

ANNUAL REPORT & ACCOUNTS
For the year ended 31 December

2018

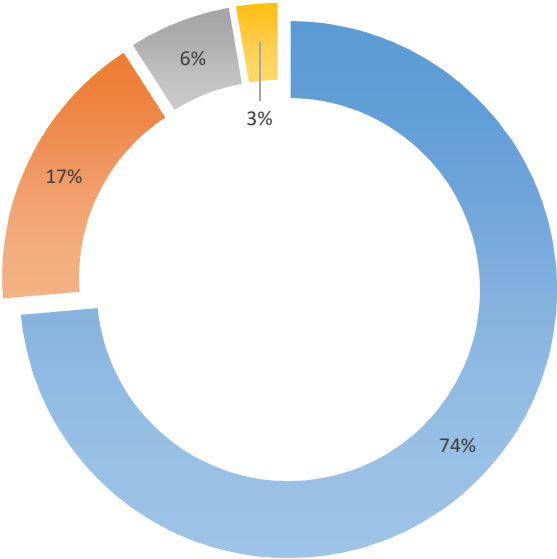


The Queen Alexandra Hospital Home since 1919

Registered Charity No. 1072334

How the funds have helped

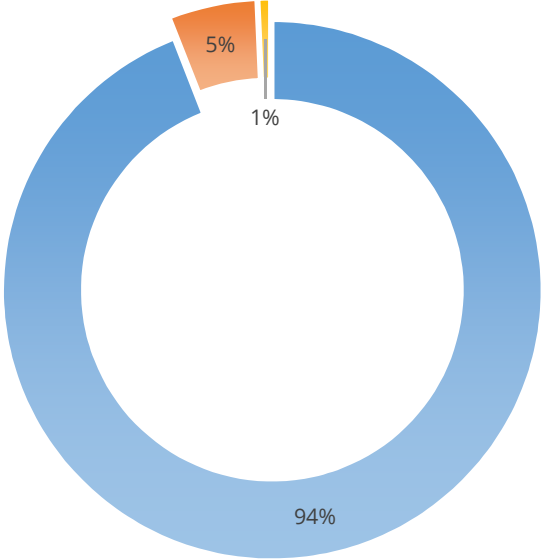
How the money came in



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

Total income £4.49m

How the money went out



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

Total expenditure £5.10m

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Report of the trustees for the year ending 31 December 2018

The Trustees present their annual report and audited financial statements of the charity for the year ended 31 December 2018. 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 2018 for Care for Veterans (CFV). The new name is well established, and we have taken great care to maintain our links with the former name of Queen Alexandra Hospital Home, reinstating Gifford House in our address. I am very pleased to report that the new name has gone down very well indeed. There is a sense of pride in the home and the new signs and uniforms have attracted very favourable reviews from the staff, the residents and our many visitors. It has been particularly successful for the fundraising team who have had a very positive response from all those who so generously provide the funds which are such an important element of our finances.

We are now seeing the benefits of the LIBOR funds which enabled the building of the Richmond Wing last year to increase the quality of our standard of accommodation alongside the Alexandra and Norfolk Wings. We are also very grateful for LIBOR funding to support three years of the operating costs for end-of-life care.

Care for Veterans offers first class levels of care to the residents and we continue to seek imaginative methods to improve this service. We retain 'Beacon' status from the Gold Standards Framework and applications for beds remain steady. This is due to the ever-increasing recognition of the level of nursing and rehabilitation that is undertaken at CfV. It also reflects a continued recognition 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. One specific change to our Memorandum and Articles of Association will help us to attract residents from a wider audience as we have now formally gained approval from the Charities Commission to support the families of Veterans in the Articles. A lot of effort has been made this year to prepare for centenary in 2019. I would draw your attention to the Care for Veterans website. Full details of the events can be found at <https://www.careforveterans.org.uk/>. A number of organisations have already offered very generous opportunities to help in what will be a packed year of interesting events. I hope you will enjoy the variety and will be able to join us in the celebrations.

Financial pressures are ever present. As you will understand, it is not cheap or easy to provide the necessary level of care for our residents. We pay great attention to raising sufficient money to cover the shortfall between our revenue and expenses. As I have written before, we rely heavily on a range of fundraising activities and 2019 will provide the perfect focus for this. Legacy income is a very important part of this process and I am extremely grateful to all those who have so generously included CfV in their Wills. Legacies are always difficult to predict in advance and I would like to take this opportunity to encourage individuals who are reviewing their wills to consider including CfV in them.

My fellow Trustees and I have worked closely with the management team with a feasibility study to examine innovative new ways to develop the capabilities of CfV. I am very grateful to all those who have contributed to this work, led by the CEO Andy Neaves. Several projects have now been completed, or are underway, to reduce expenditure with investment in new LED lighting and solar panels among others. We are now looking at some exciting new options with the clear aim of ensuring the long term viability and sustainability of Care for Veterans.

The success of CfV depends on a very strong team working together to produce the very best results. It is the people who matter most. 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 this all possible. There remains 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 all be congratulated for everything they do, and I know how much their efforts are appreciated through well-deserved praise from the residents and our many visitors.

2019 is going to be a most exciting Centenary year and I hope there will be something for everyone within the programme. Above all, 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 undertake our various activities, and the range of services we offer to those who need it most.

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:

Provide permanent or respite accommodation, end-of-life care and outpatient care for former members of the British Armed Forces and their families, who are in need of such care by reason of age, sickness or disability and who require nursing care or rehabilitation

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. 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 a triage of an application CfV will undertake an assessment of the potential resident to ensure that their condition is of a nature 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 cost of 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 therapy 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 develop an environmentally responsible site
- To develop a green strategy to decrease utilities and preserve the environment
- To promote increasing awareness of CfV
- 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 2018 - 92% (2017: 96% fewer beds available in 2017 due to build), with an overall service provided to 121 individuals (78 permanent residents and 43 respite residents). The number of beds remains at 60.

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

OUTCOME: The operational deficit for 2018 is £1,496,691 (2017: £1,672,805). The cost of care for residents continues to rise. Costs have been closely monitored and savings made where possible. The complexity of our residents has continued to increase. 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: To deliver the 2019 Centenary celebrations.

OUTCOME: CfV have been successful in developing relationships with several organisations to support the planned centenary celebrations. They have also secured support from both the Duke of Norfolk and the Duke of Richmond to deliver events.

AIM: Maintain and improve close working relationships with Clinical Commissioning Groups (CCGs) and local funding bodies.

OUTCOME: There has been an increase in the amount of revenue generated from CCGs as a result of charging increased fees for more complex residents. This has resulted in a decreasing number of residents from social services who will not meet the increased fees.

AIM: Continue to maintain close and collaborative relationships with the Armed Forces; and ex. Service organisations; and increase the charity's profile within Worthing and the surrounding areas.

OUTCOME: The combination of the rebranding in 2017 and the prospect of the centenary in 2019 has seen a marked increase in interest in the charity and this, in conjunction with a highly active fundraising team has seen a strengthening of existing relationships and the development of several new ones.

AIM: To develop an environmentally responsible site to save on utility bills and reduce the carbon footprint.

OUTCOME: CfV has refurbished the laundry with new machines that used both less water and electricity to launder linen and clothes. A cardboard bailer was also introduced to decrease the amount of cardboard sent to landfill and Gifford House was insulated and the pipes lagged.

AIM: To change the objects of the charity to allow families of service personnel to be accommodated.

OUTCOME: The former objects of the charity have been amended with the agreement of the Charity Commission. Formerly CfV care for ex-service personnel their spouses, live-in partners or cohabitantes. This has been changed so CfV will now accept ex-service personnel and their families bringing the charity in line with the Royal British Legion's objects.

AIM: To comply with the new European Union General Data Protection Regulation (GDPR) with effect from 25th May 2018.

OUTCOME: The CEO undertook GDPR practitioner training at Solent University. A data mapping exercise was undertaken across all departments and policies and procedures were initiated to ensure full compliance with the new regulation. A privacy policy was produced and is on the website covering residents, volunteers and staff. A retention policy was also introduced to ensure the correct disposal of data once it had been retained in accordance with regulation.

Operational Overview of 2018

At an extraordinary meeting of the company held at Care for Veterans, Gifford House, Boundary Road Worthing, West Sussex BN11 4LJ on Friday 14 December 2018 at 10.00 a.m. the following resolution which was passed unanimously by the board: that the main objects of the Memorandum of Association of the Company be and is hereby altered by the deletion of the existing clause 3.2 and the insertion of the following new clause:

3.2 The objects of the Charity are to provide permanent or respite accommodation, end-of-life care and outpatient care for former members of the British Armed Forces and their families, who are in need of such care by reason of age, sickness or disability and who require nursing care or rehabilitation. ("the Objects")

2018 saw full occupation of the new four room extension completed in 2017. The rooms have attracted high interest and a waiting list has developed for occupancy. There has been a noticeable change in demand for accommodation with it proving much more challenging to get occupants willing to share double rooms. There has also been an increased demand for en-suite rooms especially from potential female residents. Despite this room occupancy has been maintained at 92%.

Funding for applicants who are unable to self-fund, remained difficult as NHS and local authority budgets continued to be under considerable pressure. CfV's specialisation is in disability nursing, providing care and rehabilitation to those with predominantly acquired brain injury or progressive neurological conditions. In addition, CfV provides award winning end-of-life care. These services ensure demand for both permanent and respite beds remains high. This high level of care 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 board approval at a strategic planning meeting in January the charity embarked on its 'green project'. Following a visit from the Carbon Trust a number of areas were prioritised. Gifford House roof space was insulated, and the pipes lagged to prevent heat loss and reduce freezing risk. A cardboard bailer was installed to decrease the amount of cardboard sent to landfill and this waste is now collected fortnightly and recycled. The laundry underwent a complete refurbishment with the installation of three new washers and dryers which are significantly more energy efficient and in the case of the washers use less water during the cycle. Planning permission was granted at the end of 2018 for the installation of a 100Kw Solar PV system that will, at its peak, generate 20% of the sites electricity and produce a feed-in tariff for the next 25 years. The tendering process has now started to award a contract to replace the lights with LED as an additional 'spend-to-save' measure. It is hoped that these measures will reduce the charity's utility bills whilst also decreasing its carbon footprint.

A site survey has been completed to consider the future of the laundry and maintenance block and the staff car park. A set of provisional drawings has been produced by an architect. The Board will now review whether the demolition of the existing laundry and maintenance block and the construction of new purpose-built block(s) is a viable consideration, to broaden the revenue base in support of the charity, taking into account other options to resite existing facilities.

With effect from 25th May 2018 the new GDPR regulations came into effect across the European Union. These regulations will stay in effect irrespective of Brexit. A privacy policy was produced giving transparency to what data Care for Veterans collects, where it is stored and when it is disposed of. It has been included in mandated annual training for all staff to ensure they understand the implications of the new regulations. There was a concerted effort to clear old data, both hard copies and electronic, that had exceeded the period for which it should be retained as mandated by various governing bodies. These mandated periods were annotated in the newly produced data retention policy.

The Fundraising and Marketing Department had a positive year achieving a total of £1,006,223 in donations and legacies (2017: £1,851,467 - which included £673,560 restricted funds from LIBOR received for the building of the extension on the Richmond Wing). Legacies dropped in 2018 to £286,977 against the amount of £453,799 in 2017.

Review of Activities

- The increasing demand for social care has been widely reported in the media with an expanding elderly population requiring suitable accommodation. However, the increasingly elderly population has placed considerable demand on the NHS and hospitals seek to discharge those that no longer require hospital care into the community. This has resulted in residential homes having residents who would previously have been in nursing homes – and nursing homes look after people who would have previously required hospital care. This has seen an increase in the complexity of requirements for residents at CfV.
- Demand for beds remained high in 2018. 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 to ten years ago. This change has a direct link to funding as local authorities 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 that 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 remain high in the future.
- In 2017 a community project funded by Aged Veterans UK CfV provided a free out-patient physiotherapy service to local veterans which attracted extremely positive feedback. A second project was undertaken in 2018 providing recreational therapy to a combined audience of CfV residents and local veterans has again proved extremely successful and has been fully subscribed every Saturday morning. Investigations continue as to whether either of these projects could, in the future, provide a revenue stream.
- CfV continues to provide clinical placements site for student nurses from both the Ministry of Defence, Portsmouth and Brighton Universities. 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.

Fundraising at Care for Veterans

Care for Veterans has its own Fundraising & Marketing Team. The fundraising undertaken at Care for Veterans includes legacies, individual giving, corporate fundraising, community fundraising, trusts and foundations, events and a lottery which we run in-house.

We gratefully acknowledge the financial support given to the Charity by our donors and supporters. Direct approach to these people is achieved primarily via our twice-yearly newsletter which contains a donation form and details of our events and initiatives that people can choose to take part in. We use best practice in the way we communicate with, and support, our donors and only add their name to our mailing list with prior consent and remove their details immediately if they so request. We do not send out other unsolicited mailings, we do not share or swap data. Any data retained is held and maintained within the guidelines of GDPR. All our Fundraisers are aware of the Data Protection Act and are trained in GDPR legislation and are required to refresh that training annually.

We are conscious of pressures which vulnerable people might experience and our trained staff will never knowingly approach anyone who is vulnerable.

Care for Veterans is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. We are also registered with the Fundraising Preference Service (FPS) and in 2018 had zero complaints via the FPS.

The Fundraising & Marketing team manage all of our own fundraising events and initiatives to maintain control over how people are approached, how they are asked to support and how they are thanked. We manage all our own raffles and our own Lottery which we do in accordance with the terms set out by the local Authority with whom we are registered. We do not employ professional fundraising individuals, companies or organisations, nor shall we do so in the future. We do not undertake telephone fundraising nor do we undertake unsolicited direct mail or house-to-house fundraising.

In 2018 we made the decision to run our own Lottery so that there would be no administration charges and so more of the money raised is retained by the Charity. We also have a limit of £20 spend per month on our Lottery to protect those who may have a propensity for gambling. We strive to keep our fundraising costs low and be as efficient as we can in our fundraising to continue this high percentage of income for the Charity.

We have set and maintain high standards about how we communicate with current and potential donors. In 2018 we received zero complaints from those who support us. We continue to develop the relationships we have with our supporters, donors and volunteers and give them control over the relationship with them, whilst protecting vulnerable people and ensuring supporters are always thanked in the appropriate manner. We are open and honest with our supporters and donors and are transparent in how money is raised and how it is spent.

Volunteers

Since the rebranding to Care for Veterans there has been an increase in both permanent and corporate volunteers in the charity. These provide services from painting and gardening to assisting with the newly formed CfV choir. These volunteers provide a service that improves both the lives and surroundings of our residents and we are extremely grateful for their continued support.

Financial review

The cost of providing the high level of care to the residents amounted to £4.81m during 2018. This represents an increase of 0.3% (from £4.78m in 2017). Savings have been made where possible but recruitment of staff has proved more of a challenge than in earlier years.

The total fee income for care amounted to £3.31m this represents an increase of over 6% (from 2017: £3.11m) this came in the form of funding directly from the residents and other funding organisations (principally local authorities and NHS continuing care). The increases came from an inflationary increase in fee levels and the increased complexity of our residents. The average occupancy for the year remained at 55 (2017: 55).

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 2018, despite the legacy income being significantly below 2017 at £0.28m (2017: £0.45m) the total voluntary income amounted to £1.00m (2017: £1.85m). The voluntary income levels in 2017 were considerably higher due to the receipt of £673,560 from the LIBOR grants for the capital project of the extension to the Richmond wing.

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 2018 in the coming years.

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 £3.13m (2017: £3.78m) 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 £5.07m (2017: £5.42m) of which £4.32m (2017: £4.70m) represents our investment in capital items i.e the buildings that constitute the Home.

Capital expenditure and other restricted funds £0.43m (2017: £0.44m) and the permanent endowment of £0.15m (2017: £0.16m) 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 2018 the Charity's investments were valued at £3.93m (2017: £4.45m) as set out in Note 9. This amount includes £0.19m (2017: £0.30m) 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 -6.2% over the last 12 months. (2017: 9.4%).

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 2018 was 16.8%.

Cash held on the portfolio to meet expenditure needs was a modest drag on performance during the 3 year period.

In addition 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. Also active managers generally struggled against indices over this particular three year period.

Portfolio performance is ahead of RPI + 2% p.a., another metric against which the portfolio is measured.

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 Share NR, 4% FTSE Europe ex UK TR, 4% FTSE All World North America TR, 2.5% FTSE Japan NR, 2.5% MSCI Far East ex Japan, 3% MSCI EM NR, 15% FTSE Govt All Stocks TR, 5% IPD Monthly Property TR, 5% Rogers Commodity TR, 9% 3mth Libor*

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 £512,000 existed at 31 December 2018 (2017: £578,000 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
- As the cost of delivering 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 9 to 12 months 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 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
- Analysis of the studies undertaken in 2018 to see if the current non-revenue creating infrastructure can be used, following redevelopment, to create an income stream.

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 2019 will include:

- Continuing to implement the green policy, decreasing expenditure and creating an income.
- To review and, if necessary, develop the cost of care measurement tool to ensure fees are set at an appropriate level
- To undertake a review of all major contracts at CfV including catering, cleaning services, utilities and security
- To maximise returns from the 2019 Centenary celebrations

Future Prospects

The Board of Trustees remain supportive 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. The Trustees are confident that NHS pressures will continue to see increasing numbers of NHS-funded continuing care cases offered to the Hospital Home. Once a medical emergency has been stabilised, the transfer to an external, financially-cheaper, care facility such as CfV becomes an NHS priority. However, once these residents have been admitted to CfV and their fees agreed, adding inflationary rises to fees has proved challenging.

Applicants admitted to CfV, whose financial assets are considered too high to access local authority funding will 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 a high level of affordable nursing and rehabilitation services will remain in place for the foreseeable future. The continuing operational deficit will be met by fundraising on a national scale. In addition, contract reviews and the anticipated savings and income generation from the environmental project will 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.

2019 OBJECTIVES

Our main objectives for 2019 are:

- To meet the needs of the residents with high grade accommodation and excellent clinical care
- To implement the 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
- Maximise the returns from the 2019 Centenary celebrations
- Continue to raise the profile of Care for Veterans and increase the fundraising database

How the objectives for 2019 will affect the charity:

- Staffing levels to be benchmarked against best-practice guidelines to maintain the excellent level of care.
- Advice will be sought as to whether the 10 shared rooms can be divided into 20 single rooms with the space to allow active rehabilitation. A cost analysis of these alterations versus income from fees will then be undertaken.
- 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.
- 2018 saw a start to the green project with the laundry refurbishment, insulation and waste disposal. 2019 should see the installation of the Solar PV panels which will generate both savings on what is drawn from the national grid and income from the feed in tariff. The LED lighting should be completed which will save money on both electricity and repairs. Trusts are in the process of being approached to support these initiatives to minimise the amount of capital expenditure for the charity. Once these projects are completed further consideration will be given to Micro Heat and Power Pump systems and replacing windows.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Care for Veterans, formerly 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 Gifford House, 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 Chairman 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 recommends 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 (SMT) 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 up to the date of approval of the financial statements, and the executives are set out below along with the Sub-Committees of Care for Veterans.

The Trustees

Cdre James Fanshawe CBE	①②③	Chairman
Mrs Jill Annis	①②	Deputy Chairman
Cdr David Habershon RN	②	
Dr P Hughes RD QHP MD FRCP		
Captain C Pile RN	②	Resigned 23 May 2018
Mr Alan Price JP	①③	
Col John Saville FIMechE		
Mrs Ruth Taylor	③	
Mr Michael Walker JP FCA	①③	Resigned 11 October 2018
Mr Michael Jones		Appointed 23 May 2018
Mrs Vikki Eaton		Appointed 23 May 2018
Mr David Williams		Appointed 20 February 2019

Sub-committee members

- ① Member of Finance Committee at 31 December 2018
- ② Member of Fundraising and Marketing Committee at 31 December 2018
- 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
1 London Wall Place
London EC2Y 5AU

Registered Charity Number

1072334

Company Number

03646570

Country of incorporation

England and Wales

Statement of Trustees' Responsibilities for the Financial Statements

The Trustees (who are also directors of 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 2018. With their continued support, we look forward to enhancing the delivery of our charitable services.

This report was approved by the Trustees
on 22nd May 2019 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 2018 which comprise the group Statement of Financial Activities, the summary income and expenditure account, the group and parent charitable company Balance Sheets, the group Statement of Cash Flows and the related notes 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 2018 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 accounts 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 applicable legal requirements.

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 charity 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 charity 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Use of our report

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

A handwritten signature in black ink that reads 'Robin Evans'.

Robin Evans BA FCA CTA (Senior Statutory Auditor)
for and on behalf of MHA Carpenter Box

Dated 28th May 2019

Chartered Accountants
Statutory Auditor

Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

Consolidated Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 December 2018

	Note	Unrestricted Funds £	Endowment & Restricted £	2018 Total £	Unrestricted Funds £	Endowment & Restricted £	2017 Total £
INCOME AND ENDOWMENTS FROM							
Donations and legacies	2	603,652	402,572	1,006,223	846,158	1,005,309	1,851,467
Other trading activities	2	525,243	-	525,243	425,943	-	425,943
Investments	2	108,843	-	108,843	85,293	-	85,293
		1,237,737	402,572	1,640,309	1,357,394	1,005,309	2,362,703
Charitable activities	3	2,856,404	-	2,856,404	2,748,911	-	2,748,911
Other income		-	-	-	-	-	-
TOTAL INCOME		4,094,141	402,572	4,496,713	4,106,305	1,005,309	5,111,614
EXPENDITURE ON							
Raising funds	4	302,941	405	303,346	302,138	9,884	312,022
Charitable activities	4	3,989,472	818,064	4,807,536	3,930,122	856,640	4,786,762
TOTAL EXPENDITURE		4,292,413	818,469	5,110,882	4,232,260	866,524	5,098,784
Net income/(expenditure) before investments		(198,272)	(415,897)	(614,169)	(125,955)	138,785	12,830
NET GAINS/(LOSSES) ON INVESTMENTS	9	(344,063)	-	(344,063)	276,451	6,024	282,475
NET INCOME/ (EXPENDITURE)		(542,335)	(415,897)	(958,232)	150,496	144,809	295,305
Transfers between funds							
Actuarial gains/(losses) on defined benefit pension scheme	6	(69,652)	69,652	-	23,054	(23,054)	-
		(45,000)	-	(45,000)	130,000	-	130,000
Net movement in funds		(656,987)	(346,245)	(1,003,232)	303,550	121,755	425,305
Funds balance brought forward		3,780,008	5,423,622	9,203,630	3,476,458	5,301,867	8,778,325
FUNDS BALANCE CARRIED FORWARD		3,123,021	5,077,377	8,200,398	3,780,008	5,423,622	9,203,630

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 2018

	Note	Group		Charity	
		2018 Total £	2017 Total £	2018 Total £	2017 Total £
Fixed assets					
Tangible assets	8	4,754,775	5,136,604	4,918,045	5,299,874
Investments	9	3,934,257	4,451,314	3,934,258	4,451,315
TOTAL FIXED ASSETS		8,689,032	9,587,918	8,852,303	9,751,189
Current assets					
Stocks	10	10,181	9,636	10,181	9,636
Debtors	11	468,168	585,309	474,186	607,034
Cash at bank and in hand		123,205	111,252	114,787	87,234
Creditors - amounts falling due within one year	12a	601,554 (468,587)	706,197 (396,637)	599,154 (466,187)	703,904 (394,344)
NET CURRENT ASSETS		132,967	309,560	132,967	309,560
Creditors - amounts falling after more than one year	12b	(109,601)	(115,848)	(109,601)	(115,848)
Net assets before pension scheme liability		8,712,398	9,781,630	8,875,669	9,944,901
Defined benefit pension scheme liability		(512,000)	(578,000)	(512,000)	(578,000)
NET ASSETS AFTER PENSION LIABILITY		8,200,398	9,203,630	8,363,669	9,366,901
		£	£	£	£
Capital funds					
Endowment fund	14	147,296	157,340	147,296	157,340
Revenue funds					
Restricted	14	4,920,037	5,266,282	5,083,307	5,429,552
Unrestricted:					
Pension reserve fund	6	(512,000)	(578,000)	(512,000)	(578,000)
General fund (including revaluation reserve £636,373 [2017: £1,017,196] for Group and Charity)	13	3,645,065	4,358,008	3,645,066	4,358,009
Total unrestricted		3,133,065	3,780,008	3,133,066	3,780,009
TOTAL CHARITY FUNDS		8,200,398	9,203,630	8,363,669	9,366,901

Approved by the Board of Trustees on 22nd May 2019

and signed on its behalf by


Cdre James Fanshawe CBE


Mr Alan Jones JP

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 2018

	Note	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash provided by (used in) operating activities	a	(104,718)	737,449	(89,118)	716,347
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income and interest receivable		108,843	85,293	108,843	85,293
Purchase of tangible fixed assets		(49,314)	(601,089)	(49,314)	(601,089)
Purchase of investments		(24,956)	(511,756)	(24,956)	(511,756)
Sale of investments		89,171	272,029	89,171	272,029
Net cash provided by (used in) investing activities		123,744	(755,523)	123,744	(755,523)
Cashflows from financing activities					
Payment of finance lease obligations		(7,073)	-	(7,073)	-
Change in cash and cash equivalents in the reporting period		11,953	(18,074)	27,553	(39,176)
Change in cash and cash equivalents at the beginning of the reporting period		111,252	129,326	87,234	126,410
Change in cash and cash equivalents at the end of the reporting period		123,205	111,252	114,787	87,234

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
a. Reconciliation of net movement in funds to net cash flow from operating activities				
Net (outgoing)/incoming resources before gains and losses on investment assets	(614,169)	12,830	(614,169)	12,830
Investment income and interest receivable	(108,843)	(85,293)	(108,843)	(85,293)
Depreciation and loss on disposal	491,767	498,920	491,767	498,920
Decrease/(increase) in cash on deposit	108,779	(129,855)	108,779	(129,855)
(Increase)/decrease in stock	(545)	(361)	(545)	(361)
(Increase)/decrease in debtors	117,141	303,166	132,848	282,136
Increase/(decrease) in creditors	(98,848)	138,042	(98,955)	137,970
Net cash provided by (used in) operating activities	(104,718)	737,449	(89,118)	716,347

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 2018 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.

1.4 Resources expended (cont)

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 (2017: £2,500).

IT equipment £400 or more (2017: £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 £	2018 Total £	2017 Total £
Voluntary income:				
Legacies	286,977	-	286,977	453,799
Donations:				
Individuals	87,901	3,080	90,981	181,038
Charitable foundations, HM Forces and Corporates	228,774	399,492	628,265	1,216,630
Total voluntary income	603,652	402,572	1,006,223	1,851,467
Activities for generating funds:				
Fundraising events	57,567	-	57,567	45,361
Nursing and care (non-primary purpose)	454,441	-	454,441	365,046
Other income	13,235	-	13,235	15,536
Total activities for generating funds	525,243	-	525,243	425,943
Investment income:				
Fixed interest securities	6,456	-	6,456	9,185
Equities (UK)	61,035	-	61,035	48,556
Equities (Overseas)	18,949	-	18,949	11,121
Short term deposits	932	-	932	127
UK unit trusts	21,471	-	21,471	16,304
Total investment income	108,843	-	108,843	85,293

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

3. Analysis of income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Voluntary income:				
Contributions from residents	2,737,499	-	2,737,499	2,609,023
Veterans Agency capitation grant	118,905	-	118,905	139,888
Total incoming resources from charitable activities	2,856,404	-	2,856,404	2,748,911

4. Analysis of Resources Expended

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Resources expended				
Cost of generating voluntary income				
Telephones, rates, utilities and insurances	2,631	-	2,631	2,605
Advertising and publicity	1,020	-	1,020	1,020
Administration salaries and associated costs	17,891	-	17,891	17,642
Fundraising salaries and associated costs	166,152	-	166,152	170,356
Fundraising, advertising and publicity	37,373	405	37,778	50,770
	225,068	405	225,473	242,393

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 £	2018 Total £	2017 Total £
Cost of activities for generating funds				
Coffee bar provisions	3,858	-	3,858	9,294
Fundraising event costs	17,332	-	17,332	13,327
Fundraising salaries and associated costs	25,095	-	25,095	17,426
	46,285	-	46,285	40,047
Investment management fees	31,589	-	31,589	29,582
Total cost of generating funds	302,941	405	303,346	312,022

4. Analysis of Resources Expended (continued)

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Resources Expended				
Cost of charitable activities				
Nursing care	958,760	43,844	1,002,604	980,096
Nursing care - agency staff	6,342	-	6,342	590
Health care assistants	1,227,180	59,005	1,286,185	1,244,025
Health care assistants - agency staff	46,967	-	46,967	47,541
Physiotherapy	15,736	86,396	102,132	114,296
Alternative therapy	57	17,843	17,900	24,700
Occupational Therapy and Social and Recreation	36,332	61,683	98,015	105,291
Speech Therapy	35,618	-	35,618	37,032
Kitchen	138,867	-	138,867	136,477
Kitchen - agency staff	2,949	-	2,949	4,024
Housekeeping	297,409	-	297,409	304,064
Drivers	29,189	-	29,189	29,634
Chaplain	-	9,143	9,143	8,972
Administration	339,934	-	339,934	335,205
Maintenance	52,634	-	52,634	52,098
Gardener	-	-	-	1,205
	3,187,975	277,914	3,465,888	3,425,250
Closed pension scheme costs:				
Charges	-	-	-	-
Pension Protection Fund Levy	937	-	937	1,060
	3,188,912	277,914	3,466,825	3,426,310
Total payroll costs				
Medical officer and locum fees	19,748	-	19,748	20,112
Provisions	115,243	-	115,243	134,750
Surgery, dispensary and therapy	56,547	5,175	61,722	57,304
Other finance costs	13,000	-	13,000	20,000
Audit fees	13,575	-	13,575	13,332
Depreciation	-	491,767	491,767	474,029
(Profit)/Loss on disposal of fixed assets	(500)	-	(500)	24,891
Vehicle running and travel costs	6,711	2,823	9,534	19,038
Hospital repairs and renewals	53,665	6,493	60,158	81,010
Domestic and kitchen repairs	19,910	-	19,910	21,551
Sundries	6,385	3,170	9,555	7,184
Property maintenance	65,089	30,472	95,561	39,277
Gardening	2,719	250	2,969	4,043
Repairs and renewals of equipment	3,700	-	3,700	5,999
Laundry and cleaning	69,815	-	69,815	74,176
Utilities	129,800	-	129,800	125,110
Insurance	58,901	-	58,901	62,630
Computer costs	28,283	-	28,283	24,788
Bank charges	3,062	-	3,062	2,695
Other fees and subscriptions	111,210	-	111,210	118,312
Printing, stationery and publications	15,375	-	15,375	18,957
Postage and telephones	8,323	-	8,323	11,264
	800,560	540,150	1,340,710	1,360,452
Total non-payroll costs				
	3,989,472	818,064	4,807,536	4,786,762

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

	Staff costs	Depreciation	Other	2018 Total	2017 Total
	£	£	£	£	£
Provision of residential care					
Provision of services and support costs	3,466,825	491,767	848,943	4,807,536	4,786,762
Other expenditure					
Fundraising, publicity and other	190,850	-	112,496	303,346	312,022
Total resources expended	3,657,675	491,767	961,439	5,110,882	5,098,784

5. Trustees and employees

	2018 Total	2017 Total
	£	£
Staff costs during the year were as follows:		
Wages and salaries	3,321,189	3,309,273
Social security costs	260,628	265,091
Pension costs:		
Defined benefit scheme *	-	-
Defined contribution scheme	-	-
Work place pension scheme	75,858	60,697
	3,657,675	3,635,061

* 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:

	2018 Total	2017 Total
Nurses and health care assistants	88	88
Raising Funds	6	6
Other	44	44
	138	138

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 2018 (2017: None). During the year there were no donations from Trustees made to CfV (2017: None).

The premium for the trustee's indemnity insurance is now included within the combined liability insurance as in 2017.

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

	2018 Total	2017 Total
£90,001 - £100,000	0	1
£100,001 - £110,000	1	0

During the year pension contributions of £4,280 (2017: £4,196) were paid on behalf of these employees' as members of the Work Place scheme operated by the charity.

During the year a total of 6 staff were recognised as key management personnel the total paid to these individuals amounted to £409,645 (2017: £348,867). Included within this amount was £13,624 (2017: £11,338) 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 2018 and was prepared by a qualified actuary. Based on the actuarial valuation, the market value of the pension fund assets at 31 December 2018 was £3,814,000 (2017: £4,018,000).

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:

	2018 %	2017 %
Discount rate	2.80	2.50
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_2017 future improvement factors and a long-term rate of future improvement of 1.25% p.a (2017: same table but CMI_2016). 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 89 years)

Employee Benefit obligations

The amounts recognised in the balance sheet as at 31 December 2018 (with comparative figures as at 31 December 2017) are as follows:

	2018 £	2017 £
Market value of plan assets	3,814,000	4,018,000
Present value of plan liabilities	(4,326,000)	(4,596,000)
Deficit in the Scheme	(512,000)	(578,000)

The amounts to be recognised in the consolidated statement of financial activities for the year ending 31 December 2018 (with comparative figures for the years ending 31 December 2017) are as follows:

	2018 £	2017 £
Current service cost	-	-
Administrative expenses	-	-
Interest on net defined benefit (asset)/liability	13,000	20,000
(Gain)/loss on plan charges	-	-
Curtailment (gain)/loss	-	-
Total other finance costs/(income)	13,000	20,000

6. Retirement Benefits

Changes in the present value of the plan liabilities for the year ended 31 December 2018 (with comparative figures for the year ending 31 December 2017) are as follows:

	2018 £	2017 £
Present value of plan liabilities at beginning of period	4,596,000	4,900,000
Current service cost	-	-
Employee contributions	-	-
Interest on plan liabilities	113,000	126,000
Past service cost	-	-
Curtailement (gain)/loss	-	-
Actuarial (gains)/losses	(262,000)	13,000
Benefits paid	(121,000)	(443,000)
Present value of plan liabilities at end of period	4,326,000	4,596,000

Changes in the fair value of the plan assets for the year ending 31 December 2018 (with comparative figures for the year ending 31 December 2017) are as follows:

	2018 £	2017 £
Market value of plan assets at beginning of period	4,018,000	4,088,000
Interest on plan assets	100,000	106,000
Return on assets, less interest included in Profit & Loss	(307,000)	143,000
Benefits paid	(121,000)	(443,000)
Administrative expenses	-	-
Contributions paid by the company	124,000	124,000
Employee contributions	-	-
Market value of Scheme assets at end of period	3,814,000	4,018,000
Actual return on plan assets	(207,000)	249,000

The major categories of plan assets as a percentage of total plan assets for the year ending 31 December 2018 (with comparative figures for the year ending 31 December 2017) are as follows:

	2018	2017
Equities and Property	61%	62%
Bonds & Gilts	29%	28%
Cash	10%	10%
	100%	100%

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 2018 (with comparative figures for the year ending 31 December 2017) are as follows:

	2018 £	2017 £
Return on assets, less interest included in Profit & Loss	(307,000)	143,000
Expected less actual plan expenses	-	-
Experience gains and losses arising on the plan liabilities	(2,000)	52,000
Changes in assumptions underlying the present value of plan liabilities	264,000	(65,000)
Remeasurement of net defined benefit liability recognised in OCI	(45,000)	130,000

6. Retirement Benefits

Movement in surplus/(deficit) during the year ending 31 December 2018 (with comparative figures for the year ending 31 December 2017) are as follows:

	2018 £	2017 £
Deficit in Scheme at beginning of year	(578,000)	(812,000)
Recognised in Statement of Financial Activities	(13,000)	(20,000)
Contributions by Company	124,000	124,000
Charges Paid	-	-
Actuarial gain/(loss) recognised in OCI	(45,000)	130,000
Deficit in Scheme at end of year	(512,000)	(578,000)

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 (formerly 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 2018	8,886,040	1,236,337	250,516	10,372,893
Additions	(320)	110,258	-	109,938
Disposals	-	-	(3,878)	(3,878)
At 31 December 2018	8,885,720	1,346,595	246,638	10,478,953
Depreciation				
At 1 January 2018	4,188,939	809,501	237,849	5,236,289
Provided in period	373,446	105,654	12,667	491,767
On disposals	-	-	(3,878)	(3,878)
At 31 December 2018	4,562,385	915,155	246,638	5,724,178
Net book value at 31 December 2018	4,323,335	431,440	-	4,754,775
Net book value at 31 December 2017	4,697,101	426,836	12,667	5,136,604
<hr/>				
CHARITY	Freehold property	Plant and equipment	Vehicles	Total
	£	£	£	£
Cost				
At 1 January 2018	9,049,310	1,236,337	250,516	10,536,163
Additions	(320)	110,258	-	109,938
Disposals	-	-	(3,878)	(3,878)
At 31 December 2018	9,048,990	1,346,595	246,638	10,642,223
Depreciation				
At 1 January 2018	4,188,939	809,501	237,849	5,236,289
Provided in period	373,446	105,654	12,667	491,767
On disposals	-	-	(3,878)	(3,878)
At 31 December 2018	4,562,385	915,155	246,638	5,724,178
Net book value at 31 December 2018	4,486,605	431,440	-	4,918,045
Net book value at 31 December 2017	4,860,371	426,836	12,667	5,299,874

9. Fixed asset investments**Quoted investments**

	2018 Total £	2017 Total £
Market value at 1 January 2018	4,150,348	3,628,146
Additions	24,956	511,756
Disposals	(89,171)	(272,029)
Net realised/unrealised gains	(344,063)	282,475
Market value at 31 December 2018	3,742,070	4,150,348
Short term deposits	192,187	300,966

Investments (Group)

(Historical cost £3,297,884 [2017: £3,434,116])

Investments in group undertakings at 1 January 2018 and at 31 December 2018

Investments (Charity)

(Historical cost £3,297,885 [2017: £3,434,117])

Analysed as:

	2018 Total £	2017 Total £
Fixed interest securities - unit trusts	308,204	305,252
Equities - UK	1,704,853	1,938,662
Property funds - UK	445,805	438,527
Property funds - Overseas	-	-
Equities - Overseas	763,030	916,922
Commodities	50,511	58,435
Alternatives - other	326,417	345,536
Hedge funds	143,250	147,014
	3,742,070	4,150,348

The Charity wholly owns the following subsidiary:

	Country of Incorporation	Class of share capital held	Principal activity
Care for Veterans Services Limited (formerly QAHH Services Limited)	England	Ordinary - 100% of ownership	Provision of nursing care and other trading activities

10. Stocks

	2018		2017	
	Group £	Charity £	Group £	Charity £
Consumable stores	10,181	10,181	9,636	9,636
Total consumable stores	10,181	10,181	9,636	9,636

11. Debtors

	2018		2017	
	Group £	Charity £	Group £	Charity £
Resident contributions receivable	114,260	92,440	146,410	125,434
Group debtors	-	-	-	-
Capitation fees receivable	7,169	7,169	23,082	23,082
Legacies receivable	298,299	298,299	370,167	370,167
Income tax recoverable	11,201	11,201	8,359	8,359
Prepayments and other debtors	37,239	37,239	37,291	37,291
Gift aid donations from trading subsidiary	-	19,748	-	12,935
Amounts due from group undertakings	-	8,090	-	29,766
Total debtors	468,168	474,186	585,309	607,034

12a. Creditors: amounts falling due within one year

	2018		2017	
	Group £	Charity £	Group £	Charity £
Trade creditors	75,581	75,581	77,665	77,665
Staff remuneration	38,419	38,419	42,191	42,191
Pension	14,778	14,778	11,905	11,905
Social security and other taxes	61,275	61,275	61,530	61,530
Amounts owed to group undertakings	-	-	-	-
Hire purchase creditor	12,125	12,125		
Other creditors and accruals	266,409	264,009	203,346	201,053
Total creditors (falling due within one year)	468,587	466,187	396,637	394,344

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

	2018		2017	
	Group £	Charity £	Group £	Charity £
Hire purchase creditor	41,426	41,426		
Other creditors and accruals	68,175	68,175	115,848	115,848
Total creditors (falling due after more than one year)	109,601	109,601	115,848	115,848

13. General fund

	2018		2017	
	Group £	Charity £	Group £	Charity £
Revenue fund				
At 1 January 2018	4,358,008	4,358,009	4,288,457	4,288,458
Retained surplus/(deficit) for the year	(643,291)	(643,291)	46,497	46,497
Transfers from/(to) restricted funds	(69,652)	(69,652)	23,054	23,054
At 31 December 2018	3,645,065	3,645,066	4,358,008	4,358,009

14. Restricted and endowment funds

GROUP	Endowment Funds	Capital Funds	Other Restricted Funds	Total
	£	£	£	£
Revenue fund				
At 1 January 2018	157,340	5,115,604	150,678	5,423,622
Incoming resources	-	-	402,572	402,572
Expenditure	-	(491,767)	(326,702)	(818,469)
Gains/(losses) on investments	(10,044)	-	-	(10,044)
Transfer between funds	-	40,286	(40,286)	-
Transfers from/(to) revenue fund	-	69,652	-	69,652
At 31 December 2018	147,296	4,733,775	186,262	5,067,333

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 `Other restricted funds` represents the smaller funds with restrictions placed on them.

The endowment funds are represented as follows;

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

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

CHARITY	Endowment Funds	Capital Funds	Other Restricted Funds	Total
	£	£	£	£
Revenue fund				
At 1 January 2018	157,340	5,278,874	150,678	5,586,892
Incoming resources	-	-	402,572	402,572
Expenditure	-	(491,767)	(326,702)	(818,469)
Gains/(losses) on investments	(10,044)	-	-	(10,044)
Transfer between funds	-	40,286	(40,286)	-
Transfers from/(to) revenue fund	-	69,652	-	69,652
At 31 December 2018	147,296	4,897,045	186,262	5,230,603

15. Analysis of movements in restricted funds

	Balance at 1 January 2018	Income	Expenditure	Transfers	Funds 31 December 2018
	£	£	£	£	£
Chapel equipment and costs	1,467	1,380	(1,265)	-	1,582
CFV choir costs	-	1,430	(1,385)	-	45
Garden design and costs	-	2,950	(250)	-	2,700
Mixed rehabilitation related costs	68,042	195,088	(163,893)	-	99,237
Neuro-psychologist costs	5,505	800	(6,305)	-	-
Rehabilitation IT equipment	-	24,636	(24,636)	-	-
Richmond Wing extension	46,176	-	-	(39,955)	6,221
Building repairs and replacement	-	-	(35,532)	39,955	4,423
Hospital equipment - general	27,344	9,780	(15,670)	-	21,454
End of life care - Nursing and care	-	113,640	(113,640)	-	-
Residents costs	-	250	-	-	250
Ward hospitality	-	650	(500)	-	150
Green project - Solar	-	50,000	-	-	50,000
Television for resident	-	959	(959)	-	-
	150,678	402,572	(366,988)	-	186,262

Analysis of movements in restricted funds - previous year

	Balance at 1 January 2017	Income	Expenditure	Transfers	Funds 31 December 2017
	£	£	£	£	£
Speech Therapist Costs	15,000	3,225	(18,225)	-	-
Gardening costs	500	-	(500)	-	-
Chapel equipment and costs	1,082	3,500	(3,115)	-	1,467
Mixed rehabilitation related costs	96,085	132,828	(160,871)	-	68,042
Dietician costs	1,722	-	(1,722)	-	-
Wheelchair clinic costs	6,333	-	(6,333)	-	-
Communication aids	1,000	-	(1,000)	-	-
Neuro-psychologist costs	1,300	25,794	(21,589)	-	5,505
Social and recreation costs	8,250	22,615	(28,721)	-	2,144
End of life care - Nursing and care	-	111,613	(111,613)	-	-
Richmond Wing extension	-	673,560	(627,384)	-	46,176
Core fundraising	-	9,884	(9,884)	-	-
Residents xmas presents	-	650	(650)	-	-
	137,116	1,005,309	(991,747)	-	150,678

Name of restricted fund

Description of fund

Chapel equipment and costs	To purchase equipment needed in the chapel.
CFV choir	Small donations towards running costs for the CFV choir.
Garden design and costs	Fund towards ongoing gardening requirements
Mixed rehabilitation related costs	To maintain occupational therapy, physiotherapy and speech therapy.
Neuro-psychologist costs	To support the cost of a neuro-psychologist.
Rehabilitation IT equipment	Updating and advancing the IT equipment to aid in rehabilitation.
Richmond Wing extension	To finance the building of the Richmond Wing extension.
Building repairs and replacement	To purchase new windows and doors for the kitchen and day room.
Social and recreation costs	To purchase items for social and recreation and to fund trips for residents
Hospital equipment - general	To purchase the necessary equipment required for the use with residents.
End-of-life care - Nursing and care	To provide the much need services for residents needing end-of-life care.
Residents costs	To purchase small items for residents needs.
Ward hospitality	To purchase small items for the Wings to show appreciation
Green project - Solar	To purchase solar panels for CFV as part of the CFV environmental project.
Television for resident	To purchase a TV for a resident

16. Analysis of net assets between funds

GROUP	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due >1year	Total
	£	£	£	£	£
Endowment fund					
Capital fund (including unrealised (losses)/ gains of (£10,044) (2017: Gains £6,024))	21,000	126,298	-	-	147,298
	21,000	126,298	-	-	147,298
Restricted fund					
Capital fund	4,733,775	-	-	-	4,733,775
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	186,262	(68,175)	118,087
	4,733,775	-	186,262	(68,175)	4,851,862
Unrestricted fund					
Revenue fund (including unrealised (losses)/ gains of (£371,621) (2017: Gains £201,532))	-	3,807,959	(53,295)	-	3,754,664
Pension fund liability	-	-	-	(512,000)	(512,000)
	-	3,807,959	(53,295)	(512,000)	3,242,664
	4,754,775	3,934,257	132,967	(580,175)	8,241,824

CHARITY	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due >1year	Total
	£	£	£	£	£
Endowment fund					
Capital fund (including unrealised (losses)/ gains of (£10,044) (2017: Gains £6,024))	21,000	126,298	-	-	147,298
	21,000	126,298	-	-	147,298
Restricted fund					
Capital fund	4,897,045	-	-	-	4,897,045
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	186,262	(68,175)	118,087
	4,897,045	-	186,262	(68,175)	5,015,132
Unrestricted fund					
Revenue fund (including unrealised (losses)/ gains of (£371,621) (2017: Gains £201,532))	-	3,807,960	(53,295)	-	3,754,665
Pension fund liability	-	-	-	(512,000)	(512,000)
	-	3,807,960	(53,295)	(512,000)	3,242,665
	4,918,045	3,934,258	132,967	(580,175)	8,405,095

17. Capital commitments

There were no capital commitments at 31 December 2018 (2017: None). No other commitments had been made at 31 December 2018 (2017: None). See note 21

18. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 or the SORP (2017: NIL)

19. 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 whose principle office and place of business are the same as that of the charity.

The trading activities of the subsidiary Care for Veterans Services Limited for the year ended 31 December 2018 were as follows:

	Care for Veterans Services Limited 2018 £	Care for Veterans Services Limited 2017 £
Turnover	454,440	365,046
Cost of sales	431,921	349,347
	22,519	15,699
Other operating income and charges	2,772	2,763
Profit/(loss) on ordinary activities before taxation	19,747	12,936
Appropriation to holding company (Gift aid)	(19,747)	(12,936)
(Loss)/profit for the financial year	(19,747)	(12,936)
Net current assets	1	1
Net assets	1	1
Share capital	1	1
Retained profit	-	-
Net assets	1	1

20. 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 (£594,034) (2017: surplus £72,050) which is dealt with in the financial statements of the charity.

21. Grants/ Donations receivable

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

Funder	Project	Amount
The Aged Veterans Fund funded by the Chancellor using LIBOR funds	3 years costs for speech & language therapy (2018-20)	£153,546
ABF Soldiers Charity	Mixed rehabilitation	£67,959
Ian Karten charitable trust	Occupational therapy equipment	£24,636
Ernest Kleinwort charitable trust	Mixed rehabilitation	£30,000
Royal Air Force Benevolent Fund	Core costs	£19,000
RN & RM Charity	Core costs	£45,000

22. Analysis of governance

	Basis of apportionment	2018 £	2017 £
Salaries, wages and related costs	Time apportionment	21,838	22,550
Insurance	Governance	-	-
Audit fees - charity	Governance	11,175	10,932
Audit fees - subsidiary company	Governance	2,400	2,400
Total governance		35,413	35,882

Notes

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