

ANNUAL REPORT & ACCOUNTS  
For the year ended 31 December

2019



# Care for Veterans

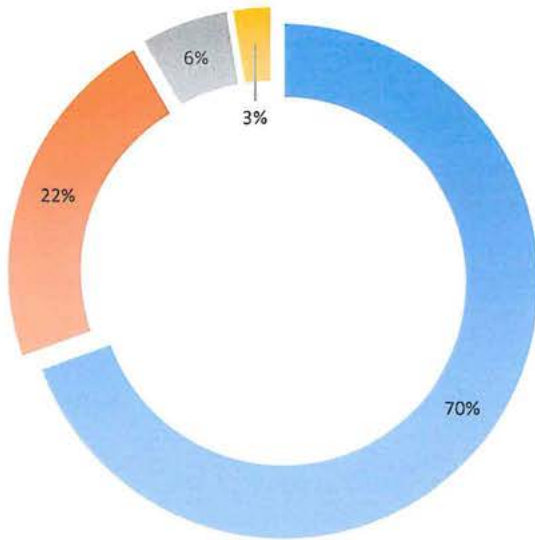
The Queen Alexandra Hospital Home since 1919

Registered Charity No. 1072334



## How the funds have helped

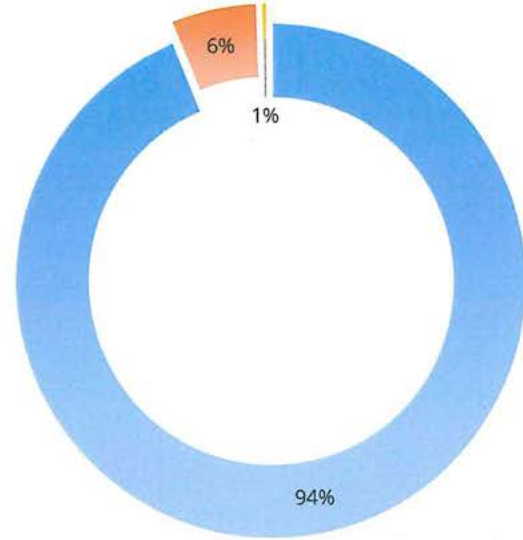
How the money came in



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

Total income £4.64m

How the money went out



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

Total expenditure £5.29m

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## Report of the trustees for the year ending 31 December 2019

The trustees present their annual report and audited financial statements of the charity for the year ended 31 December 2019. 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 pleased to provide a foreword to this report for 2019 for Care for Veterans (CFV), which has been a very special Centenary Year. There have been a series of memorable events at Gifford House and especially at Goodwood, where CfV was the chosen charity for the Revival, and at Arundel Castle. This has been a successful year 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.

CFV offers first class levels of care to the residents and we continue to seek imaginative methods to improve this service. We have now achieved 'Platinum' status from the Gold Standards Framework and were finalists in 'Care Home of the Year' 2019. 2019 was a year of change for the nursing staff. With retirements of long-serving staff and competition from local hospitals, CfV was left significantly short staffed for nursing. This forced CfV to restrict admissions of new residents for a period of time as CfV would not put its residents at risk with nursing shortages. Recruitment of nursing staff improved and admissions returned to more normal levels by the end of the year. Great efforts are now underway to return resident numbers to previous levels. There is a 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. As I reported last year we are now pleased to be able to support the families of Veterans.

2020 started like any other year but, as we all know, this was to change in March when this report should have been submitted to the AGM, which is now scheduled for September 2020. There have been many changes in the first months of 2020 which will be fully reported in the report for 2020. But this report will highlight some of the impact which Covid-19 has had on Care for Veterans. I am very proud to report that the staff have worked extremely hard in very changed circumstances and that there has not been a single case of Covid at Gifford House.

As you will appreciate, 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 provided the perfect focus for this. 2020 has inevitably reduced the events we have been able to hold, but fundraising has continued, largely on-line and details of events can be found on the CFV website at <https://www.careforveterans.org.uk/>. 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 are working closely with the management team to examine innovative new ways to reduce our costs and 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. We are now reaping the benefits of the new LED lighting and solar panels. We continue to identify new options with the clear aim of ensuring the long-term viability and sustainability of CFV.

The success of CFV depends on a very strong team working together to produce the very best results. It is individuals who matter most, and I would like to stress how much emphasis the trustees and senior management team place on our people. Never has this been more true than during the pandemic. Although it is not always easy to match expectations, certain benefits were introduced in 2019 aimed at not only recruiting new members of staff but also, and arguably more importantly, ensuring that we provide the right atmosphere to retain staff. 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 is a genuine 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. Of course, we have had to restrict our visitors since the pandemic started and I am extremely grateful to our resident's families for their understanding and patience as we manage the risks in the home. This has not been easy and I appreciate the additional pressures this has brought on family members.

2020 has not turned out how anyone expected but I am very reassured that we have continued to offer the care and service to our residents. The Trustees and I are particularly proud with what has been achieved by all those who work at, and support, the home. We have proved that we can offer a first-class service to our residents in these most testing times.

**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:**

Our aims objectives and activities are reviewed annually. This review looks at our achievements and the results of our work in the previous 12 months, considering the success of the activities and the benefits they have brought to those groups of people. The review also ensures that our aims, objectives and activities remain focused on our stated purpose.

We have referred to the guidelines 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) considers applications from service veterans, 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:**

Providing modern facilities and equipment

Providing full nursing and medical care

Encouraging social interaction with like-minded former members of HM Forces

Providing facilities and support to assist in personal matters

Liaising with resident's former Service Units and Regiments – if desired by the resident.

Providing 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 continually upgrade facilities as required

To develop an environmentally responsible site

To promote a green strategy to decrease utilities and demonstrate an environmental responsibility.

To continue to promote increasing awareness of CFV

To maintain high bed occupancy to maximise income

To increase financial input through increased fundraising resources investigating scoping and developing new services

To continually review contracts to ensure they are fit for purpose and cost effective



## 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:** An external review of both therapy and nursing indicated that CfV staffing levels are sufficient in the therapy services whilst they are into best practice levels for nursing. 2019 saw a significant change in some of the key senior management positions. This led to a period of turbulence but the successful recruitment of new managers toward the end of 2019.

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

**OUTCOME:** The number of beds remains at 60. Average occupancy for 2019 - 88% (2018: 92%), with an overall service provided to 110 individuals (79 permanent residents and 31 respite residents). A shortage of clinical staff in the summer resulted in a suspension of new admissions to ensure CfV could provide safe and effective care. Following the successful recruiting campaign campaign, this embargo was lifted and numbers are increasing.

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

**OUTCOME:** The deficit for 2019 represented in this instance as the Net income/(expenditure) before investments increased to (£650,635) (2018: (£614,169)). The cost of care for residents continued 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 can attract below inflation fee increases. Work continues to reduce the pension scheme deficit, however in 2019 the deficit has increased slightly to (£537,000) from (£512,000) in 2018 due mainly to bond performances.

**AIM:** Continuing to implement the green policy, decreasing expenditure and creating an income.

**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:** During 2019 CfV has installed a 100.04Kw solar PV system on the roof which was commissioned in April 2019. Additionally, the whole site has been converted to LED lighting. These two measures have seen considerable savings in the charity's electricity bills with reductions of 40-50% in the peak summer months. Due to the high number of late applications CfV is still awaiting the feed in tariff from the solar panels but these will be backdated to the date the system was commissioned. This venture benefitted hugely from the efforts of the fundraising team who managed to raise all of the capital costs for both projects ensuring that the savings have an immediate impact of the budget.

**AIM:** To review and, if necessary, develop the cost of care measurement tool to ensure fees are set at an appropriate level

**OUTCOME:** The delay in the publication of the green paper on social care has resulted in a reluctance of commissioners and continuing health care to review the funding streams for residents. Fees have risen in-line with the Consumer Price Index, but this has been negated by the increase in staffing and running costs.

**AIM:** To undertake a review of all major contracts at CfV including catering, cleaning services, utilities and security

**OUTCOME:** There has been much greater control on contractual costs over the year, but the time required to tender for, negotiate, monitor and ensure value for money is challenging. As part of the restructure of Support Services, a Business Manager post has been created who will be responsible for managing the charity's contracts and ensuring due diligence is in place across all CfV contracts.

**AIM:** To maximise returns from the 2019 Centenary celebrations

**OUTCOME:** The fundraising team have had a highly successful year. 2019 saw successful events with a charity auction in Pulborough, a golf day at Ham Manor golf course, we were the chosen charity for the Goodwood Revival and the year concluded with an evening of poetry, music and pros in the Baron's Hall at Arundel Castle where local celebrities supported the charity by taking the attendees through major events of each of the decades for the past 100 years. There were also numerous smaller events all of which raised funds for the delivery of care at CfV.



## OPERATIONAL OVERVIEW OF 2019

2019 has proved a challenging year for occupancy. The delay in the publication of the green paper on social care has resulted in high levels of uncertainty in the target population who may be choosing to remain in their own residence rather than commit to a certain path. This was then compounded by the significant pay increase for carers in the National Health Service which impacted CfV and many other similar facilities. A significant number of carers, many of whom had worked at CfV for many years, left to pursue a career in the NHS. The charity, like many other facilities both locally and nationally could not compete with either the salary or the terms and conditions. The consequence was staffing levels fell to a level where, in order to ensure safety, CfV closed to new admissions whilst considering 'mothballing' of one of the wings. Fortunately, following a determined recruiting campaign staffing levels improved and CfV re-opened to new residents. However, the impact is that for 2019 average room occupancy fell to 88%.

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 that whilst demand for both permanent and respite beds remains high, the fees cannot meet the cost of care placing pressure on the fundraising team to meet the delta between true cost of care and income. There has been a closure of several similar facilities locally due to similar pressures and it is hoped that this will quickly see CfV's occupancy climb back to normal levels.

The green project has proven to be a great success. In April, a 100Kw CV Solar Panel system was installed on different roof spaces across the entire site. This saw, during the peak summer months electricity bills reduced by 40-50% when compared to 2018, far in excess of the 20% predicted by the installer. In addition, we have saved over 20,000 Kgs of carbon dioxide entering the atmosphere, the equivalent of planting 104 trees. The fundraising team worked hard and managed to secure the entire capital cost of this project meaning the savings can be diverted straight into care. In addition to this, almost the entire site was converted to LED lighting, again with capital costs being raised by the fundraising team. This not only reduces costs, reduces our carbon footprint but also provides a far greater consistency of light across all areas which can prove highly beneficial to those suffering from neurological issues. Internally, we have seen plastic bottles and cups removed from site, replacement non-plastic straws and biodegradable aprons are being trialled.

In October, and following the high staff turnover, a nursing review to ensure CfV had safe staffing levels was undertaken by an external consultant. There were some recommendations made about technology which are now being implemented, but the findings on staffing levels were very favourable with staffing levels considered at best practice levels. At a similar time, an external review of therapy services was conducted, again, by an external consultant. This again recommended some slight restructuring and collaborative working but again found levels to be good.

Toward the end of 2019, the kitchen was restructured to provide greater flexibility in the staff. A catering manager replaced the head chef and will take responsibility for the dining experience. From ordering victuals to serving the food this role will offer a much greater resident facing service with a greater variety in the menus and a reduction in food waste. The staff move from a four days on / four off to a rostered system or early and late shifts maximising staff at lunch which continues to be the busiest of the three meals.

CfV also saw great strides taken in technological advances in 2019. A facial recognition system replaced the antiquated signing in sheets which also provided compliance with GDPR. A Human Resources system, which links to the facial recognition system was introduced allowing employees to request their leave from an app. In the later part of the year a trial has commenced replacing the medical records system mobile with a tablet allowing carers to complete medical records and findings whilst with the resident rather than reporting back to the senior nurse. If successful, this will be introduced across all clinical areas. Finally, much of the mandated annual training became electronic using the NHS e-learning system. This covers much of the training requirement and requires staff to undertake an e-assessment in each area to ensure understanding of the subject material.

The Fundraising and Marketing Department worked extremely hard to maximise the impact of the centenary year. There were four major events over the year; an auction in May, the golf day in August, the Goodwood Revival in September and the Arundel Castle event in November. In addition to these there were numerous smaller events. Legacies dropped in 2019 to £266,602 against the amount of £286,977 in 2018.



## REVIEW OF ACTIVITIES 2019

The population in the UK is aging. A recent study by Office of National Statistics revealed that the number of persons aged 85+ will increase by 36% between 2015-2025 reach 2m by 2025, 3.2m by 2041 and 5.1 by 2066. However, the amount spent on adult social care has decreased every year since 2010/11, if you do not include transfers from the NHS. As a result of these lower fees, the care home market remains unstable and to some degree in decline. In 2019, 600 new homes opened, but in the same year 900 homes closed. By comparison, in 2009, 7000 new homes were opened. In England, nearly half (46 per cent) of care home residents are part or fully funded by their local authority. The market is weighted toward the block commissioning power of councils who often pay below the market rate of what it costs to provide a bed in a home resulting in a delta between the fees received and the actual cost of care. Approximately 50% of residents at Care for Veterans self-funders which offers some protection, but the market remains challenging.

In the early part of 2019 demand for beds remained in-line with our average. However, following the NHS pay rise for care which resulted in several carers, some of whom had accrued many years of service at CfV, leaving to seek employment at Worthing hospital, the decision was taken to suspend new admissions until new staff had been recruited. This has now been achieved and the staff continue to work hard to increase the number of residents.

External reviews of both nursing and therapy services were undertaken in the later part of 2019 by external assessors. Both of these external consultants commented on the good staff patient ratios in nursing and the very presence of therapies in a residential nursing home.

The cost of care continues to reflect the extremely high standard of clinical care that CfV provides. In addition to good nurse/staff ratios CfV benefits from on-site physiotherapy, occupational therapy, speech and language therapy, chiropody and neuropsychology. Additionally, there is an extensive social and recreational area providing functional rehabilitation for the residents. This excellent level of care was recognised with CfV being awarded platinum status, the highest possible level, by the Gold Standards Framework for our end-of-life care. In addition, CfV were finalists in the Care Home of the Year 2019 in recognition of this exceptional level of service.

CfV continues to provide clinical placements for student nurses from both the Ministry of Defence, Portsmouth and Brighton Universities. Additionally, 2019 saw physiotherapy students from the University of Brighton at CfV for the first time. The presence of students ensures staff remain current in their areas and provide residents variety during the long-term rehabilitation.

The green project has made a significant financial impact. Following the solar PV and LED light installation, the comparison between the electricity bill for May, June and July showed a profound effect. Based on last years bills and incorporating the percentage increase by the utility company our bill should have been circa £15,466 for the three months. The actual cost was £8,663 a saving of £6,803 in the three months, in addition to the CO2 savings.

### 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 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 2019 had zero complaints via the FPS.

The Fundraising & Marketing team manage all 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 currently do not employ professional fundraising individuals, companies or organisations, nor do we have plans to in the future. We do not undertake telephone fundraising, nor do we undertake unsolicited direct mail or house-to-house fundraising.

2019, being our centenary year did include some significant events. There was a public auction in Bellman's auctioneers in Pulborough where the company kindly waived their commission, a highly successful golf day at Ham Manor, we were the selected charity for the Goodwood Revival and finally held an evening of poetry, pros and music in Baron's Hall within the beautiful Arundel Castle. These combined events raised in excess of £90k for the charity.



We have set and maintain high standards about how we communicate with current and potential donors. In 2019 we received zero complaints from those who support us. We continue to develop the relationships we have with our supporters, donors and always thanked in the appropriate manner. We are open and honest with our supporters and donors and are transparent in how volunteers and give them control over the relationship with them, whilst protecting vulnerable people and ensuring supporters are 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 £4.97m during 2019. This represents an increase of 3.4% (from £4.81m in 2018). Savings have been made where possible, but the cost of caring continues to rise.

The total fee income for care amounted to £3.23m this represents a reduction from 2018: £3.31m as a result of the reduced occupancy levels during the year. The funding came in the form of funding directly from the residents and other funding organisations (principally local authorities and NHS continuing care).

The total voluntary income amounted to £1.17m (2018: £1.01m). Legacy income remains a very unpredictable source of income and we continue to work hard to increase the awareness of CfV throughout all generations, to help provide the long-term support of the charity. Focus continues on increasing the supporter base and with strength of committed fundraising staff we hope to continue with the success of 2019 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 18).

### **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 8 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 below the required levels of the CfV policy. All services, both income and expenditure are being reviewed to bring this back in line. In addition CfV has been notified of a significant legacy in 2020 which will provide funds to replenish the reserve levels to meet the policy requirements.

### **Unrestricted Fund**

The total unrestricted reserves fund of £2.90m (2018: £3.13m) 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 £4.87m (2018: £5.07m) of which £3.94m (2018: £4.32m) represents our investment in capital items i.e the buildings that constitute the Home.

Capital expenditure and other restricted funds £0.45m (2018: £0.43m) and the permanent endowment of £0.16m (2018: £0.15m) account for the remainder.

**Quoted Investments and Performance**

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

At the end of 2019 CfV began to transfer from the existing diversified portfolio to the SUTL Cazenove Charity Multi-Asset Fund following a review of the investment managers. This process was completed in early 2020.

The SUTL Cazenove Charity Multi-Asset Fund aims to provide combined income capital growth in excess of the Consumer Price Index +4% per annum (net of fees) over rolling ten year periods by investing in equity related securities, fixed and floating rate securities and alternative assets worldwide.

At 31 December 2019 the Charity's investments were valued at £3.53m (2018: £3.93m) as set out in Note 9. This amount includes £0.05m (2018: £0.19m) held in short term deposits.

The investments produced a total return of 12.0% over the last 12 months. (2018: -6.2%).

**Investment Policy**

The policy aims to `maximise total return` and 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. The investment managers were reviewed at the end of 2019 with a resulting change in the portfolio structure. The investments were transferred to the Cazenove Multi-Asset Fund which aims to provide income and capital growth in line with the Consumer Price Index +4%. The performance is reviewed quarterly by the finance committee.

**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 £537,000 existed at 31 December 2019 (2018: £512,000 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

Setting resident's fees remains a challenge. CFV seeks to achieve a balance between affordability, at a level which is consistent with the highest levels of care and suitable accommodation 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 such as self-funded, commissioners, continuing health care, social services and service charities.

### Remuneration for Senior Staff

The Remuneration Committee oversee and approve the salaries of the senior management 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

Number	Risk	Mitigation
1	There is a recurrence of the migration of staff toward the NHS for the improved salary	<ul style="list-style-type: none"> <li>* Recognise that no care facility can compete with the NHS terms and conditions</li> <li>* Benchmark against other comparable care facilities providing the same or similar services</li> <li>* Improve terms and conditions in time of working practices including flexible working</li> <li>* Reward long service with additional paid leave</li> </ul>
2	Uncertainty around future social care with focus on care in the community, a new local rival care home and the reluctance of residents to share double rooms.	<ul style="list-style-type: none"> <li>* Consider resident type and market demand for types of care</li> <li>* Rolling programme of dividing the ten double rooms to make all singles to ensure commissioner funding</li> <li>* Business Manager appointment to seek new opportunities.</li> </ul>
3	Poor CQC rating	<ul style="list-style-type: none"> <li>* Review all policies and procedures</li> <li>* Ensure currency in supervision and training</li> <li>* Resident involvement in decision making</li> <li>* Decrease staff turnover</li> <li>* Registered Manager appointed into post with a sole focus on assurance</li> <li>* Engagement with same/similar facilities to share learning</li> </ul>
4	Infrastructure modernisation	<ul style="list-style-type: none"> <li>* Develop a rolling replacement programme for infrastructure and equipment</li> <li>* Monitor the cost of equipment repair and consider spend-to-save replacements</li> <li>* Business Manager to work with Head of Finance on equipment register</li> <li>* Fundraising to target appropriate funding sources for support</li> <li>* Long-term strategy for older buildings on site</li> </ul>
5	Fall in investments	<ul style="list-style-type: none"> <li>* Finance committee scrutinise performance of portfolio</li> <li>* Portfolio put into a Charity Multi-Asset Fund for greater scrutiny from all investors</li> <li>* Decrease cash drawdowns to avoid fees and decreasing portfolio value.</li> </ul>
6	COVID-19 recurrence	<ul style="list-style-type: none"> <li>* Existing action plans that can be reimplemented</li> <li>* Good stock of Personal Protective Equipment (PPE) maintained</li> <li>* Site monitoring of Public Health England and other bodies</li> </ul>

## 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 and those veterans in the wider community.

The major initiatives for 2020 will include:

- \* Replacing two aging lifts to Alexandra Wing as a spend-to-save measure and avoid call-out charges
- \* Develop a new dependency measurement tool and match it to a new funding structure
- \* To continually review of all major contracts at CfV including catering, cleaning services, utilities and security
- \* Investigate the potential for day services to improve income generation
- \* Engaging in and investing in staff to encourage retention

### 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.



## 2020 OBJECTIVES

### Our main objectives for 2020 are:

- \* Provide the residents with high grade accommodation and excellent clinical care
- \* Continue to improve end-of-life care for residents to maintain platinum status
- \* Continue with the environmental strategy to reduce utility costs and demonstrate environmental responsibility
- \* To continue reducing 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
- \* Roll-out of day services in therapy and social and recreational area
- \* Raise the profile of Care for Veterans and increase the fundraising database

### How the objectives for 2020 will affect the charity:

- \* Staffing levels to be benchmarked against best-practice guidelines to maintain the excellent level of care.
- \* A rolling programme of dividing the 10 shared rooms can be divided into 20 single rooms with the space to allow active rehabilitation.
- \* Deliver out-patient therapy to the community to raise income.
- \* Providing high-level clinical services is increasingly expensive. CFV's trustees will continue to strive to reduce costs without reducing the quality of care.
- \* The success of the end-of-life care could see a shift into residents not requiring rehabilitation in the same way former residents did.

## IMPLICATIONS OF COVID-19

Covid-19 (C-19) has had a significant impact on all aspects of 'normal' life and going forward there is speculation that 'normal' will never be the same as it was pre-pandemic. As the severity of the pandemic became apparent, Care for Veterans locked down early and aggressively to try to remain virus-free, given the vulnerability of all its residents.

In the early days of the pandemic there were high levels of anxiety and fear among both the residents and carers. Many carers, especially those with 'at risk' family members sought to be furloughed but for those who were essential to deliver the clinical and support services outputs, this was not an option. Those staff members with shielding recommendations from their GPs were furloughed during the pandemic. This did lead to staffing shortages in certain areas which was addressed by the redeployment of the therapy assistants to fill the gaps.

In the initial few weeks there was a paucity of accurate information and guidance, with the focus of central government on the National Health Service (NHS). The senior management team developed a bespoke C-19 Business Continuity Plan detailing the measures to keep the charity safe. Those personnel that were able worked from home and a duty manager was introduced offering a seven day a week service. There were daily virtual management meetings chaired by the duty manager and CEO to respond to guidelines and internal issues. Frequently asked questions were published daily around the site to ensure the passage of information. Resident updates were sent out by the Registered Manager and the CEO issued resident family updates as situations changed.

Whilst CfV remained open to new admissions, we introduced a strict triaging and isolation policy. However, the management team made the decision not to participate in the West Sussex County Council's central contract which funded four beds, whether occupied or not, seven days a week. It came with caveats that would have resulted in CfV losing control of any admissions and their timings, and for that reason the decision was taken not to engage in this option. Given that care homes in Worthing had twice the national average of C-19 cases, this decision may have been one of the most important the management team took.

All residents' excursions were cancelled, and residents were advised against visits into the local community. All visits to residents were cancelled and CfV's volunteers were cancelled irrespective of their roles. All routine maintenance visits were postponed, and only essential contractors were given access to the site. Therapy assistants were redeployed onto the respective wings as ward assistants to minimise the requirement for agency staff. In addition, all agency staff that were used completed a declaration and were issued CfV uniform which was then laundered at 60 degrees after every shift. The Public Health England (PHE) guidelines on 'How to Work Safely in Care Homes' were used to determine working processes and to determine Personal Protective Equipment (PPE) levels.

The charity invested in a ready-use supply of PPE before the first reported case of C-19 in the United Kingdom on the advice of the Infection Control Specialist. This gave some early security which was beneficial as supplies promised by the County Council were diverted to the NHS. PPE was the most significant challenge in the first few weeks, both with availability and price increase of 3-400% in a 24-hour period. As the PHE guidelines became more stringent the purchase of re-supply became more and more challenging and started to place a financial burden on the charity.

The largest proportion of CfV's income comes from residents' fees. These fees are provided by private funders, healthcare commissioners and social services. Each bed is worth between £50-64k per annum according to the dependency of the resident. CfV has 40 single-bed rooms and 10 double rooms. Prior to the pandemic it was challenging to achieve full occupancy with 60% of all enquiries rejecting shared accommodation. During the pandemic it became virtually impossible with social services and commissioners refusing to fund residents in double rooms and private funders failing to show any interest in availability.

The second largest proportion of income is from fundraising. This has been affected by the pandemic with numerous events and collections cancelled or postponed. Several of the fundraising team were furloughed as opportunities for community events and fundraising disappeared. Marketing and trust fundraisers continued to be employed but even these areas struggled as many charities with demonstrable reserves were sifted out by trusts. Fundraising is adapting to the new normal and are seeking more virtual fundraising opportunities but face severe competition from many other charities and organisations like the NHS.

The final source of income is our portfolio which has reduced in value due to the impact of the partial collapse in the stock market during the pandemic. The transfer of our portfolio into a 'shared scheme' in 2019/20 has helped reduce the impact, but a percentage of the portfolio has been lost. The portfolio is expected to recover as the investments are held for the longer term.

These three income streams, balanced against the cost of delivering the care required, produce the annual turnover. At a recent extraordinary board meeting it was made a priority to make all efforts to return to the pre-pandemic levels. CfV, as a stand-alone charity, is not alone in struggling with the repercussions of C-19. This is compounded by the uncertainty of when the pandemic will end or whether there will be a second spike. The charity continues to look at options to diversify and adapt to ensure its future.



## 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 14. The principal place of business and professional advisers of the charity are given on page 14.

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.

Under the CEO, the departmental managers are - the Registered Manager; the Head of Clinical Services; the Head of Finance; the Head of Fundraising and Marketing.

**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	Role	Sub-Committees	
Cdre James Fanshawe CBE	Chairman	1,3	
Mrs Jill Annis	Deputy Chair	1,2	Resigned November 2019
Mr David Williams	Deputy Chair	1,3	
	Chair Finance		
Mrs Denise Patterson DL		2	Co-opted November 2019 Resigned May 2020
Mrs Ruth Taylor	Chair Clinical Governance	3,4	
Dr P Hughes RD QHP MD FRCP		4	*Resigned May 2020
Mr Alan Price JP		1,3	*Resigned September 2020
Cdr David Habershon RN		2	
Col John Saville FIMechE		2,4	
Mr Michael Jones			
Mrs Vikki Eaton			Resigned May 2019
Mr John McKee			Appointed May 2020
Dr T Fooks			Appointed May 2020

\* Trustees retired following completion of their full tenure at CfV.

**Sub-committees**

- 1 Finance Committee
- 2 Fundraising and Marketing Committee
- 3 Remuneration Committee
- 4 Clinical Governance 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

**Legal and administrative information****Auditors and Financial Advisors**

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

**Bankers**

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

**Investment Managers**

Schroder & Co Limited  
Schroders Charities  
1 London Wall Place  
London EC2Y 5AU

**Pension Trustees**

Independent Trustee Services Limited  
4th floor Cannon Place  
78 Cannon Street  
London  
EC4N 6HL

**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

**Pension Administrators**

Cartwright  
Mill Pool House  
Mill Lane  
Godalming  
Surrey GU7 1EY

**Company Number**

03646570

**Registered Charity Number**

1072334

**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 2019. With their continued support, we look forward to enhancing the delivery of our charitable services.

This report was approved by the Trustees  
on 15<sup>th</sup> Sept 2020 and signed on their behalf by:



Ian Shawne 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 2019 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 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the 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 charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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.

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

Dated 21 September 2020

Chartered Accountants

Amelia House  
Crescent Road  
Worthing  
West Sussex  
BN11 1QR

MHA Carpenter Box is a trading name of Carpenter Box Limited

# Consolidated Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 December 2019

	Note	Unrestricted Funds £	Endowment & Restricted £	2019 Total £	Unrestricted Funds £	Endowment & Restricted £	2018 Total £
<b>INCOME AND ENDOWMENTS FROM</b>							
Donations and legacies	2	457,679	701,848	1,159,527	603,652	402,572	1,006,224
Other trading activities	2	681,791	-	681,791	525,242	-	525,242
Investments	2	113,469	-	113,469	108,843	-	108,843
		1,252,939	701,848	1,954,787	1,237,737	402,572	1,640,309
Charitable activities	3	2,694,182	-	2,694,182	2,856,404	-	2,856,404
Other income		-	-	-	-	-	-
<b>TOTAL INCOME</b>		<b>3,947,121</b>	<b>701,848</b>	<b>4,648,969</b>	<b>4,094,141</b>	<b>402,572</b>	<b>4,496,713</b>
<b>EXPENDITURE ON</b>							
Raising funds	4	322,196	2,500	324,696	302,941	405	303,346
Charitable activities	4	4,051,405	923,503	4,974,908	3,989,472	818,064	4,807,536
<b>TOTAL EXPENDITURE</b>		<b>4,373,601</b>	<b>926,003</b>	<b>5,299,604</b>	<b>4,292,413</b>	<b>818,469</b>	<b>5,110,882</b>
Net income/(expenditure) before investments		(426,480)	(224,155)	(650,635)	(198,272)	(415,897)	(614,169)
<b>NET GAINS/(LOSSES) ON INVESTMENTS</b>	9	346,451	9,610	356,061	(334,019)	(10,044)	(344,063)
<b>NET INCOME/ (EXPENDITURE)</b>		<b>(80,029)</b>	<b>(214,545)</b>	<b>(294,574)</b>	<b>(532,291)</b>	<b>(425,941)</b>	<b>(958,232)</b>
<b>Transfers between funds</b>		(16,727)	16,727	-	(69,652)	69,652	-
Actuarial gains/(losses) on defined benefit pension scheme	6	(136,000)	-	(136,000)	(45,000)	-	(45,000)
<b>Net movement in funds</b>		<b>(232,756)</b>	<b>(197,818)</b>	<b>(430,574)</b>	<b>(646,943)</b>	<b>(356,289)</b>	<b>(1,003,232)</b>
Funds balance brought forward		3,133,065	5,067,333	8,200,398	3,780,008	5,423,622	9,203,630
<b>FUNDS BALANCE CARRIED FORWARD</b>		<b>2,900,309</b>	<b>4,869,515</b>	<b>7,769,824</b>	<b>3,133,065</b>	<b>5,067,333</b>	<b>8,200,398</b>

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



## Consolidated and Charity Balance Sheets

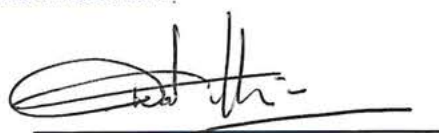
As at 31 December 2019

	Note	Group		Charity	
		2019 Total £	2018 Total £	2019 Total £	2018 Total £
<b>Fixed assets</b>					
Tangible assets	8	4,393,520	4,754,775	4,556,790	4,918,045
Investments	9	3,534,374	3,934,257	3,534,375	3,934,258
<b>TOTAL FIXED ASSETS</b>		<b>7,927,894</b>	<b>8,689,032</b>	<b>8,091,165</b>	<b>8,852,303</b>
<b>Current assets</b>					
Stocks	10	11,100	10,181	11,100	10,181
Debtors	11	382,764	468,168	406,682	474,186
Cash at bank and in hand		379,366	123,205	352,928	114,787
		773,230	601,554	770,710	599,154
Creditors - amounts falling due within one year	12a	(364,999)	(468,587)	(362,479)	(466,187)
<b>NET CURRENT ASSETS</b>		<b>408,231</b>	<b>132,967</b>	<b>408,231</b>	<b>132,967</b>
Creditors - amounts falling after more than one year	12b	(29,301)	(109,601)	(29,301)	(109,601)
<b>Net assets before pension scheme liability</b>		<b>8,306,824</b>	<b>8,712,398</b>	<b>8,470,095</b>	<b>8,875,669</b>
Defined benefit pension scheme liability		(537,000)	(512,000)	(537,000)	(512,000)
<b>NET ASSETS AFTER PENSION LIABILITY</b>		<b>7,769,824</b>	<b>8,200,398</b>	<b>7,933,095</b>	<b>8,363,669</b>
<b>Capital funds</b>					
Endowment fund	14	156,906	147,296	156,906	147,296
<b>Revenue funds</b>					
Restricted	14	4,712,609	4,920,037	4,875,879	5,083,307
Unrestricted:					
Pension reserve fund	6	(537,000)	(512,000)	(537,000)	(512,000)
General fund	13	3,437,309	3,645,065	3,437,310	3,645,066
(including revaluation reserve £362,292 [2018: £636,373] for Group and Charity)					
Total unrestricted		2,900,309	3,133,065	2,900,310	3,133,066
<b>TOTAL CHARITY FUNDS</b>		<b>7,769,824</b>	<b>8,200,398</b>	<b>7,933,095</b>	<b>8,363,669</b>

Approved by the Board of Trustees on 15<sup>th</sup> Sept 2020 and signed on its behalf by:



Care James Fanshawe CBE



Mr David Williams

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 2019

	Note	Group		Charity	
		2019 £	2018 £	2019 £	2018 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Net cash provided by (used in) operating activities	a	(336,178)	(104,718)	(354,199)	(89,118)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income and interest receivable		113,469	108,843	113,469	108,843
Purchase of tangible fixed assets		(124,954)	(49,314)	(124,954)	(49,314)
Purchase of investments		(2,550,533)	(24,956)	(2,550,533)	(24,956)
Sale of investments		3,166,482	89,171	3,166,482	89,171
Net cash provided by (used in) investing activities		604,464	123,744	604,464	123,744
<b>Cashflows from financing activities</b>					
Payment of finance lease obligations		(12,125)	(7,073)	(12,125)	(7,073)
<b>Cash and cash equivalents in the reporting period</b>		256,162	11,953	238,140	27,553
<b>Cash and cash equivalents at the beginning of the reporting period</b>		123,205	111,252	114,787	87,234
<b>Cash and cash equivalents at the end of the reporting period</b>		379,367	123,205	352,927	114,787
<b>a. Reconciliation of net movement in funds to net cash flow from operating activities</b>					
Net (outgoing)/incoming resources before gains and losses on investment assets		(650,635)	(614,169)	(650,635)	(614,169)
Investment income and interest receivable		(113,469)	(108,843)	(113,469)	(108,843)
Depreciation and loss on disposal		486,209	491,767	486,209	491,767
Decrease/(increase) in cash on deposit		139,995	108,779	139,995	108,779
(Increase)/decrease in stock		(919)	(545)	(919)	(545)
(Increase)/decrease in debtors		85,404	117,141	67,504	132,848
Increase/(decrease) in creditors		(282,763)	(98,848)	(282,883)	(98,955)
Net cash provided by (used in) operating activities		(336,178)	(104,718)	(354,199)	(89,118)

See note 23 for net fund analysis note



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

### 1. Accounting policies

#### 1.1 Basis of preparation

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

The 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 19) drawn up to 31 December 2019 in full. Surpluses or deficits on intra group transactions have been eliminated. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

#### 1.3 Incoming resources

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

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

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

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

#### 1.4 Resources expended

Resources expended are all associated with the sole activity of the provision of residential care. The charitable company's objective is the provision of residential care and this is achieved principally through its staff.

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

These elements underlie the categorisation of expenditure as follows:

**Charitable expenditure** comprises resources with the specific purpose of fulfilling the objects of the charity,

#### 1.4 Resources expended (cont)

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 (2018: £2,500).

**IT equipment** £400 or more (2018: £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.



**1.8 Retirement benefits (cont)****Defined benefit pension scheme**

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 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**

The financial statements have been prepared on a going concern basis. The trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the company's operations, as detailed on page 12, within the Trustees' Report.

A Covid-19 Business Continuity Plan was produced, along with a risk assessment, to guide the home through the pandemic successfully. The increased cost of PPE was countered by the issuing of two grants from West Sussex, from a Central Government grant, each totalling almost £30k to cover the increases in PPE, cleaning materials and the other required changes to ensure compliance with Public Health England's guidelines 'How to work Safely in Care Homes'. Care for Veterans also employed the furlough scheme for those receiving letters from their GPs advising them to shield for 10 weeks. In addition, some members of the fundraising team with a responsibility for events and community collecting were also furloughed as events were either cancelled or postponed.

In response to the COVID-19 pandemic, the trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the trustees have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.



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

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Voluntary income:</b>						
Donations	191,077	701,848	892,925	316,674	402,572	719,246
Legacies	266,602	-	266,602	286,977	-	286,977
	<b>457,679</b>	<b>701,848</b>	<b>1,159,527</b>	<b>603,651</b>	<b>402,572</b>	<b>1,006,223</b>
<b>Activities for generating funds:</b>						
Fundraising events	134,166	-	134,166	57,567	-	57,567
Nursing and care (non-primary purpose)	539,814	-	539,814	454,441	-	454,441
Other income	7,811	-	7,811	13,235	-	13,235
	<b>681,791</b>	<b>-</b>	<b>681,791</b>	<b>525,243</b>	<b>-</b>	<b>525,243</b>
<b>Investment income:</b>	<b>113,469</b>	<b>-</b>	<b>113,469</b>	<b>108,843</b>	<b>-</b>	<b>108,843</b>

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 £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Fee Income</b>						
Contributions from residents	2,621,965	-	2,621,965	2,737,499	-	2,737,499
Veterans Agency capitation grant	72,217	-	72,217	118,905	-	118,905
	<b>2,694,182</b>	<b>-</b>	<b>2,694,182</b>	<b>2,856,404</b>	<b>-</b>	<b>2,856,404</b>
<b>TOTAL INCOME</b>	<b>3,947,121</b>	<b>701,848</b>	<b>4,648,969</b>	<b>4,094,141</b>	<b>402,572</b>	<b>4,496,713</b>

## 4. Analysis of Resources Expended

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Resources expended</b>						
Cost of generating voluntary income	227,630	-	227,630	225,068	405	225,473
Cost of activities for generating funds	66,647	2,500	69,147	46,285	-	46,285
Investment management fees	27,919	-	27,919	31,589	-	31,589
<b>Total cost of generating funds</b>	<b>322,196</b>	<b>2,500</b>	<b>324,696</b>	<b>302,942</b>	<b>405</b>	<b>303,347</b>

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

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Cost of charitable activities</b>						
Payroll costs	3,174,136	318,862	3,492,998	3,188,912	277,914	3,466,826
Non-payroll costs	877,269	604,641	1,481,910	800,560	540,150	1,340,710
<b>Total cost of charitable activities</b>	<b>4,051,405</b>	<b>923,503</b>	<b>4,974,908</b>	<b>3,989,472</b>	<b>818,064</b>	<b>4,807,536</b>
<b>TOTAL EXPENDITURE</b>	<b>4,373,601</b>	<b>926,003</b>	<b>5,299,604</b>	<b>4,292,414</b>	<b>818,469</b>	<b>5,110,883</b>

## Analysis of total resources expended

	Staff costs £	Depreciation £	Other £	2019 Total £	2018 Total £
<b>Provision of residential care</b>					
Provision of services and support costs	3,492,998	486,209	995,701	4,974,908	4,807,536
<b>Other expenditure</b>					
Fundraising, publicity and other	212,560	-	112,136	324,696	303,347
<b>Total resources expended</b>	<b>3,705,558</b>	<b>486,209</b>	<b>1,107,837</b>	<b>5,299,604</b>	<b>5,110,883</b>

Analysis of total resources expended for 2018 include provision of residential care staff costs amounting to £3,466,825, depreciation of £491,767 and other costs of £848,943. Other expenditure included staff costs of £190,850 and other costs of £112,496.



**5. Trustees and employees**

Staff costs during the year were as follows:

	2019 Total £	2018 Total £
Wages and salaries	3,351,594	3,321,189
Social security costs	255,994	260,628
Pension costs:		
Defined benefit scheme *	-	-
Defined contribution scheme	-	-
Work place pension scheme	97,970	75,858
	<b>3,705,558</b>	<b>3,657,675</b>

\* See cost detail at note 6.

Staff costs above include agency staff.

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

	2019 Total	2018 Total
Nurses and health care assistants	81	88
Raising Funds	6	6
Other	45	44
	<b>132</b>	<b>138</b>

No payments were made to Trustees of Care for Veterans for remuneration of their services or any reimbursement of expenses for the year ended 31 December 2019 (2018: 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 2018.

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

	2019 Total	2018 Total
£60,001 - £70,000	1	0
£70,001 - £80,000	1	1
£80,001 - £90,000	0	1

During the year pension contributions of £6,932 (2018: £8,074) were paid on behalf of these employees' as members of the Work Place scheme operated by the charity.

During the year a total of 8 staff were recognised as key management personnel the total paid to these individuals amounted to £390,337 (2018: £409,645). Included within this amount was £14,597 (2018: £13,624) 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.

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 2019 and was prepared by a qualified actuary. Based on the actuarial valuation, the market value of the pension fund assets at 31 December 2019 was £4,223,000 (2018: £3,814,000).

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:

	2019 %	2018 %
Discount rate	2.00	2.80
RPI assumption	3.10	3.30
CPI assumption	2.10	2.30
LPI assumption	3.00	3.20

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage CMI\_2018 future improvement factors and a long-term rate of future improvement of 1.25% p.a (2018: S1PA, 1.25% improvement and CMI\_2017). 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 2019 (with comparative figures as at 31 December 2018) are as follows:

	2019 £	2018 £
Market value of plan assets	4,223,000	3,814,000
Present value of plan liabilities	(4,760,000)	(4,326,000)
<b>Deficit in the Scheme</b>	<b>(537,000)</b>	<b>(512,000)</b>

The amounts to be recognised in the consolidated statement of financial activities for the year ending 31 December 2019 (with comparative figures for the years ending 31 December 2018) are as follows:

	2019 £	2018 £
Current service cost	-	-
Administrative expenses	-	-
Interest on net defined benefit (asset)/liability	13,000	13,000
(Gain)/loss on plan charges	-	-
Curtailed (gain)/loss	-	-
<b>Total other finance costs/(income)</b>	<b>13,000</b>	<b>13,000</b>



**6. Retirement Benefits**

Changes in the present value of the plan liabilities for the year ended 31 December 2019 (with comparative figures for the year ending 31 December 2018) are as follows:

	2019	2018
	£	£
Present value of plan liabilities at beginning of period	4,326,000	4,596,000
Current service cost	-	-
Employee contributions	-	-
Interest on plan liabilities	120,000	113,000
Past service cost	-	-
Curtailement (gain)/loss	-	-
Actuarial (gains)/losses	422,000	(262,000)
Benefits paid	(108,000)	(121,000)
<b>Present value of plan liabilities at end of period</b>	<b>4,760,000</b>	<b>4,326,000</b>

Changes in the fair value of the plan assets for the year ending 31 December 2019 (with comparative figures for the year ending 31 December 2018) are as follows:

	2019	2018
	£	£
Market value of plan assets at beginning of period	3,814,000	4,018,000
Interest on plan assets	107,000	100,000
Return on assets, less interest included in Profit & Loss	286,000	(307,000)
Benefits paid	(108,000)	(121,000)
Administrative expenses	-	-
Contributions paid by the company	124,000	124,000
Employee contributions	-	-
<b>Market value of Scheme assets at end of period</b>	<b>4,223,000</b>	<b>3,814,000</b>
<b>Actual return on plan assets</b>	<b>393,000</b>	<b>(207,000)</b>

The major categories of plan assets as a percentage of total plan assets for the year ending 31 December 2019 (with comparative figures for the year ending 31 December 2018) are as follows:

	2019	2018
Equities and Property	60%	61%
Bonds & Gilts	30%	29%
Cash	10%	10%
	<b>100%</b>	<b>100%</b>

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 31 December 2019 (with comparative figures for the year ending 31 December 2018) are as follows:

	2019	2018
	£	£
Return on assets, less interest included in Profit & Loss	286,000	(307,000)
Expected less actual plan expenses	-	-
Experience gains and losses arising on the plan liabilities	(46,000)	(2,000)
Changes in assumptions underlying the present value of plan liabilities	(376,000)	264,000
<b>Remeasurement of net defined benefit liability recognised in OCI</b>	<b>(136,000)</b>	<b>(45,000)</b>

**6. Retirement Benefits**

Movement in surplus/(deficit) during the year ending 31 December 2019 (with comparative figures for the year ending 31 December 2018) are as follows:

	2019	2018
	£	£
Deficit in Scheme at beginning of year	(512,000)	(578,000)
Recognised in Statement of Financial Activities	(13,000)	(13,000)
Contributions by Company	124,000	124,000
Charges Paid	-	-
Actuarial gain/(loss) recognised in OCI	(136,000)	(45,000)
<b>Deficit in Scheme at end of year</b>	<b>(537,000)</b>	<b>(512,000)</b>

The agreed contributions to be paid by the Company for the forthcoming year (year ending 31 December 2020) is £124,000 (2019: £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). 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. The security was not in place during 2019.

A charge remains in place for the Pension Scheme Trustees. This charge provides security for the pension Trustee and can be taken into account when setting the investment strategy and, to a degree, the pace of funding for the deficit. The value of security is capped at £3,500,000.



**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 2019	8,885,720	1,346,595	246,638	10,478,953
Additions	-	124,954	-	124,954
Disposals	-	-	-	-
At 31 December 2019	8,885,720	1,471,549	246,638	10,603,907
Depreciation				
At 1 January 2019	4,562,385	915,155	246,638	5,724,178
Provided in period	379,821	106,388	-	486,209
On disposals	-	-	-	-
At 31 December 2019	4,942,206	1,021,543	246,638	6,210,387
<b>Net book value at 31 December 2019</b>	<b>3,943,514</b>	<b>450,006</b>	<b>-</b>	<b>4,393,520</b>
Net book value at 31 December 2018	4,323,335	431,440	-	4,754,775

CHARITY	Freehold property	Plant and equipment	Vehicles	Total
	£	£	£	£
Cost				
At 1 January 2019	9,048,990	1,346,595	246,638	10,642,223
Additions	-	124,954	-	124,954
Disposals	-	-	-	-
At 31 December 2019	9,048,990	1,471,549	246,638	10,767,177
Depreciation				
At 1 January 2019	4,562,385	915,155	246,638	5,724,178
Provided in period	379,821	106,388	-	486,209
On disposals	-	-	-	-
At 31 December 2019	4,942,206	1,021,543	246,638	6,210,387
<b>Net book value at 31 December 2019</b>	<b>4,106,784</b>	<b>450,006</b>	<b>-</b>	<b>4,556,790</b>
Net book value at 31 December 2018	4,486,605	431,440	-	4,918,045

**9. Fixed asset investments**

	2019 Total £	2018 Total £
<b>Quoted investments</b>		
Market value at 1 January 2019	3,742,070	4,150,348
Additions	2,550,533	24,956
Disposals	(3,166,482)	(89,171)
Net realised/unrealised gains	356,061	(344,063)
Market value at 31 December 2019	3,482,182	3,742,070
Short term deposits	52,192	192,187
	<b>3,534,374</b>	<b>3,934,257</b>
<b>Investments (Group)</b> (Historical cost £3,172,083 [2018: £3,297,884])	1	1
Investments in group undertakings at 1 January 2019 and at 31 December 2019		
	<b>3,534,375</b>	<b>3,934,258</b>
<b>Investments (Charity)</b> (Historical cost £3,172,083 [2018: £3,297,885])		

	2019 Total £	2018 Total £
<b>Analysed as:</b>		
Fixed interest securities - unit trusts	145,885	308,204
Equities - UK	829,272	1,704,853
Property funds - UK	238,883	445,805
Property funds - Overseas	-	-
Equities - Overseas	342,022	763,030
Commodities	-	50,511
Alternatives - other	1,846,796	326,417
Hedge funds	79,324	143,250
	<b>3,482,182</b>	<b>3,742,070</b>

**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**

	2019		2018	
	Group £	Charity £	Group £	Charity £
Consumable stores	11,100	11,100	10,181	10,181
<b>Total consumable stores</b>	<b>11,100</b>	<b>11,100</b>	<b>10,181</b>	<b>10,181</b>

**11. Debtors**

	2019		2018	
	Group £	Charity £	Group £	Charity £
Resident contributions receivable	143,235	116,294	114,260	92,440
Group debtors	-	-	-	-
Capitation fees receivable	7,169	7,169	7,169	7,169
Legacies receivable	173,733	173,733	298,299	298,299
Income tax recoverable	9,272	9,272	11,201	11,201
Prepayments and other debtors	49,355	49,355	37,239	37,239
Gift aid donations from trading subsidiary	-	11,550	-	19,748
Amounts due from group undertakings	-	39,310	-	8,090
<b>Total debtors</b>	<b>382,764</b>	<b>406,683</b>	<b>468,168</b>	<b>474,186</b>

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

	2019		2018	
	Group £	Charity £	Group £	Charity £
Trade creditors	48,652	48,652	75,581	75,581
Staff remuneration	42,073	42,073	38,419	38,419
Pension	18,226	18,226	14,778	14,778
Social security and other taxes	52,501	52,501	61,275	61,275
Amounts owed to group undertakings	-	-	-	-
Hire purchase creditor	12,125	12,125	12,125	12,125
Other creditors and accruals	191,422	188,902	266,409	264,009
<b>Total creditors (falling due within one year)</b>	<b>364,999</b>	<b>362,479</b>	<b>468,587</b>	<b>466,187</b>

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

	2019		2018	
	Group £	Charity £	Group £	Charity £
Hire purchase creditor	29,301	29,301	41,426	41,426
Other creditors and accruals	-	-	68,175	68,175
<b>Total creditors (falling due after more than one year)</b>	<b>29,301</b>	<b>29,301</b>	<b>109,601</b>	<b>109,601</b>

**13. General fund**

	2019		2018	
	Group £	Charity £	Group £	Charity £
<b>Revenue funds</b>				
At 1 January 2019	3,645,065	3,645,066	4,358,008	4,358,009
Retained surplus/(deficit) for the year	(191,029)	(191,029)	(643,291)	(643,291)
Transfers from/(to) restricted funds	(16,727)	(16,727)	(69,652)	(69,652)
<b>At 31 December 2019</b>	<b>3,437,309</b>	<b>3,437,310</b>	<b>3,645,065</b>	<b>3,645,066</b>

**14. Restricted and endowment funds**

GROUP	Endowment Funds	Capital Funds	Other Restricted Funds	Total
	£	£	£	£
<b>Revenue funds</b>				
At 1 January 2019	147,296	4,733,775	186,262	5,067,333
Incoming resources	-	-	701,848	701,848
Expenditure	-	(486,209)	(439,794)	(926,003)
Gains/(losses) on investments	9,610	-	-	9,610
Transfer between funds	-	108,227	(108,227)	-
Transfers from/(to) revenue funds	-	16,727	-	16,727
<b>At 31 December 2019</b>	<b>156,906</b>	<b>4,372,520</b>	<b>340,089</b>	<b>4,869,515</b>

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
	£	£	£	£
<b>Revenue fund</b>				
At 1 January 2019	147,296	4,897,045	186,262	5,230,603
Incoming resources	-	-	701,848	701,848
Expenditure	-	(486,209)	(439,794)	(926,003)
Gains/(losses) on investments	9,610	-	-	9,610
Transfer between funds	-	108,227	(108,227)	-
Transfers from/(to) revenue fund	-	16,727	-	16,727
<b>At 31 December 2019</b>	<b>156,906</b>	<b>4,535,790</b>	<b>340,089</b>	<b>5,032,785</b>



## 15. Analysis of movements in restricted funds

	Balance at 1				Funds 31
	January	Income	Expenditure	Transfers	December
	2019				2019
	£	£	£	£	£
Chaplaincy costs	1,582	3,000	(2,765)	-	1,817
CFV choir costs	45	-	-	-	45
Sporting chances for disabled veterans	-	33,250	-	-	33,250
Garden design and costs	2,700	1,909	(2,845)	-	1,764
Mixed rehabilitation related costs	99,237	334,521	(209,775)	-	223,983
Fundraising event	-	2,500	(2,500)	-	-
Green Project - Solar panels & maintenance	50,000	71,059	(106,864)	-	14,195
Lift appeal	-	39,923	-	-	39,923
Richmond Wing extension	6,221	-	-	-	6,221
Building repairs and replacement	4,423	-	(4,423)	-	-
Social and recreation costs	200	-	-	-	200
Hospital equipment - general	21,454	8,137	(13,523)	-	16,068
End of life care - Nursing and care	-	115,848	(115,848)	-	-
Residents costs and entertainment	250	3,108	(885)	-	2,473
Ward hospitality	150	-	-	-	150
LED lighting for Care for Veterans	-	88,593	(88,593)	-	-
	<b>186,262</b>	<b>701,848</b>	<b>(548,021)</b>	-	<b>340,089</b>

## Analysis of movements in restricted funds - previous year

	Balance at 1				Funds 31
	January	Income	Expenditure	Transfers	December
	2018				2018
	£	£	£	£	£
Chaplaincy 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
Social and recreation costs	2,144	1,009	(2,953)	-	200
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 Panels	-	50,000	-	-	50,000
Television for resident	-	959	(959)	-	-
	<b>150,678</b>	<b>402,572</b>	<b>(366,988)</b>	-	<b>186,262</b>

## Name of restricted fund

## Description of fund

Chaplaincy costs	To provide for chapel costs.
CFV choir costs	Small donations towards running costs for the CFV choir.
Sporting chances for disabled veterans	Sprting activities for disabled veterans
Garden design and costs	Fund towards ongoing gardening requirements
Mixed rehabilitation related costs	To maintain occupational therapy, physiotherapy and speech therapy.
Fundraising event	To support fundrasising event
Green Project - Solar panels	To provide and maintain Solar panels
Lift appeal	To replace the two lifts and related costs on Alexandra Wing
Richmond Wing extension	Disputed balance on completion of Richmond Wing extension
Social and recreation costs	To purchase the necessary equipment required for the use with residents.
Hospital equipment - general	To provide the much need services for residents needing end-of-life care.
End of life care - Nursing and care	To purchase small items for residents needs.
Residents costs and entertainment	To purchase small items for the Wings to show appreciation
Ward hospitality	To purchase solar panels for CFV as part of the CFV environmental project.
LED lighting for Care for Veterans	To replace all lighting with LED lights

## 16. Analysis of net assets between funds

GROUP	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due >1year	Total
	£	£	£	£	£
<b>Endowment fund</b>					
Capital fund	21,000	135,906	-	-	156,906
(including unrealised gains of £1,273 (2018: Losses £10,044))					
	<b>21,000</b>	<b>135,906</b>	<b>-</b>	<b>-</b>	<b>156,906</b>
<b>Restricted fund</b>					
Capital fund	4,372,520	-	-	-	4,372,520
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	340,089	(29,301)	310,788
	<b>4,372,520</b>	<b>-</b>	<b>340,089</b>	<b>(29,301)</b>	<b>4,683,308</b>
<b>Unrestricted fund</b>					
Revenue fund	-	3,398,468	68,142	-	3,466,610
(including unrealised (losses) of (£275,314) (2018: Losses £371,621))					
Pension fund liability	-	-	-	(537,000)	(537,000)
	<b>-</b>	<b>3,398,468</b>	<b>68,142</b>	<b>(537,000)</b>	<b>2,929,610</b>
	<b>4,393,520</b>	<b>3,534,374</b>	<b>408,231</b>	<b>(566,301)</b>	<b>7,769,824</b>
<b>CHARITY</b>					
	£	£	£	£	£
<b>Endowment fund</b>					
Capital fund	21,000	135,906	-	-	156,906
(including unrealised gains of (£1,273) (2018: Losses £10,044))					
	<b>21,000</b>	<b>135,906</b>	<b>-</b>	<b>-</b>	<b>156,906</b>
<b>Restricted fund</b>					
Capital fund	4,535,790	-	-	-	4,535,790
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	340,089	(29,301)	310,788
	<b>4,535,790</b>	<b>-</b>	<b>340,089</b>	<b>(29,301)</b>	<b>4,846,578</b>
<b>Unrestricted fund</b>					
Revenue fund	-	3,398,469	68,142	-	3,466,611
(including unrealised (losses)/ gains of (£275,314) (2018: Losses £371,621))					
Pension fund liability	-	-	-	(537,000)	(537,000)
	<b>-</b>	<b>3,398,469</b>	<b>68,142</b>	<b>(537,000)</b>	<b>2,929,611</b>
	<b>4,556,790</b>	<b>3,534,375</b>	<b>408,231</b>	<b>(566,301)</b>	<b>7,933,095</b>



**17. Capital commitments**

There were no capital commitments at 31 December 2019 (2018: None). No other commitments had been made at 31 December 2019 (2018: None).

**18. Related party transactions**

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 or the SORP (2018: 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 2019 were as follows:

	2019 £	2018 £
Turnover	539,813	454,440
Cost of sales	525,397	431,921
	<b>14,416</b>	<b>22,519</b>
Other operating income and charges	2,866	2,772
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>11,550</b>	<b>19,747</b>
Appropriation to holding company (Gift aid)	(11,550)	(19,747)
<b>(Loss)/profit for the financial year</b>	<b>-</b>	<b>-</b>
Net current assets	1	1
<b>Net assets</b>	<b>1</b>	<b>1</b>
Share capital	1	1
Retained profit	-	-
<b>Net assets</b>	<b>1</b>	<b>1</b>

**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 (£32,083) (2018: deficit (£596,314) 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.

<b>Funder</b>	<b>Project</b>	<b>Amount</b>
		<b>£</b>
ABF The Soldiers' Charity	Mixed rehabilitation	69,322
Aldershot Church of England Services Trust	LED Lighting Project	10,000
Armed Forces Covenant Trust	Sporting chances for disabled veterans	33,250
The Chapman Charitable Trust	Further the objectives of the charity	6,000
The Childwick Trust	Physiotherapy rehabilitation	20,000
The Corporation of Trinity House	Further the objectives of the charity	10,000
Ernest Kleinwort Charitable Trust	Mixed rehabilitation	30,000
People's Postcode Lottery	LED Lighting Project	20,000
Royal Navy & Royal Marines Charity	Mixed rehabilitation	50,000
Sussex Masonic Charitable Foundation	LED Lighting Project & Lift appeal	58,593
The Edward Gostling Foundation	LED Lighting Project & Social and Recreation	30,000
The Francis Winham Foundation	Mixed rehabilitation	10,000
Veterans' Foundation	Physiotherapy rehabilitation	26,462

**22. Analysis of governance**

	<b>Basis of apportionment</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Salaries, wages and related costs	Time apportionment	22,437	21,838
Insurance	Governance	-	-
Audit fees - charity	Governance	12,375	11,175
Audit fees - subsidiary company	Governance	2,520	2,400
<b>Total governance</b>		<b>37,332</b>	<b>35,413</b>

**23. Analysis of changes in net funds**

	<b>At 1 January</b>	<b>Cash flows</b>	<b>At 31</b>
	<b>2019</b>		<b>December</b>
	<b>£</b>	<b>£</b>	<b>2019</b>
			<b>£</b>
Cash at bank and in hand	123,205	256,161	379,366
	<b>123,205</b>	<b>256,161</b>	<b>379,366</b>
Obligations under finance leases	(53,551)	12,125	(41,426)
	<b>69,654</b>	<b>268,286</b>	<b>337,940</b>



Notes

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The Queen Alexandra Hospital Home since 1919