at bank and in hand		111,252	129,326	87,234	126,411
Creditors - amounts falling due within one year	12a	706,197 (396,637)	1,027,076 (270,442)	703,904 (394,344)	1,024,856 (268,222)
<b>NET CURRENT ASSETS</b>		<b>309,560</b>	<b>756,634</b>	<b>309,560</b>	<b>756,634</b>
Creditors - amounts falling after more than one year	12b	(115,848)	-	(115,848)	-
<b>Net assets before pension scheme liability</b>		<b>9,781,630</b>	<b>9,590,324</b>	<b>9,944,901</b>	<b>9,753,595</b>
Defined benefit pension scheme liability		(578,000)	(812,000)	(578,000)	(812,000)
<b>NET ASSETS AFTER PENSION LIABILITY</b>		<b>9,203,630</b>	<b>8,778,324</b>	<b>9,366,901</b>	<b>8,941,595</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Capital funds</b>					
Endowment fund	14	157,342	151,318	157,342	151,318
<b>Revenue funds</b>					
Restricted	14	5,266,280	5,150,549	5,429,550	5,313,819
Unrestricted:					
Pension reserve fund	6	(578,000)	(812,000)	(578,000)	(812,000)
General fund (including revaluation reserve £1,017,196 [2016: £826,465] for Group and Charity)	13	4,358,008	4,288,457	4,358,009	4,288,458
Total unrestricted		3,780,008	3,476,457	3,780,009	3,476,458
<b>TOTAL CHARITY FUNDS</b>		<b>9,203,630</b>	<b>8,778,324</b>	<b>9,366,901</b>	<b>8,941,595</b>

Approved by the Board of Trustees on 23rd May 2018 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

## Consolidated Cashflow Statement

For the year ended 31 December 2017

Note	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net cash provided by (used in) operating activities	737,449	(529,825)	486,859	(530,694)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income and interest receivable	85,293	98,005	85,293	98,005
Purchase of tangible fixed assets	(601,089)	(155,872)	(601,089)	(155,872)
Purchase of investments	(511,756)	(47,775)	(511,756)	(47,775)
Sale of investments	272,029	562,715	272,029	562,715
Net cash provided by (used in) investing activities	(755,523)	457,073	(755,523)	457,073
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>	<b>(18,074)</b>	<b>(72,752)</b>	<b>(268,664)</b>	<b>(73,621)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD</b>	<b>129,326</b>	<b>202,078</b>	<b>126,411</b>	<b>200,032</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	<b>111,252</b>	<b>129,326</b>	<b>(142,253)</b>	<b>126,411</b>

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
<b>a. Reconciliation of net movement in funds to net cash flow from operating activities</b>				
Net (outgoing)/incoming resources before gains and losses on investment assets	12,830	(139,160)	12,830	(139,160)
Investment income and interest receivable	(85,293)	(98,005)	(85,293)	(98,005)
Depreciation and loss on disposal	498,920	447,462	498,920	447,462
Decrease/(increase) in cash on deposit	(129,855)	(97,728)	(129,855)	(97,728)
(Increase)/decrease in stock	(361)	(43)	(361)	(43)
(Increase) in debtors	303,166	(550,531)	282,136	(551,280)
Increase/(decrease) in creditors	138,042	(91,820)	(91,518)	(91,940)
Net cash provided by (used in) operating activities	737,449	(529,825)	486,859	(530,694)

**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.

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.

The financial statements are prepared in sterling, which is the financial currency of the group. Monetary amounts are rounded to the nearest £1.

### 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 2017 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'.

**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 (2016: £2,500).

**IT equipment** £400 or more (2016: £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 estimated selling price less cost to complete and sell.

### 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.

### 1.17 Going concern

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

**2. Analysis of income from generated funds**

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<b>Voluntary income:</b>				
Legacies	453,799	-	453,799	1,052,631
Donations:				
Individuals	181,038	-	181,038	98,839
Charitable foundations, HM Forces and Corporates	211,321	1,005,309	1,216,630	465,603
<b>Total voluntary income</b>	<b>846,158</b>	<b>1,005,309</b>	<b>1,851,467</b>	<b>1,617,073</b>
<b>Activities for generating funds:</b>				
Fundraising events	45,360	-	45,360	39,069
Nursing and care (non-primary purpose)	365,046	-	365,046	409,558
Other income	15,536	-	15,536	13,805
<b>Total activities for generating funds</b>	<b>425,942</b>	<b>-</b>	<b>425,942</b>	<b>462,432</b>
<b>Investment income:</b>				
Fixed interest securities	9,185	-	9,185	8,595
Equities (UK)	48,556	-	48,556	58,439
Equities (Overseas)	11,121	-	11,121	13,168
Short term deposits	127	-	127	389
UK unit trusts	16,304	-	16,304	17,414
<b>Total investment income</b>	<b>85,293</b>	<b>-</b>	<b>85,293</b>	<b>98,005</b>

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

**3. Analysis of income from charitable activities**

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<b>Voluntary income:</b>				
Contributions from residents	2,609,023	-	2,609,023	2,479,346
Veterans Agency capitation grant	139,888	-	139,888	129,222
<b>Total incoming resources from charitable activities</b>	<b>2,748,911</b>	<b>-</b>	<b>2,748,911</b>	<b>2,608,568</b>



## 4. Analysis of Resources Expended

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<b>Resources expended</b>				
<b>Cost of generating voluntary income</b>				
Telephones, rates, utilities and insurances	2,605	-	2,605	2,504
Advertising and publicity	1,020	-	1,020	3,125
Administration salaries and associated costs	17,642	-	17,642	17,803
Fundraising salaries and associated costs	160,472	9,884	170,356	155,251
Fundraising, advertising and publicity	50,770	-	50,770	36,166
	<b>232,509</b>	<b>9,884</b>	<b>242,393</b>	<b>214,849</b>

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.

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<b>Cost of activities for generating funds</b>				
Coffee bar provisions	9,294	-	9,294	8,700
Fundraising event costs	13,327	-	13,327	12,839
Fundraising salaries and associated costs	17,426	-	17,426	15,151
	<b>40,047</b>	-	<b>40,047</b>	<b>36,690</b>
Investment management fees	29,582	-	29,582	29,689
<b>Total cost of generating funds</b>	<b>302,138</b>	<b>9,884</b>	<b>312,022</b>	<b>281,228</b>

## 4. Analysis of Resources Expended (continued)

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
<b>Resources Expended</b>				
<b>Cost of charitable activities</b>				
Nursing care	932,487	47,609	980,096	957,527
Nursing care - agency staff	590	-	590	-
Health care assistants	1,186,111	57,914	1,244,025	1,264,590
Health care assistants - agency staff	47,541	-	47,541	31,642
Physiotherapy	33,512	80,784	114,296	114,079
Alternative therapy	-	24,700	24,700	24,300
Occupational Therapy and Social and Recreation	10,979	94,312	105,291	124,385
Speech Therapy	13,215	23,817	37,032	35,618
Kitchen	136,477	-	136,477	122,804
Kitchen - agency staff	4,024	-	4,024	11,257
Housekeeping	304,064	-	304,064	266,662
Drivers	28,246	1,388	29,634	29,354
Chaplain	-	8,972	8,972	8,778
Administration	335,205	-	335,205	338,258
Maintenance	52,098	-	52,098	52,438
Gardener	1,205	-	1,205	6,103
	<b>3,085,754</b>	<b>339,496</b>	<b>3,425,250</b>	<b>3,387,795</b>
<b>Closed pension scheme costs:</b>				
Charges	-	-	-	-
Pension Protection Fund Levy	1,060	-	1,060	3,258
	<b>3,086,814</b>	<b>339,496</b>	<b>3,426,310</b>	<b>3,391,053</b>
<b>Total payroll costs</b>				
Medical officer and locum fees	20,112	-	20,112	19,544
Provisions	134,750	-	134,750	114,996
Surgery, dispensary and therapy	55,582	1,722	57,304	47,788
Other finance costs/(income)	20,000	-	20,000	30,000
Audit fees	13,332	-	13,332	13,230
Depreciation	-	474,029	474,029	447,462
Loss on disposal of fixed assets	-	24,891	24,891	-
Vehicle running and travel costs	16,674	2,364	19,038	13,100
Hospital repairs and renewals	73,424	7,586	81,010	58,342
Domestic and kitchen repairs	21,551	-	21,551	10,612
Sundries	4,697	2,487	7,184	10,104
Property maintenance	39,277	-	39,277	40,165
Gardening	1,923	2,120	4,043	2,826
Repairs and renewals of equipment	5,999	-	5,999	6,157
Laundry and cleaning	74,176	-	74,176	70,297
Utilities	123,305	1,805	125,110	124,962
Insurance	62,630	-	62,630	62,275
Computer costs	24,648	140	24,788	19,191
Bank charges	2,695	-	2,695	3,512
Other fees and subscriptions	118,312	-	118,312	133,453
Printing, stationery and publications	18,957	-	18,957	17,413
Postage and telephones	11,264	-	11,264	10,266
	<b>843,308</b>	<b>517,144</b>	<b>1,360,452</b>	<b>1,255,695</b>
<b>Total non-payroll costs</b>				
	<b>3,930,122</b>	<b>856,640</b>	<b>4,786,762</b>	<b>4,646,748</b>

**4. Analysis of Resources Expended (continued)****Analysis of total resources expended**

	Staff costs £	Depreciation £	Other £	2017 Total £	2016 Total £
<b>Provision of residential care</b>					
Provision of services and support costs	3,426,310	474,029	886,423	4,786,762	4,646,748
<b>Other expenditure</b>					
Fundraising, publicity and other	208,751	-	103,271	312,022	278,490
<b>Total resources expended</b>	<b>3,635,061</b>	<b>474,029</b>	<b>989,694</b>	<b>5,098,784</b>	<b>4,925,238</b>

**5. Trustees and employees**

Staff costs during the year were as follows:

	2017 Total £	2016 Total £
Wages and salaries	3,309,273	3,263,805
Social security costs	265,091	259,095
Pension costs:		
Defined benefit scheme *	-	-
Defined contribution scheme	-	-
Work place pension scheme	60,697	60,656
	<b>3,635,061</b>	<b>3,583,556</b>

\* 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:

	2017 Total	2016 Total
Nurses and health care assistants	88	85
Raising Funds	6	6
Other	44	43
	<b>138</b>	<b>134</b>

No payments were made to Trustees of Care for Veterans for remuneration of their services or any reimbursement of expenses for the year ended 31 December 2017 (2016: None). During the year there were no donations from Trustees made to CFV (2016: None).

The premium for the trustee's indemnity insurance is now included within the combined liability insurance (2016: £1,741).

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

	2017 Total	2016 Total
£90,001 - £100,000	1	2

During the year pension contributions of £4,196 (2016: £8,243) were paid on behalf of these employees' as members of the Work Place scheme operated by the charity.

During the year the a total of 6 staff were recognised as key management personnel the total paid to these individuals amounted to £348,867 (2016: £353,132). Included within this amount was £11,338 (2016: £11,272) 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 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 2016. 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 10 years from 1 April 2016 should continue.

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 2017 and was prepared by a qualified actuary. Based on the actuarial valuation, the market value of the pension fund assets at 31 December 2017 was £4,018,000 (2016: £4,088,000).

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:

	2017 %	2016 %
Discount rate	2.50	2.70
RPI assumption	3.30	3.30
CPI assumption	2.30	2.30
LPI assumption	3.20	3.20

The underlying mortality assumption is based upon the standard table known as S1PA on a year of birth usage CMI\_2016 future improvement factors and a long-term rate of future improvement of 1.25% p.a (2016: same table but CMI\_2015). 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 89 years (previously 90 years)

### Employee Benefit obligations

The amounts recognised in the balance sheet as at 31 December 2017 (with comparative figures as at 31 December 2016) are as follows:

	2017 £	2016 £
Market value of plan assets	4,018,000	4,088,000
Present value of plan liabilities	(4,596,000)	(4,900,000)
<b>Deficit in the Scheme</b>	<b>(578,000)</b>	<b>(812,000)</b>

The amounts to be recognised in the consolidated statement of financial activities for the year ending 31 December 2017 (with comparative figures for the years ending 31 December 2016) are as follows:

	2017 £	2016 £
Current service cost	-	-
Administrative expenses	-	-
Interest on net defined benefit (asset)/liability	20,000	30,000
(Gain)/loss on plan charges	-	-
Curtailment (gain)/loss	-	-
<b>Total other finance costs/(income)</b>	<b>20,000</b>	<b>30,000</b>

**6. Retirement Benefits**

Changes in the present value of the plan liabilities for the year ended 31 December 2017 (with comparative figures for the year ending 31 December 2016) are as follows:

	2017 £	2016 £
Present value of plan liabilities at beginning of period	4,900,000	4,213,000
Current service cost	-	-
Employee contributions	-	-
Interest on plan liabilities	126,000	159,000
Past service cost	-	-
Curtailment (gain)/loss	-	-
Actuarial (gains)/losses	13,000	812,000
Benefits paid	(443,000)	(284,000)
<b>Present value of plan liabilities at end of period</b>	<b>4,596,000</b>	<b>4,900,000</b>

Changes in the fair value of the plan assets for the year ending 31 December 2017 (with comparative figures for the year ending 31 December 2016) are as follows:

	2017 £	2016 £
Market value of plan assets at beginning of period	4,088,000	3,390,000
Interest on plan assets	106,000	129,000
Return on assets, less interest included in Profit & Loss	143,000	729,000
Benefits paid	(443,000)	(284,000)
Administrative expenses	-	-
Contributions paid by the company	124,000	124,000
Employee contributions	-	-
<b>Market value of Scheme assets at end of period</b>	<b>4,018,000</b>	<b>4,088,000</b>
<b>Actual return on plan assets</b>	<b>249,000</b>	<b>858,000</b>

The major categories of plan assets as a percentage of total plan assets for the year ending 31 December 2017 (with comparative figures for the year ending 31 December 2016) are as follows:

	2017	2016
Equities and Property	62%	55%
Bonds & Gilts	28%	44%
Cash	10%	1%
	<b>100%</b>	<b>100%</b>

The plan has no investment in property occupied by, assets used by or financial instruments issued by Care fo Veterans.

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 31 December 2017 (with comparative figures for the year ending 31 December 2016) are as follows:

	2017 £	2016 £
Return on assets, less interest included in Profit & Loss	143,000	729,000
Expected less actual plan expenses	-	-
Experience gains and losses arising on the plan liabilities	52,000	83,000
Changes in assumptions underlying the present value of plan liabilities	(65,000)	(895,000)
<b>Remeasurement of net defined benefit liability recognised in OCI</b>	<b>130,000</b>	<b>(83,000)</b>

## 6. Retirement Benefits

Movement in surplus/(deficit) during the year ending 31 December 2017 (with comparative figures for the year ending 31 December 2016) are as follows:

	2017 £	2016 £
Deficit in Scheme at beginning of year	(812,000)	(823,000)
Recognised in Statement of Financial Activities	(20,000)	(30,000)
Contributions by Company	124,000	124,000
Charges Paid	-	-
Actuarial gain/(loss) recognised in OCI	130,000	(83,000)
<b>Deficit in Scheme at end of year</b>	<b>(578,000)</b>	<b>(812,000)</b>

The agreed contributions to be paid by the Company for the forthcoming year (year ending 31 December 2018) is £124,000 (2017: £124,000), the expenses of running the Scheme will be paid directly by Care for Veterans, 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 Care for Veterans (formally 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**

GROUP	Freehold property	Plant and equipment	Vehicles	Total
	£	£	£	£
Cost				
At 1 January 2017	8,354,268	1,260,585	250,516	9,865,369
Additions	531,772	69,317	-	601,089
Disposals	-	(93,565)	-	(93,565)
At 31 December 2017	<b>8,886,040</b>	<b>1,236,337</b>	<b>250,516</b>	<b>10,372,893</b>
Depreciation				
At 1 January 2017	3,815,234	792,618	223,083	4,830,935
Provided in period	373,705	85,557	14,766	474,028
On disposals	-	(68,674)	-	(68,674)
At 31 December 2017	<b>4,188,939</b>	<b>809,501</b>	<b>237,849</b>	<b>5,236,289</b>
<b>Net book value at 31 December 2017</b>	<b>4,697,101</b>	<b>426,836</b>	<b>12,667</b>	<b>5,136,604</b>
Net book value at 31 December 2016	4,539,034	467,967	27,433	5,034,434
<hr/>				
CHARITY	Freehold property	Plant and equipment	Vehicles	Total
	£	£	£	£
Cost				
At 1 January 2017	8,517,538	1,260,585	250,516	10,028,639
Additions	531,772	69,317	-	601,089
Disposals	-	(93,565)	-	(93,565)
At 31 December 2017	<b>9,049,310</b>	<b>1,236,337</b>	<b>250,516</b>	<b>10,536,163</b>
Depreciation				
At 1 January 2017	3,815,234	792,618	223,083	4,830,935
Provided in period	373,705	85,557	14,766	474,028
On disposals	-	(68,674)	-	(68,674)
At 31 December 2017	<b>4,188,939</b>	<b>809,501</b>	<b>237,849</b>	<b>5,236,289</b>
<b>Net book value at 31 December 2017</b>	<b>4,860,371</b>	<b>426,836</b>	<b>12,667</b>	<b>5,299,874</b>
Net book value at 31 December 2016	4,702,304	467,967	27,433	5,197,704

Plant and equipment was disposed of during the year. No amounts were received for this equipment. The loss on disposal of some of the equipment is shown on the SOFA.

**9. Fixed asset investments****Quoted investments**

Market value at 1 January 2017	3,628,146	3,698,942
Additions	511,756	47,775
Disposals	(272,029)	(562,715)
Net realised/unrealised gains	282,475	444,144
Market value at 31 December 2017	4,150,348	3,628,146
Short term deposits	300,966	171,110

**Investments (Group)**

(Historical cost £3,434,116 [2016: £2,972,790])

Investments in group undertakings at 1 January 2017 and at 31 December 2017

**Investments (Charity)**

(Historical cost £3,434,117 [2016: £2,972,791])

	2017 Total £	2016 Total £
	3,628,146	3,698,942
	511,756	47,775
	(272,029)	(562,715)
	282,475	444,144
	4,150,348	3,628,146
	300,966	171,110
	<b>4,451,314</b>	<b>3,799,256</b>
	1	1
	<b>4,451,315</b>	<b>3,799,257</b>

**Analysed as:**

	2017 Total £	2016 Total £
Fixed interest securities - unit trusts	305,252	276,500
Equities - UK	1,938,662	1,882,259
Property funds - UK	438,527	215,560
Property funds - Overseas	-	48,395
Equities - Overseas	916,922	826,182
Commodities	58,435	61,114
Alternatives - other	345,536	230,641
Hedge funds	147,014	87,495
	<b>4,150,348</b>	<b>3,628,146</b>

**The Charity wholly owns the following subsidiary:**

	Country of Incorporation	Class of share capital held	Principal activity
Care for Veterans Services Limited (formally The Queen Alexandra Hospital Home)	England	Ordinary - 100% of ownership	Provision of nursing care and other trading activities



**10. Stocks**

	2017		2016	
	Group £	Charity £	Group £	Charity £
Consumable stores	9,636	9,636	9,275	9,275
<b>Total consumable stores</b>	<b>9,636</b>	<b>9,636</b>	<b>9,275</b>	<b>9,275</b>

**11. Debtors**

	2017		2016	
	Group £	Charity £	Group £	Charity £
Resident contributions receivable	146,410	125,434	324,884	232,818
Group debtors	-	-	-	-
Capitation fees receivable	23,082	23,082	3,497	3,497
Legacies receivable	370,167	370,167	532,185	532,185
Income tax recoverable	8,359	8,359	3,323	3,323
Prepayments and other debtors	37,291	37,291	24,586	24,586
Gift aid donations from trading subsidiary	-	12,935	-	9,056
Amounts due from group undertakings	-	29,766	-	83,705
<b>Total debtors</b>	<b>585,309</b>	<b>607,034</b>	<b>888,475</b>	<b>889,170</b>

**12a. Creditors: amounts falling due within one year**

	2017		2016	
	Group £	Charity £	Group £	Charity £
Trade creditors	77,665	77,665	79,630	79,630
Staff remuneration	42,191	42,191	46,244	46,244
Pension	11,905	11,905	13,752	13,752
Social security and other taxes	61,530	61,530	58,902	58,902
Amounts owed to group undertakings	-	-	-	-
Other creditors and accruals	203,346	201,053	71,914	69,694
<b>Total creditors (falling due within one year)</b>	<b>396,637</b>	<b>394,344</b>	<b>270,442</b>	<b>268,222</b>

**12b. Creditors: amounts falling due after more than one year**

	2017		2016	
	Group £	Charity £	Group £	Charity £
Other creditors and accruals	115,848	115,848	-	-
<b>Total creditors (falling due after more than one year)</b>	<b>115,848</b>	<b>115,848</b>	<b>-</b>	<b>-</b>

**13. General fund**

	2017		2016	
	Group £	Charity £	Group £	Charity £
<b>Revenue fund</b>				
At 1 January 2017	4,288,457	4,288,458	3,763,777	3,763,778
Retained surplus/(deficit) for the year	46,497	46,497	623,732	623,732
Transfers from/(to) restricted funds	23,054	23,054	(99,052)	(99,052)
<b>At 31 December 2017</b>	<b>4,358,008</b>	<b>4,358,009</b>	<b>4,288,457</b>	<b>4,288,458</b>

**14. Restricted and endowment funds**

GROUP	Endowment Funds £	Capital Funds £	Capital Expenditure Fund £	Other Restricted Funds £	Total £
<b>Revenue fund</b>					
At 1 January 2017	151,318	5,013,433	-	137,116	5,301,867
Incoming resources	-	-	-	1,005,309	1,005,309
Expenditure	-	(498,920)	-	(367,604)	(866,524)
Gains/(losses) on investments	6,024	-	-	-	6,024
Transfer between funds	-	571,745	-	(571,745)	-
Transfers from/(to) revenue fund	-	29,344	-	(52,398)	(23,054)
<b>At 31 December 2017</b>	<b>157,342</b>	<b>5,115,602</b>	<b>-</b>	<b>150,678</b>	<b>5,423,622</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 additional funds when required to show progress; transfers to and from these 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 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 £	Capital Expenditure Fund £	Other Restricted Funds £	Total £
<b>Revenue fund</b>					
At 1 January 2017	151,318	5,176,703	-	137,116	5,465,137
Incoming resources	-	-	-	1,005,309	1,005,309
Expenditure	-	(498,920)	-	(367,604)	(866,524)
Gains/(losses) on investments	6,024	-	-	-	6,024
Transfer between funds	-	571,745	-	(571,745)	-
Transfers from/(to) revenue fund	-	29,344	-	(52,398)	(23,054)
<b>At 31 December 2017</b>	<b>157,342</b>	<b>5,278,872</b>	<b>-</b>	<b>150,678</b>	<b>5,586,892</b>

**15. Analysis of net assets between funds**

<b>GROUP</b>	<b>Tangible Fixed Assets</b>	<b>Investments</b>	<b>Net Current Assets</b>	<b>Creditors due &gt;1year</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Endowment fund</b>					
Capital fund (including unrealised gains of £6,024 (2016: £19,747))	21,000	136,342	-	-	157,342
	<b>21,000</b>	<b>136,342</b>	<b>-</b>	<b>-</b>	<b>157,342</b>
<b>Restricted fund</b>					
Capital fund	5,115,602	-	-	-	5,115,602
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	150,678	115,848	266,526
	<b>5,115,602</b>	<b>-</b>	<b>150,678</b>	<b>115,848</b>	<b>5,382,128</b>
<b>Unrestricted fund</b>					
Revenue fund	-	4,314,972	158,882	-	4,473,854
(including unrealised gains of £201,532 (2016: £287,419))					
Pension fund liability	-	-	-	(578,000)	(578,000)
	<b>-</b>	<b>4,314,972</b>	<b>158,882</b>	<b>(578,000)</b>	<b>3,895,854</b>
	<b>5,136,602</b>	<b>4,451,314</b>	<b>309,560</b>	<b>(462,152)</b>	<b>9,435,324</b>

<b>CHARITY</b>	<b>Tangible Fixed Assets</b>	<b>Investments</b>	<b>Net Current Assets</b>	<b>Creditors due &gt;1year</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Endowment fund</b>					
Capital fund (including unrealised gains of £6,024 (2016: £19,747))	21,000	136,342	-	-	157,342
	<b>21,000</b>	<b>136,342</b>	<b>-</b>	<b>-</b>	<b>157,342</b>
<b>Restricted fund</b>					
Capital fund	5,278,872	-	-	-	5,278,872
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	150,678	(115,848)	34,830
	<b>5,278,872</b>	<b>-</b>	<b>150,678</b>	<b>(115,848)</b>	<b>5,313,702</b>
<b>Unrestricted fund</b>					
Revenue fund	-	4,314,973	158,882	-	4,473,855
(including unrealised gains of £201,532 (2016: £287,419))					
Pension fund liability	-	-	-	(578,000)	(578,000)
	<b>-</b>	<b>4,314,973</b>	<b>158,882</b>	<b>(578,000)</b>	<b>3,895,855</b>
	<b>5,299,872</b>	<b>4,451,315</b>	<b>309,560</b>	<b>(693,848)</b>	<b>9,366,899</b>

**16. Capital commitments**

There were no capital commitments at 31 December 2017 (2016: None). No other commitments had been made at 31 December 2017 (2016: None). See note 20

**17. Related party transactions**

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 or the SORP (2016: NIL)

**18. Subsidiary company**

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

The trading activities of the subsidiary Care for Veterans Services Limited for the year ended 31 December 2017 were as follows:

	<b>Care for Veterans Services Limited 2017 £</b>	<b>QAHH Services Limited 2016 £</b>
Turnover	365,046	409,558
Cost of sales	349,347	397,938
	<b>15,699</b>	<b>11,620</b>
Other operating income and charges	2,763	2,565
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>12,936</b>	<b>9,055</b>
Appropriation to holding company (Gift aid)	(12,936)	(9,055)
<b>(Loss)/profit for the financial year</b>	<b>(12,936)</b>	<b>(9,055)</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>

**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 surplus of £72,050 (2016: deficit £13,803) 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.

<b>Funder</b>	<b>Project</b>	<b>Amount</b>
The Royal Navy & Royal Marines Charity	Rehabilitation services	£30,000
The Aged Veterans Fund	Aged Veterans Weekend Physiotherapy	£9,664
The Aged Veterans Fund funded by the Chancellor using LIBOR funds	Capital project - extension to ward and 3years operating costs for end of life care (2017-19)	£673,560
ABF Soldiers Charity	Mixed rehabilitation	£341,101
Seafarers UK	Mixed rehabilitation	£50,000
Seafarers UK	Mixed rehabilitation	£7,500
Seafarers UK	Physiotherapy	£19,000
RAF Benevolent Fund	Mixed rehabilitation	£19,000
RAF Benevolent Fund	Mixed rehabilitation	£20,000

**21. Contingent assets - legacy income**

As at 31 December 2017 - None (As at 31 December 2016 - None)

**22. Analysis of governance**

	Basis of apportionment	2017 £	2016 £
Salaries, wages and related costs	Time apportionment	22,550	22,695
Insurance	Governance	-	1,770
Audit fees - charity	Governance	10,932	11,010
Audit fees - subsidiary company	Governance	2,400	2,220
Total governance		<b>35,882</b>	<b>37,695</b>

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## Care for Veterans

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