

ANNUAL REPORT & ACCOUNTS

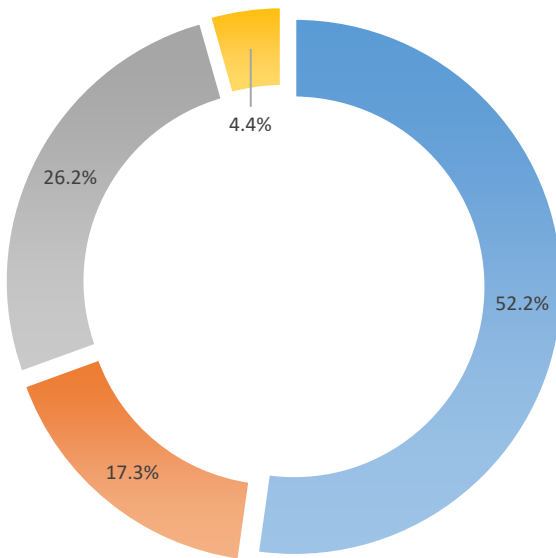
For the year ended 31 December 2020



The Queen Alexandra Hospital Home since 1919

How the funds have helped

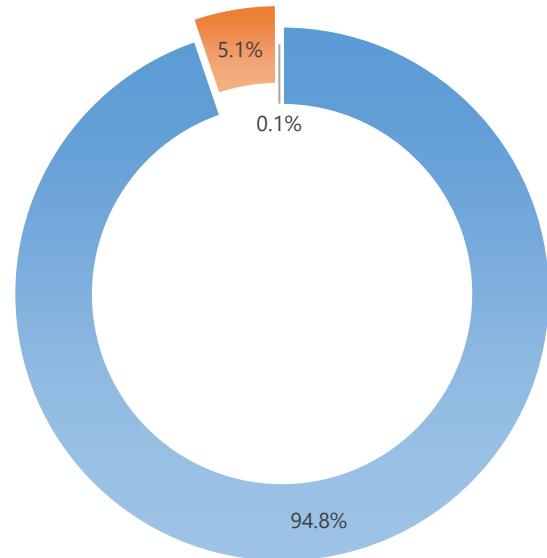
How the money came in



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

Total income £6.01m

How the money went out



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

Total expenditure £5.03m

Contents

Chairman's Report.....	3
Report of the Trustees and Strategic Report.....	4-16
Independent Auditors' Report.....	17-18
Consolidated Statement of Financial Activities.....	19
Balance Sheets.....	20
Consolidated Statement of Cash Flows.....	21
Notes to the Consolidated Accounts.....	22-37



CHAIRMAN'S REPORT

I am pleased to provide a foreword to this report for 2020 for Care for Veterans (CfV), a year like no other. The report for 2019 was delayed until September last year due to the impact of COVID-19. This has affected all of us at CfV, both in our professional and domestic lives and routines. So much has been written on this subject across the world and you will read more from the CEO, Andy Neaves, about the impact on CfV in his annual report and about the financial position. However, it is testament to the extreme measures which were put in place, and rigorously implemented by all those who work on the site in a variety of capacities, that we maintained the highest level of care and service to the residents. This was achieved without a single case of COVID-19 and there were no deaths attributable to the pandemic in 2020.

2020 could have been a devastating year for CfV, but this was not the case. There were so many challenges to overcome, not least by limiting the number of people who could either work at or visit the home. New ways had to be found to maintain business continuity so that the charity could continue to function. For example, new IT systems were procured so that those who had to work from home could do so effectively; this worked extremely well and to everyone's benefit.

However, the clinical and facilities staff did not have that option and continued to work on site throughout and deserve the highest accolade for their supreme efforts. If 2020 proved anything, it certainly reinforced the evidence that people will always rise to the challenges which unforeseen events demand. I cannot speak highly enough of the resilience, which was shown, and the results achieved in 2020 underpin this. Staff illness was very low, and we ended the year in the best financial situation we have seen for some years.

In addition, a number of essential upgrades and work programmes were undertaken, within the restrictions imposed as a result of COVID-19, including the start of a programme to divide the existing double rooms into singles. This work is well on track and should be complete in 2021. This will enable us to return resident numbers close to the maximum capacity of 60.

Finances are always tight but there was a noticeable step change in 2020 to place the accounts into surplus. There were significant legacies, with the promise of more to come in 2021. But excellent work has been set in train by the Head of Fundraising and Marketing, James Bacharew, to switch from traditional fundraising methods raised through events to the full exploitation of digital options, which has already proven to be very successful. This does not mean that financial pressures have disappeared; far from it. But the accounts in this report highlight how a variety of measures to raise income and funds whilst reducing costs are beginning to bear real fruit. The CfV website has been upgraded at <https://www.careforveterans.org.uk/> and there is a section in this report which highlights the various ways in which we raise funds. As always 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. I would like to take this opportunity to encourage individuals who are reviewing their Wills to consider including CfV in them.

With reserve levels maintained, my fellow Trustees and I are continuing to work closely with the management team to examine further 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 to ensure the long-term viability and sustainability of CfV.

CfV depends on its people. We are lucky to have a very strong team working together to produce the very best results and we were able to demonstrate our commitment to them in various ways, including through individual advent calendars in the run up to Christmas. Staff numbers remain high and great efforts are being made to ensure that we retain staff. Considering the pandemic pressures, I can only reiterate the admiration of the Board of Trustees for everything which has been done by everyone to make 2020 a surprisingly successful year, as some might say against all the odds. There is a real sense of pride in what has been achieved, which is very well deserved.

Finally, I would like to highlight how difficult the measures we have had to put in place have been for the families and friends of the residents. The fact that these measures were successful will be no consolation to those who were not able to spend time with their loved ones, despite some innovative methods we introduced, like the visit pods. I can only reiterate my gratitude to our residents' families for their understanding and patience as we manage the risks in the home. This has not been easy, and I fully appreciate the additional pressures this has brought on family members.

2020 was different. There were highs and lows, particularly the death of Elizabeth Baxter soon after her retirement as Head of Fundraising and Marketing, which was a tragic loss. Let us all hope that the early signs of controlling the pandemic continue to flourish to allow CfV to continue to provide the highest standards of care and a thriving charity.

James Fanshawe CBE

Chairman

TRUSTEES REPORT

Report of the Trustees for the year ending 31 December 2020

The Trustees present their annual report and audited financial statements of the charity for the year ended 31 December 2020. 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).

OBJECTIVES AND ACTIVITIES

As a result of the appallingly high number of disabled veterans returning from the First world war the charity was established in 1919 to care for physically disabled members of HM forces who had been discharged from the Armed Forces, providing their first steps in rehabilitation, including physiotherapy and occupational therapy. The objects of the charity have since been extended and are currently:

"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:

There is an annual review of the Home's objectives and activities which considers our work in the previous 12 months, measuring the success of those goals and the benefits they have brought to our residents. The review also ensures that our aims, objectives, and activities remain within the constraints of 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 an application CfV will undertake a triage 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 its 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 to upgrade facilities as required
- To promote a green strategy to decrease utilities and demonstrate an environmental responsibility.
- To continue to promote increasing awareness of CfV
- To maintain appropriate 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

STRATEGIC REPORT

REVIEW OF BUSINESS

Financial review

2020 was dominated by COVID-19 and the threat remains. With strict guidelines on admitting new residents and with the added concerns about sending family members to nursing homes, CfV income from fees was reduced during 2020. The total fee income for care amounted to £3.14m which represents a reduction from 2019 (£3.39m) due to the reduced occupancy levels during the year as a result of COVID-19. The funding came in the form of funding directly from the residents and other funding organisations (principally local authorities and NHS continuing care). The admittance of new residents was also hampered by the lack of single rooms available. CfV had ten double rooms, which during the pandemic proved extremely challenging to fill due to social distancing and the increased risk of passing infections. A review took place of the requirements and options to change the existing double rooms into single. The board approved the work to start the conversion process for each of the rooms when it was possible. This work began at the end of 2020 and the first room had been completed by the end of 2020. It is anticipated that the remaining double rooms will be converted to single rooms within 24 months.

CfV undertook a planned review of all staffing departments with the emphasis on improving the service provision efficiency and creating a flexible workforce where possible. These reviews also had the requirement to continue to provide the high levels and quality of care and facilities to the residents of CfV. As a result of these reviews the total cost of providing the high level of care to the residents amounted to £4.77m in 2020. This represents a reduction overall of just under 5% (from £4.97m in 2019). The process of creating a sustainable service for the long-term continues.

The total voluntary income amounted to £2.54m (2019: £1.16m). This represents a considerable increase on 2019. A substantial part of this came from legacy income. Legacy income provided £1.57m in 2020, of which one single legacy accounted for a large proportion of this, against £266k in 2019, and this came at a time in 2020 when there was considerable concern over the likely sources of voluntary income in 2020. Many new funds were setup in light of COVID-19 and CfV was very successful in obtaining some of these funds. The incredible generosity of individuals in recognising CfV in their Wills has led to a positive future during what has been a very difficult year for everyone.

CfV finished the year strongly with a recovering investment portfolio, successful trust applications and the reduction in overheads as a result of the service review during the year.

Focus continues, on increasing the supporter base and with strength of committed fundraising staff we hope to continue with the overall success of 2020 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 19).

ACHIEVEMENTS AND PERFORMANCE 2020

OBJECTIVE: Provide the residents with high grade accommodation and excellent clinical care.

OUTCOME: Care for Veterans has 60 beds. The rooms are spacious allowing for care to be delivered at the bedside if required. Approximately half the rooms have en-suite facilities and for the others there are shared ablutions which were fully refurbished to provide wet rooms and large toilet cubicles with hoists. There are numerous large communal areas including the wellbeing hub, dining room and day room. The charity continues to provide high quality nursing care with a focus on disability nursing. The Home offers on-site physiotherapy, occupational therapy and speech and language therapy.

- 2020 saw the conversion of the first double room to single rooms, and it is anticipated that the 9 double remaining rooms will be converted within 24 months.

OBJECTIVE: Continue to improve end-of-life care to maintain platinum status.

OUTCOME: Care for Veterans continue to maintain links with many organisations to ensure that the end-of-life care offered at the home is of the highest standard. The platinum status is the highest award possible and demonstrates a commitment to excellence in this area. This was reflected in Care for Veterans being a finalist in the 'Care Home of the Year' for end-of-life care in England.

- 100% of the residents placed on end-of-life care benefited from the Platinum Level Service.

OBJECTIVE: Continuing with the environmental strategy to reduce costs and demonstrate environmental responsibility.

OUTCOME: Following the successful installation in 2019 of a 100Kw solar PV system on the roof which has seen a significant reduction in utility costs especially in the days of long sunlight. The feed-in-tariff has yet to be delivered due to the closure of the registration office due to COVID-19 but will be backdated to when the system was commissioned. The replacement of the lights in 2019 for LED lights and sensors are providing continued savings. Insulation has been installed in Gifford House to prevent heat loss through the old building and the two old lifts in Alexandra Wing have been replaced. The use of plastic cups has ceased at drinking fountains due to the use of reusable bottles or biodegradable cones.

- Over the financial year savings of over 15% were made on electricity as compared to pre-installation costs.

STRATEGIC REPORT

OBJECTIVE: To continue reducing the operational financial deficit.

OUTCOME: The surplus for 2020 represented in this instance as the Net income/(expenditure) before investments was £979,936 against a deficit in 2019 of £650,635. The cost of care for residents continues to rise. Costs continue to be monitored and savings made where possible and the service review will make a significant contribution to this. The complexity of our residents has also continued to increase. Residents funded by social services and commissioners often attract less funding and once they become a resident, they may attract below inflation fee increases. A full-service review was undertaken in 2020. As a result of this all departments have been restructured to provide both flexibility and cost-effectiveness in the workforce. This has incorporated finding more effective methods of delivering services to the residents. This has seen some turnover in staff which has provided a fresh perspective in the way the Home functions.

OBJECTIVE: Continue existing and develop new methods to manage the pension deficit.

The charity has maintained contributions to the pension scheme.

- Work continues to reduce the pension scheme deficit. At 31 December 2020 the deficit was reduced to £286,000 from a deficit of £537,000 at 31 December 2019. The Liability Driven Investment (LDI) strategy has helped in providing a significant reduction in the liability.

OBJECTIVE: Maintain and improve close working relationships with Clinical Commissioning Groups (CCGs) and local funding bodies and negotiate on inflation level fee increases for long-term residents.

OUTCOME: The clinical team have maintained good links with local commissioners and providers. CfV chose not to sign up to West Sussex County Council's central contract which would have provided funding for four beds and the commissioners would have filled them when they were required. It was felt that this contract removed the control from the home in triaging new arrivals and this was not acceptable given the pandemic outbreak. In hindsight this proved to be the correct decision for CfV.

- The Home has benefited from grants from West Sussex County Council which provided above inflation support to their funded residents during the COVID-19 pandemic

OBJECTIVE: Roll out day services in therapy and social and recreational areas.

OUTCOME: This has proved impossible over 2020 because of the pandemic. The entire country has seen three lockdowns and the guidelines for care homes has been even more stringent with even relative visiting being stopped for long periods to protect the residents many of whom are classified as highly vulnerable. These plans have been held until the pandemic is under control.

- As restrictions are eased further opportunities for day services will be investigated.

OBJECTIVE: Raise the profile of Care for Veterans and increase the fundraising database

OUTCOME: 2020 has proved a challenging year for fundraising having seen virtually all community events postponed or cancelled. The new Head of Fundraising has improved the profile of the home by: Facebook 80.9%, Instagram 23.3%, Twitter 2.3%, LinkedIn 222%, Database 12%, Newsletter 4%, and e-newsletter 10%.

STRATEGIC REPORT

RISK AND UNCERTAINTY

Number	Risk	Mitigation
1	Recurrence of COVID-19	<ul style="list-style-type: none"> • Three-level business continuity plan to ensure the Home continues to function • Well-practised visiting arrangements are in place • Publicise that all resident rooms are to become single • The Home engages in an effective vaccination programme
2	A decline in resident numbers as a result of COVID-19 or future social care uncertainty with focus on care in the community	<ul style="list-style-type: none"> • Rolling programme of dividing each of the double rooms into single rooms. • Promotion of the rehabilitation element of the Home • Engage with local commissioners highlighting services,
3	Poor CQC rating	<ul style="list-style-type: none"> • Review and update policies and procedures • Ensure currency in supervision and training is in date • Resident involvement in decision making • Decrease staff turnover • Liaise with other care home managers to ensure best practice
4	Failure or replacement cost of aging equipment	<ul style="list-style-type: none"> • Develop a rolling replacement programme for infrastructure and equipment • Monitor the cost of equipment repair and consider spend-to-save replacements • Business Manager to work with Head of Finance on equipment replacement • Fundraising to target appropriate funding sources for support • Long-term strategy for older buildings on site
5	Fall in investment portfolio value	<ul style="list-style-type: none"> • Portfolio transferred into the charity multi asset fund to provide greater scrutiny and security • Maintain a cash portfolio to avoid drawing down on the investment
6	Decreased fundraising because of the cancellation or postponement of events	<ul style="list-style-type: none"> • Increase the number of supporters offering demonstrable support to the home • Use of technology to increase virtual fundraising and support those performing 'in aid of' the charity • Focus on Trusts and Foundations to provide unrestricted funds to support the day-to-day costs of running the home

TRUSTEES REPORT

OPERATIONAL OVERVIEW OF 2020

2020 has probably been the most challenging period for Care for Veterans since the end of the Second World War. The COVID-19 outbreak affected all aspects of operational delivery in the Home. The year has seen three different lockdowns and the guidelines on managing the outbreak have been amended and updated on a regular basis as we, the home tried to remain COVID-19 free. There was widespread coverage in the media as to the impact in the social care sector with many homes suffering calamitous losses in their resident population. This was reflected in a poll published in July in 'The Carer', a monthly journal for all social care providers, that showed that 76% of respondents felt that care homes were not safe and 53% stating they felt their loved ones would deteriorate in a care home.

As the NHS sought to free beds in the hospital environment many homes accepted the offer of central contacts via commissioners. However, this proposal surrendered the home's ability to triage and ensure that new residents were appropriate for the Home. For this reason, the contract was rejected. 2020 has been a difficult year for resident numbers with both commissioners and social services refusing to place residents in double rooms. This was also noted in private funders responses to the offer of room-sharing. As a consequence, the ability to maintain high occupancy proved extremely challenging.

The COVID-19 pandemic, in the early part of 2020 was all-consuming. The Home had made some early preparations and procured a small amount of PPE. Once the pandemic really started to take hold across the country the Home locked down and produced a Business Continuity Plan on a traffic light system allowing for a controlled escalation of measures to protect the residents and staff. The controlling of visitors and non-essential contractors, minimising the use of agency staff, using transfer points to each wing, and ensuring staff were provided with appropriate protective equipment. This was, during the early stages, the most challenging with supplies being limited and the NHS being initially prioritised, and prices increases exponentially on an almost daily basis. In addition, we dealt with anxiety and fear among many residents and staff.

In the later part of 2020 Care for Veterans did manage to create one visitor pod in an entrance, and procured two specialist 'safepods' from a local firm in Brighton. These pods are lit, heated, and have a built-in two-way communication system which allows visitors to visit loved ones without masks aiding communication, whilst completely removing the risk of infection.

For administrative staff there was significant investment in the ability to work from home. A new server that allows individuals to access their 'virtual work desk' and access all data bases and files that are accessible in the office. Each member of staff has been issued a laptop and large screen to allow easy working and this is transported in a laptop rucksack purchased specifically for purpose. By providing each individual with equipment necessary for the day-to-day tasks this reduces significantly possible cyber risks.

A full-service review of all departments at Care for Veterans was undertaken in the early summer of 2020 by the Senior Management Team and their findings were presented to, and supported by, the Board of Trustees in September 2020. Every department was considered, and changes made to allow for greater flexibility in the workforce. There is also a shift to technology with the roll out of a mobile medical records system to allow all care staff to provide contemporaneous records of care. The infrastructure works to move to a new security system have started with the plan to decrease the Home's dependence on a daily external security provider by boosting the number and hours of the reception staff. The final review is of nursing and care staff and was started in consultation with all those staff and will deliver its findings in 2021. However, the changes that have been implemented should realise savings of almost £300K on the previous year's budget.

The green project continues to be successful. The two 15-year-old lifts to Alexandra Wing, which were extremely inefficient from an energy perspective, were replaced and the new lifts commissioned in May. The new lifts are a duplex type which will ensure equal wear on each lift as opposed to the previous system when the closest lift undertook a disproportionate number of 'travels' compared to the other. The installation included a five-year maintenance plan. Again, all capital costs being raised by the fundraising team in a highly successful campaign. This not only reduces costs on energy but also has removed the call-out and repair costs which were considerable. Additionally, a project was started to purchase an electric ambulance and charging point this was completed and delivered in March 2021. Whilst only able to carry a single wheelchair it will save in vehicle licencing and for trips to drop specimens at either the surgery or Worthing hospital. It is also the first steps towards the government's direction that all vehicles be electric by 2030.

Following a fault in the fire alarm system that proved beyond economic repair, Care for Veterans installed a complete new system that allows the source of an alarm to be traced by individual room rather than by zone making tracing the source significantly quicker and easier.

The Fundraising and Marketing Department worked extremely hard in 2020 but also adapted to the current pandemic. There has been much more focus on Trusts and Foundations, virtual events and online promotion. It is to their credit that their target set prior to the pandemic was almost reached.

TRUSTEES REPORT

REVIEW OF ACTIVITIES 2020

The population continues to age in the UK. A recent study by the Office of National Statistics revealed that the number of persons in the UK aged 85+ will increase by 36% between 2015-2025 reach 2m by 2025, 3.2m by 2041 and 5.1m by 2066. However, the amount spent on adult social care has decreased every year since 2010/11. 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 2020, the COVID-19 pandemic struck across the world. There was an initial increase in the demand for beds as hospitals tried to create space for COVID-19 patients. However, this demand for beds came with caveats that made the central contract highly undesirable with the Home losing the ability to triage potential new admissions. This resulted in a decline in resident numbers. This was further compounded following the well reported crisis in care homes decreasing the public's confidence in placing their loved ones into social care. For Care for Veterans the effect was magnified by a third of the beds being in shared rooms which proved almost impossible to fill by either private or state funders. The result was a below average occupancy level for most of 2020. To address this issue a plan was developed to divide the 10 double rooms into 20 single rooms with the first being completed in December 2020. These rooms were occupied almost immediately.

The cost of care reflects 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 and chiropody. The wellbeing hub has largely been closed in 2020 or limited to no more than six residents from one wing. When the hub has been closed the staff have been redeployed to the wings to assist the clinical staff or deliver one-to-one activities with residents in their rooms. Care for veterans retains platinum status, the highest possible level, by the Gold Standards Framework for our end-of-life care.

Student nurse training was suspended for 2020 but physiotherapy students from the University of Brighton did continue. The presence of students on a six weekly placement ensures staff remain current in their areas and provide residents variety during the long-term rehabilitation.

A full-service review was undertaken during 2020 and all departments restructured to meet the current and future needs of the Home. The aim of the review was to ensure that staff were working in the most efficient manner, to rationalise working patterns and to reduce costs. The use of technology, flexible working with staff providing cover for each other when possible have all resulted in savings of approximately £300k per annum from the budget and a more effective workforce.

The green project's financial benefits continue to reap rewards. The solar PV and LED light installation continue to decrease the utility bills, and the new lifts will also contribute to overall savings. The greater savings are also recognised in the huge decrease in call-out and repairs on both the lights and lifts. The electric ambulance and charging point were ordered for delivery in 2021. This should again see a reduction in vehicle costs. Finally, two brand new ovens were installed in the kitchen providing a more efficient system for baking or steaming and again using less energy.

Fundraising at Care for Veterans

Our in-house Fundraising & Marketing team oversee a host of income streams including legacies, individual giving, corporate fundraising, community fundraising, trusts and foundations, events, digital and lottery, all of which we run in-house. Like so many, 2020 met us with many challenges, yet once again, the support we have received from our donors and advocates has been incredible.

At present, direct approaches are only made to those with legitimate interest or with prior consent. We will always remove a supporter's details from our database if they so request. 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 2020 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 do not currently employ external professional fundraising individuals, companies or organisations.

Regretfully, 2020 saw the cancellation of many of our annual events and activities and the postponement of many partnerships, including our summer fayre, glitter ball and carol concert. However, we were able to deliver highly successful golf days at Ham Manor and Worthing Golf Club, and we created a new range of digital events including an online auction and a running series that could be supported from home. Two of our very own WW2 residents inspired the nation by taking on a D-Day cycle challenge, travelling from Portsmouth to Gold Beach, Normandy raising over £10,000. We won an application to receive a spitfire fly over, from the Daily Mail to celebrate D-Day, which we were able to share with all our residents and staff outside.

TRUSTEES REPORT

REVIEW OF ACTIVITIES 2020

We have set and maintain high standards about how we communicate with current and potential donors. 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 continued support in both permanent and corporate volunteers in the charity. These provide services from painting and gardening to sitting with residents and reading to them or listening to them. These volunteers provide a service that improves both the lives and surroundings of our residents and we are extremely grateful for their continued support.

Reserves

The Trustees have formulated the reserves policy for CfV based upon recommendations from the Finance Committee. The reserves policy is considered appropriate to ensure the continued ability of the Charity to meet its objectives.

In view of our aim to provide long term nursing care to the ex-Service community, the Trustees consider that a total unrestricted reserves fund of 9-12 month's expenditure is reasonable to enable the charity to cope with unforeseen expenditure or a loss of income. The charity currently relies on voluntary income and legacies amounting to in excess of £1.5m. The level of reserves is currently equal to 9 to 10 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 in line with the CfV policy. All services, both income and expenditure are being reviewed continuously to maintain reserves at the levels required.

Unrestricted Fund

The total unrestricted reserves fund of £4.3m (2019: £2.9m) represents the unrestricted reserve fund less the deduction for the pension reserve fund. The pension deficit value reduced at 31 December 2020 to (£286,000) from (£537,000) in 2019. This reduction in the pension scheme deficit came as a result of the positive Liability Driven Investment strategy adopted for the scheme.

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 excluding the endowments stood at £4.67m (2019: £4.87m) of which £3.56m (2019: £3.94m) represents our investment in capital items i.e. the buildings that constitute the Home.

Capital expenditure and other restricted funds £0.50m (2019: £0.45m) and the permanent endowment of £0.16m (2019: £0.16m) account for the remainder.

TRUSTEES REPORT

REVIEW OF ACTIVITIES 2020

Investments

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

At the beginning of 2020 the process of transferring the existing diversified portfolio to the SUTL Cazenove Charity Multi-Asset Fund (CMAF) was completed.

The SUTL Cazenove Charity Multi-Asset Fund (CMAF) 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 2020 the Charity's investments were valued at £4.09m (2019: £3.53m) as set out in Note 9. This amount includes £0.64m (2019: £0.05m) held in short term deposits. CMAF remains liquid should cash be required.

The CMAF produced a total return of 7.3% over the last 12 months. The board of Trustees were very happy with the performance of the investments over the period.

Investment Policy

The current investment policy reflects that of the investment into the CMAF plus leaving sufficient liquidity outside of the CMAF to provide for the day-to-day running costs.

The investment managers were reviewed at the end of 2019 with a resulting change in the portfolio structure. The investments were transferred to the CMAF which was completed in early 2020. The CMAF aims to provide income and capital growth in line with the Consumer Price Index +4%. The performance is reviewed quarterly by the finance committee.

Portfolio Impact Measurement



Planet

Carbon footprint
15 tonnes of CO₂
vs benchmark*
199 tonnes of CO₂

People



Social dividend
6.0% p.a
vs benchmark*
0.9% p.a

To provide further insight into our portfolio, Schroders include an overall assessment of the impact of the equity investments on people and the planet, and a comparison against an appropriate benchmark. They provide two metrics:

Planet

Carbon emissions: an aggregate of the annual scope 1 and 2 carbon emissions (in tonnes) that can be attributed to CMAF's holdings of the companies in which it is invested. For comparison, an average passenger vehicle emits 5 tonnes of CO₂ each year, an average home emits 9 tonnes of CO₂ each year and a flight from London to New York is equivalent to 1 tonne of CO₂ emissions.

People

Social dividend: the overall social contribution of the companies in which CMAF is invested, expressed as a percentage of sales. For example, a score of +2% means that the portfolio adds \$2 of benefits to society for every \$100 of sales. The social contribution of business that Schroders value as part of this score includes aspects such as fair work, tax, medicine provision, financial inclusion, and access to water.

Source: Schroders SustainEx. Equivalency data sources: EPA, UK Government. Flight emissions are based on a single passenger flying economy class. Schroders is reliant on external providers for the underlying data for these metrics. Whilst Schroders makes every effort to ensure the accuracy of this data, it cannot be guaranteed. There may be some holdings where no underlying data is available, therefore Schroders will only present these metrics to CfV when Schroders have access to them for 80% or greater of the total value of your equity portfolio.

* Impact benchmark: MSCI AC WORLD (TRI) USD

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 19.

TRUSTEES REPORT

REVIEW OF ACTIVITIES 2020

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 £286,000 existed at 31 December 2020 (2019: £537,000 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.

PLANS FOR FUTURE PERIODS

Future Plans

The Trustees support the Senior Management Team in planning for CfV 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 2021 will include:

- Complete the Nursing and Care review
- Investigate the potential for day services to improve income generation as soon as is practically possible
- Divide the remaining double rooms into single rooms
- Replace the windows in Gifford House
- To commence a boiler replacement programme for the eight aging and inefficient gas boilers

Future Prospects

The Board of Trustees continues to support the delivery for high quality, multi-disciplinary team of nursing and rehabilitation care that is offered at CfV, which very few other care facilities at a similar level. The Trustees are confident that NHS pressures will continue to see increasing numbers of NHS-funded continuing care cases offered to the Home. Once a medical emergency has been stabilised, the transfer to an external, financially beneficial, 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.

TRUSTEES REPORT

2021 OBJECTIVES

Our main objectives for 2021 are:

- To continue reducing the operational financial deficit
- Provide the residents with high grade accommodation in a single room
- Maintain working relationships with Clinical Commissioning Groups (CCG's) and local authority funding bodies
- Implement new methods in fundraising to meet the new the limitations placed the department by the pandemic
- Reinvigorate the environmental strategy, reducing utility costs and demonstrating environmental responsibility
- Continue to improve end-of-life care for residents to maintain platinum status
- Complete the nursing and careering review and develop new working practices

How the objectives for 2022 will affect the charity:

- The delivery of nursing and caring will develop new working practices to provide efficiencies
- There will be a reduction in available beds as the rolling programme of room division is undertaken
- Develop a strategy for delivering 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

The global COVID-19 pandemic has altered life in all aspects of everyday life. Care for Veterans did lockdown aggressively to prevent COVID-19 entering the Home and protect the residents and staff. As the year wore on and the severity of the virus became more apparent CfV closely monitored the guidelines published by Public Health England and locally by West Sussex County Council. There was initially a paucity in information, and this was replaced with vast quantities of guidelines and directives which were generated centrally, locally and by various professional bodies.

Following the initial anxiety and confusion the Home developed a traffic light system of business continuity to allow for either escalation or a de-escalation of restrictions to adapt to constantly changing information and guidelines. There were daily meetings of the Senior Management Team to interpret the effect of changes on CfV and the information was cascaded to staff via a daily 'frequently asked questions' leaflet and on occasions by a letter to all staff. The Registered Manager kept the residents informed and when the situation allowed small resident meetings were held with each wing represented. The CEO provided regular updates to families covering all areas but with a focus on visiting. The Home initially went to window and virtual visits and as the situation allowed these were replaced, in the summer months, outdoor socially distanced visits were allowed. As the weather deteriorated, we moved to internal visitor bays again with full PPE and social distancing, but this ceased as the second lockdown commenced. Initially CfV returned to window and virtual visits but then purchased two bespoke 'safepods' which allowed visitors to see their loved ones without PPE. The virtual visits also continued, and we were able to offer every resident a pod or virtual visit on Christmas day knowing there was no transmission risk.

CfV did remain open to new admissions with a strict triaging and 14-day isolation policy. However, the management team made the decision not to participate in the West Sussex County Council's central contract which could have 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, at one stage, care homes in Worthing had twice the national average of COVID-19 cases, this decision appears to have been the correct one for CfV.

There have been no resident excursions since the pandemic hit and residents were advised against visits into the local community. CfV were unable to prevent those with the capability and capacity to leave the site but it was strongly discouraged. 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 early days of the pandemic proved extremely challenging in ensuring the charity has sufficient supplies of personal protective equipment (PPE) as supplies were prioritised for the front-line NHS. Consequently, there was very limited stock and the stock that was procured suffered considerable increases in price, up to 400% at times. However, over the year this has seen a more readily available supply and costs have returned to almost pre-pandemic levels. CfV has sufficient stock levels to provide protection in the event of an outbreak. Throughout the pandemic CfV has followed the guidelines issued by Public health England throughout the pandemic.

Resident fees still provide the largest proportion of CfV's income. This year has seen an increase in funding from both commissioners and social services as part of the COVID-19 support payments which has been welcomed given the expense involved in making the Home safe for residents and staff. The pandemic has highlighted the challenges in filling beds in shared rooms. CfV had 40 single-bed rooms and 10 double rooms. During the pandemic it became extremely challenging with social services and commissioners refusing to fund residents in double rooms and private funders failing to show any interest in availability and as a consequence the first double room was converted to two singles in December and both these rooms are now occupied. The plan is to divide the remaining rooms over the next two years and this work continued in 2021.

TRUSTEES REPORT

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 reduced significantly in the early stages of the pandemic. However, over 2020 it has recovered and has been boosted by the addition of a deposit following a substantial legacy during the year. The portfolio was, in collaboration with Schroders, transferred to a charity multi asset fund which provides for greater security and scrutiny than in an individual portfolio.

The vaccine was rolled out to both residents and staff early in 2021 which provided additional protection against the more severe symptoms associated with the pandemic but the need for local control will linger for a significantly longer period. However, it does feel that there is now hope that the Home can return to some semblance of normality over the year.

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 as allowed in the current lockdown.
- 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 four subcommittees – the Finance committee that oversees the financial budgets; the Fundraising and Marketing Committee; the Clinical Governance committee and the Remuneration Committee.
- The board has established levels of authority to ensure proper accountability and transparency.

The Board 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 day-to-day running of the home is the responsibility of the Registered Manager.

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 15. The principal place of business and professional advisers of the charity are given on page 15.

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; Senior Nurse Manager; the Head of Finance; the Head of Fundraising and Marketing and the Head of Human Resources.

TRUSTEES REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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

Trustee	Role	Sub-committees	
Cdre James Fanshawe CBE	Chairman	1,3	
Mr David Williams	Deputy Chair, Chair Finance	1,3	
Mrs Ruth Taylor		4	*Resigned May 2021 AGM
Dr Paul Hughes RD QHP MD FRCP		4	*Resigned May 2020
Mr Alan Price JP		1,3	*Resigned Sep 2020
Cdr David Habershon RN		2	*Resigned May 2021 AGM
Mrs Denise Patterson			Resigned May 2020
Col John Saville FIMechE		2,4	
Mr Michael Jones		2	
Mr John McKee	Chair Fundraising and Marketing	2	Appointed May 2020
Dr Timothy Fooks	Chair Clinical Governance	4	Appointed May 2020
Ms Georgina Crowhurst		1	Appointed Sep 2020
Mr Richard Andrew		1	Appointed Sep 2020
Mrs Dawn Hart			Appointed May 2021 AGM
Mrs Anna Harrison			Appointed May 2021 AGM

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

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

TRUSTEES REPORT

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 four 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 five to the financial statements.

Auditors

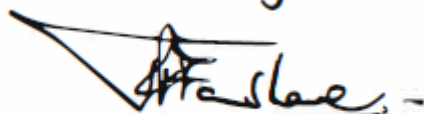
A resolution to reappoint Carpenter Box for the coming year will be proposed at the Annual General Meeting in accordance with the Companies Act 2006.

In Gratitude

The Trustees wish to convey their sincere thanks to all the volunteers who gave so generously their time and support to Care for Veterans during 2020. With their continued support, we look forward to enhancing the delivery of our charitable services.

This report was approved by the Trustees

on 19 May 2021 and signed on their behalf by:



J Fanshawe CBE

Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE FOR VETERANS

Opinion

We have audited the financial statements of Care For Veterans (the 'charitable company') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the summary income and expenditure account, the Consolidated and Charity Balance Sheets, the Consolidated Cashflow Statement and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 December 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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

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

- adequate 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE FOR VETERANS

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework in which the charitable company operates, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charitable company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, through our knowledge and understanding of the charitable company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: compliance with the UK Companies Act.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management;
- Reading correspondence with regulators;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://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 auditor's 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 Carpenter Box

Chartered Accountants

Statutory Auditor

Worthing

Carpenter Box is a trading name of Carpenter Box Limited

Robin Evans 27/05/21

Consolidated Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 December 2020

	Note	Unrestricted Funds £	Endowment & Restricted £	2020 Total £	Unrestricted Funds £	Endowment & Restricted £	2019 Total £
INCOME AND ENDOWMENTS FROM							
Donations and legacies	2	1,986,030	551,120	2,537,150	457,679	701,848	1,159,527
Other trading activities	2	569,332	-	569,332	681,791	-	681,791
Investments	2	122,118	-	122,118	113,469	-	113,469
		2,677,480	551,120	3,228,600	1,252,939	701,848	1,954,787
Charitable activities	3a	2,649,480	-	2,649,480	2,694,182	-	2,694,182
Other income	3b	46,292	91,225	137,517	-	-	-
TOTAL INCOME		5,373,252	642,345	6,015,597	3,947,121	701,848	4,648,969
EXPENDITURE ON							
Raising funds	4	263,296	-	263,296	322,196	2,500	324,696
Charitable activities	4	3,801,101	971,264	4,772,365	4,051,405	923,503	4,974,908
TOTAL EXPENDITURE		4,064,397	971,264	5,035,661	4,373,601	926,003	5,299,604
Net income/(expenditure) before investments		1,308,855	(328,919)	979,936	(426,480)	(224,155)	(650,635)
NET GAINS/(LOSSES) ON INVESTMENTS	9	101,719	3,165	104,884	346,451	9,610	356,061
NET INCOME/ (EXPENDITURE)		1,410,574	(325,754)	1,084,820	(80,029)	(214,545)	(294,574)
Transfers between funds							
Actuarial gains/(losses) on defined benefit pension scheme	6	(124,206)	124,206	-	(16,727)	16,727	-
		137,000	-	137,000	(136,000)	-	(136,000)
Net movement in funds		1,423,368	(201,548)	1,221,820	(232,756)	(197,818)	(430,574)
Funds balance brought forward		2,900,309	4,869,515	7,769,824	3,133,065	5,067,333	8,200,398
FUNDS BALANCE CARRIED FORWARD		4,323,677	4,667,967	8,991,644	2,900,309	4,869,515	7,769,824

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 2020

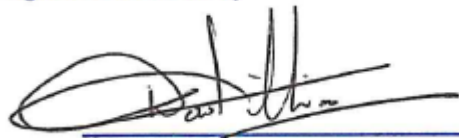
	Note	Group		Charity	
		2020 Total £	2019 Total £	2020 Total £	2019 Total £
Fixed assets					
Tangible assets	8	4,078,770	4,393,520	4,242,040	4,556,790
Investments	9	4,092,263	3,534,374	4,092,264	3,534,375
TOTAL FIXED ASSETS		8,171,033	7,927,894	8,334,304	8,091,165
Current assets					
Stocks	10	12,775	11,100	12,775	11,100
Debtors	11	662,337	382,764	671,765	406,682
Cash at bank and in hand		748,256	379,366	736,188	352,928
		1,423,368	773,230	1,420,728	770,710
Creditors - amounts falling due within one year	12a	(299,580)	(364,999)	(296,940)	(362,479)
NET CURRENT ASSETS		1,123,788	408,231	1,123,788	408,231
Creditors - amounts falling after more than one year	12b	(17,177)	(29,301)	(17,177)	(29,301)
Net assets before pension scheme liability		9,277,644	8,306,824	9,440,915	8,470,095
Defined benefit pension scheme liability		(286,000)	(537,000)	(286,000)	(537,000)
NET ASSETS AFTER PENSION LIABILITY		8,991,644	7,769,824	9,154,915	7,933,095
Capital funds					
Endowment fund	14	160,071	156,906	160,071	156,906
Revenue funds					
Restricted	14	4,507,896	4,712,609	4,671,166	4,875,879
Unrestricted:					
Pension reserve fund	6	(286,000)	(537,000)	(286,000)	(537,000)
General fund	13	4,609,677	3,437,309	4,609,678	3,437,310
(including revaluation reserve £92,761 [2019: £362,292] for Group and Charity)					
Total unrestricted		4,323,677	2,900,309	4,323,678	2,900,310
TOTAL CHARITY FUNDS		8,991,644	7,769,824	9,154,915	7,933,095

Approved by the Board of Trustees on

19 May 2021

and signed on its behalf by


 T R FANSHAWE


 D.G. 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 2020

	Note	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash provided by (used in) operating activities	a	343,924	(336,178)	358,294	(354,198)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income and interest receivable		122,118	113,469	122,118	113,469
Purchase of tangible fixed assets		(222,236)	(124,954)	(222,236)	(124,954)
Purchase of investments		(1,668,187)	(2,550,533)	(1,668,187)	(2,550,533)
Sale of investments		1,805,396	3,166,482	1,805,396	3,166,482
Net cash provided by (used in) investing activities		37,091	604,464	37,091	604,464
Cashflows from financing activities					
Payment of finance lease obligations		(12,125)	(12,125)	(12,125)	(12,125)
Cash and cash equivalents in the reporting period		368,890	256,161	383,260	238,141
Cash and cash equivalents at the beginning of the reporting period		379,366	123,205	352,928	114,787
Cash and cash equivalents at the end of the reporting period		748,256	379,366	736,188	352,928

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
a. Reconciliation of net movement in funds to net cash flow from operating activities				
Net (outgoing)/incoming resources before gains and losses on investment assets	979,936	(650,635)	979,936	(650,635)
Investment income and interest receivable	(122,118)	(113,469)	(122,118)	(113,469)
Depreciation and loss on disposal	536,986	486,209	536,986	486,209
Decrease/(increase) in cash on deposit	(590,213)	139,995	(590,213)	139,995
(Increase)/decrease in stock	(1,675)	(919)	(1,675)	(919)
(Increase)/decrease in debtors	(279,573)	85,404	(265,083)	67,504
Increase/(decrease) in creditors	(179,419)	(282,763)	(179,539)	(282,883)
Net cash provided by (used in) operating activities	343,924	(336,178)	358,294	(354,198)

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 (FRS102) 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 2020 in full. Surpluses or deficits on intra group transactions have been eliminated. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1.3 Incoming resources

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

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

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

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

1.4 Resources expended

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

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

These elements underlie the categorisation of expenditure as follows:

Charitable expenditure comprises resources with the specific purpose of fulfilling the objects of the charity, predominantly the costs of care staff, and also expenditure incurred in support of the charity's primary purpose.

Governance costs under FRS 102 have been included in expenditure on 'charitable activities'.

Costs of generating funds include the costs associated with running the fundraising appeals including the development of the donor database, and fundraising events. Where applicable, costs have been apportioned on the basis of time or area, as appropriate to the relevant cost.

1.5 Fund accounting

The charitable company's assets represent; the Capital Fund (resources invested in the buildings, equipment and vehicles), the Revenue Funds (resources held to produce income and to act as a reserve against temporary deficits), Special Funds (restricted or designated funds established to meet capital needs or specific projects) and Endowment Funds (resources invested in Gifford House 'the property' and a fund held in investments with income at the charity's discretion). The Capital Fund is shown as a restricted fund, but part of this fund includes amounts 'designated' by the trustees. From time to time transfers between the Capital fund and the Revenue (unrestricted) fund occur in order to account for the results of projects which the trustees had designated funds to complete.

1.6 Fixed assets and depreciation

Capitalisation levels:

Individual fixed assets costing £2,500 or more are capitalised at cost.

IT equipment £400 or more

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 15 years

Computer equipment - 3 years

1.7 Investments

Investments appear at market value as fixed assets in the balance sheet as they are held on a long-term basis to provide an essential income to offset part of the operating costs of the charity. Both realised and unrealised gains and losses are credited or charged to the Revenue fund.

1.8 Retirement benefits

Defined benefit pension scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high-quality corporate bond rates.

The net surplus or deficit is presented separately from other net assets on the balance sheet.

A net surplus is recognised only to the extent that it is recoverable by the charity.

The current service cost and costs from settlements and curtailments are included in operating costs and are allocated to the same expenditure headings as the related staff costs.

Past service costs are spread over the period until the benefit increases. Interest on the scheme liabilities and the expected return on the scheme assets are included under the appropriate expenditure headings as other finance costs.

1.8 Retirement benefits (cont)

Defined benefit pension scheme

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. Accounting policies (continued)

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 considering 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 £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Voluntary income:						
Donations	412,687	551,120	963,807	191,077	701,848	892,925
Legacies	1,573,343	-	1,573,343	266,602	-	266,602
	1,986,030	551,120	2,537,150	457,679	701,848	1,159,527
Activities for generating funds:						
Fundraising events	74,149	-	74,149	134,166	-	134,166
Nursing and care (non-primary purpose)	491,847	-	491,847	539,814	-	539,814
Other income	3,336	-	3,336	7,811	-	7,811
	569,332	-	569,332	681,791	-	681,791
Investment income:	122,118	-	122,118	113,469	-	113,469

3a. Analysis of income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Fee Income						
Contributions from residents	2,585,481	-	2,585,481	2,621,965	-	2,621,965
Veterans Agency capitation grant	63,999	-	63,999	72,217	-	72,217
	2,649,480	-	2,649,480	2,694,182	-	2,694,182

3b. Other income

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Other income						
Grants received	-	91,225	91,225	-	-	-
Corona Virus Job Retention Scheme	46,292	-	46,292	-	-	-
	46,292	91,225	137,517	-	-	-
TOTAL INCOME	5,373,252	642,345	6,015,597	3,947,121	701,848	4,648,969

4. Analysis of Resources Expended

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Resources expended						
Cost of generating voluntary income	219,805	-	219,805	227,630	-	227,630
Cost of activities for generating funds	39,707	-	39,707	66,647	2,500	69,147
Investment management fees	3,784	-	3,784	27,919	-	27,919
Total cost of generating funds	263,296	-	263,296	322,196	2,500	324,696

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 £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Cost of charitable activities						
Payroll costs	3,012,650	378,215	3,390,865	3,174,136	318,862	3,492,998
Non-payroll costs	788,451	593,049	1,381,500	877,269	604,641	1,481,910
Total cost of charitable activities	3,801,101	971,264	4,772,365	4,051,405	923,503	4,974,908
TOTAL EXPENDITURE	4,064,397	971,264	5,035,661	4,373,601	926,003	5,299,604

Analysis of total resources expended

	Staff costs £	Depreciation £	Other £	2020 Total £	2019 Total £
Provision of residential care					
Provision of services and support costs	3,390,865	532,698	848,802	4,772,365	4,974,908
Other expenditure					
Fundraising, publicity and other	195,311	-	67,985	263,296	324,696
Total resources expended	3,586,176	532,698	916,787	5,035,661	5,299,604

Analysis of total resources expended for 2019 include provision of residential care staff costs amounting to £3,492,998, depreciation of £486,209 and other costs of £851,911. Other expenditure included staff costs of £212,560 and other costs of £112,136.

5. Trustees and employees

Staff costs during the year were as follows:

Wages and salaries

Social security costs

Pension costs:

Defined benefit scheme *

Defined contribution scheme

Work place pension scheme

2020 Total £	2019 Total £
3,231,573	3,351,594
256,191	255,994
-	-
-	-
98,412	97,970
3,586,176	3,705,558

* See cost detail at note 6.

Staff costs above include agency staff.

The total average monthly number of employees during the reporting period (full and part-time staff) was:

Nursing and clinical staff

Care assistants

Kitchen

Domestic

Driver and maintenance

Neuropsychologist

Occupational Therapy

Physiotherapy

Speech Therapy

Social and Recreation

Support

Fundraisers

Chaplain

Administration

2020 Total	2019 Total
23	25
58	66
8	7
14	18
3	3
1	1
2	3
5	5
1	1
2	2
3	3
7	7
1	1
5	5
133	147

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 2020 (2019: None). During the year there were no donations from Trustees made to CfV (2019: None).

The premium for the trustee's indemnity insurance is now included within the combined liability insurance as in 2019.

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

£60,001 - £70,000

£70,001 - £80,000

£80,001 - £90,000

2020 Total	2019 Total
0	1
1	1
0	0

During the year pension contributions of £3,960 (2019: £6,932) were paid on behalf of these employees as members of the Work Place scheme operated by the charity. These figures are also included in the key figures below.

During the year a total of 9 staff were recognised as key management personnel the total paid to these individuals amounted to £431,153 (2019: £390,337). Included within this amount was £14,831 (2019: £14,597) for contributions to the Work Place Pension scheme operated by the charity.

6. Retirement Benefits

The Company operates a defined benefits plan, The Federated Pension Scheme for the Queen Alexandra Hospital Home.

The liabilities of the plan have been calculated for the purposes of FRS102 based on the calculations previously undertaken for the initial results of the funding Actuarial Valuation as at 31 March 2019, allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2020	2019
	%	%
Discount rate	1.30	2.00
Retail Prices Inflation ("CPI")	3.00	3.10
Consumer Prices Inflation ("CPI")	2.00	2.10
Pension increases: RPI, max 5%, min 0%	2.90	3.00

The underlying mortality assumption is based upon the standard table known as S3PxA on a year of birth usage with CMI_2019 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2019: S3PxA, 2018: S1PA, 1.25% p.a).

This results in the following life expectancies:

- Male age 65 now has a life expectancy of 86.9 years (2019: 86.8 years)
- Female age 65 now has a life expectancy of 89.2 years (2019: 89.0 years)
- Male age 45 now, retiring at 65, has a life expectancy from 65 of 88.2 years (2019: 88.1 years)
- Female age 45 now, retiring at 65, has a life expectancy from 65 of 90.6 years (2019: 90.5 years)

Employee Benefit obligations

The amounts recognised in the balance sheet as at 31 December 2020 (with comparative figures as at 31 December 2019) are as follows:

	2020	2019
	£	£
Market value of plan assets	4,870,000	4,223,000
Present value of plan liabilities	(5,156,000)	(4,760,000)
Net defined benefit asset/(liability)	(286,000)	(537,000)

The amounts to be recognised in the consolidated statement of financial activities for the year ending 31 December 2020 (with comparative figures for the years ending 31 December 2019) are as follows:

	2020	2019
	£	£
Current service cost		
Administrative expenses	-	-
Interest on net defined benefit (asset)/liability	10,000	13,000
Loss/(Gain) recognised	-	-
(Gain)/loss on plan charges	-	-
Curtailment (gain)/loss	-	-
Total	10,000	13,000

6. Retirement Benefits

Changes in the present value of the plan liabilities for the year ended 31 December 2020 (with comparative figures for the year ending 31 December 2019) are as follows:

	2020 £	2019 £
Present value of plan liabilities at beginning of period	4,760,000	4,326,000
Current service cost	-	-
Employee contributions	-	-
Interest on plan liabilities	94,000	120,000
Past service cost	-	-
Curtailement (gain)/loss	-	-
Actuarial (gains)/losses	434,000	422,000
Benefits paid	(132,000)	(108,000)
Present value of plan liabilities at end of period	5,156,000	4,760,000

Changes in the fair value of the plan assets for the year ending 31 December 2020 (with comparative figures for the year ending 31 December 2019) are as follows:

	2020 £	2019 £
Market value of plan assets at beginning of period	4,223,000	3,814,000
Interest on plan assets	84,000	107,000
Return on assets, less interest included in Profit & Loss	571,000	286,000
Benefits paid	(132,000)	(108,000)
Administrative expenses	-	-
Contributions paid by the company	124,000	124,000
Employee contributions	-	-
Market value of Scheme assets at end of period	4,870,000	4,223,000
Actual return on plan assets	655,000	393,000

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:

	2020 %	2019 %
Equities and Property	15	60
Bonds	19	30
Diversified Growth	43	n/a
Liability Driven Investment ("LDI")	22	n/a
Cash	1	10
Total	100	100

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 2020 (with comparative figures for the year ending 31 December 2019) are as follows:

	2020 £	2019 £
Return on assets, less interest included in Profit & Loss	571,000	286,000
Expected less actual plan expenses	-	-
Experience gains and losses arising on the plan liabilities	102,000	(46,000)
Changes in assumptions underlying the present value of plan liabilities	(536,000)	(376,000)
Remeasurement of net defined benefit liability recognised in OCI	137,000	(136,000)

6. Retirement Benefits

Movement in net benefit asset/(liability) during the year ending 31 December 2020 (with comparative figures for the year ending 31 December 2019) are as follows:

	2020	2019
	£	£
Net defined benefit asset/(liability) at beginning of year	(537,000)	(512,000)
Recognised in Statement of Financial Activities	(10,000)	(13,000)
Contributions paid by Company	124,000	124,000
Remeasurement of net defined benefit liability recognised in OCI	137,000	(136,000)
Net defined benefit asset/(liability) at end of the year	(286,000)	(537,000)

Funding Policy

Actuarial valuations are carried out every three years on behalf of the Trustees of the plan, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102.

The last such actuarial valuation was at 31 March 2019. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the Company, which commits the Company to paying contributions to fund the shortfall. These deficit recovery contributions are incorporated in the plan's Schedule of Contributions dated 22 April 2020 and required contributions equal to £124,000 per annum payable in monthly instalments.

The contributions are subject to review following completion of the next funding valuation, due as at 31 March 2022.

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 2020.

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 2020	8,885,720	1,471,549	246,638	10,603,907
Additions	-	222,236	-	222,236
Disposals	(10,721)	(12,474)	-	(23,195)
At 31 December 2020	8,874,999	1,681,311	246,638	10,802,948
Depreciation				
At 1 January 2020	4,942,206	1,021,543	246,638	6,210,387
Provided in period	364,501	168,197	-	532,698
On disposals	(6,433)	(12,474)	-	(18,907)
At 31 December 2020	5,300,274	1,177,266	246,638	6,724,178
Net book value at 31 December 2020	3,574,725	504,045	-	4,078,770
Net book value at 31 December 2019	3,943,514	450,006	-	4,393,520

CHARITY	Freehold property	Plant and equipment	Vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	9,048,990	1,471,549	246,638	10,767,177
Additions	-	222,236	-	222,236
Disposals	(10,721)	(12,474)	-	(23,195)
At 31 December 2020	9,038,269	1,681,311	246,638	10,966,218
Depreciation				
At 1 January 2020	4,942,206	1,021,543	246,638	6,210,387
Provided in period	364,501	168,197	-	532,698
On disposals	(6,433)	(12,474)	-	(18,907)
At 31 December 2020	5,300,274	1,177,266	246,638	6,724,178
Net book value at 31 December 2020	3,737,995	504,045	-	4,242,040
Net book value at 31 December 2019	4,106,784	450,006	-	4,556,790

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020	2019
	£	£
Plant and machinery	24,249	36,375
Motor vehicles	-	-
	24,249	36,375

9. Fixed asset investments**Quoted investments**

Market value at 1 January 2020

Additions

Disposals

Net realised/unrealised gains

Market value at 31 December 2020

Short term deposits

Investments (Group)

(Historical cost £3,999,501 [2019: £3,172,083])

Investments in group undertakings at 1 January 2020 and at 31 December 2020

Investments (Charity)

(Historical cost £3,999,501 [2019: £3,172,083])

	2020 Total £	2019 Total £
Market value at 1 January 2020	3,482,182	3,742,070
Additions	1,668,187	2,550,533
Disposals	(1,805,396)	(3,166,482)
Net realised/unrealised gains	104,884	356,061
Market value at 31 December 2020	3,449,857	3,482,182
Short term deposits	642,406	52,192
Investments (Group)	4,092,263	3,534,374
(Historical cost £3,999,501 [2019: £3,172,083])		
Investments in group undertakings at 1 January 2020 and at 31 December 2020	1	1
Investments (Charity)	4,092,264	3,534,375
(Historical cost £3,999,501 [2019: £3,172,083])		

Analysed as:

Fixed interest securities - unit trusts

Equities - UK

Property funds - UK

Equities - Overseas

Charity Multi-Asset fund

Hedge funds

	2020 Total £	2019 Total £
Fixed interest securities - unit trusts	-	145,885
Equities - UK	-	829,272
Property funds - UK	-	238,883
Equities - Overseas	-	342,022
Charity Multi-Asset fund	3,449,857	1,846,796
Hedge funds	-	79,324
	3,449,857	3,482,182

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

	2020		2019	
	Group £	Charity £	Group £	Charity £
Consumable stores	12,775	12,775	11,100	11,100
Total consumable stores	12,775	12,775	11,100	11,100

11. Debtors

	2020		2019	
	Group £	Charity £	Group £	Charity £
Resident contributions receivable	169,266	137,283	143,235	116,293
Group debtors	-	-	-	-
Capitation fees receivable	5,421	5,421	7,169	7,169
Legacies receivable	413,605	413,605	173,733	173,733
Income tax recoverable	2,269	2,269	9,272	9,272
Prepayments and other debtors	71,776	71,776	49,355	49,355
Gift aid donations from trading subsidiary	-	11,383	-	11,550
Amounts due from group undertakings	-	30,028	-	39,310
Total debtors	662,337	671,765	382,764	406,682

12a. Creditors: amounts falling due within one year

	2020		2019	
	Group £	Charity £	Group £	Charity £
Trade creditors	75,810	75,810	48,652	48,652
Staff remuneration	47,642	47,642	42,073	42,073
Pension	18,876	18,876	18,226	18,226
Social security and other taxes	59,779	59,779	52,501	52,501
Amounts owed to group undertakings	-	-	-	-
Hire purchase creditor	12,125	12,125	12,125	12,125
Other creditors and accruals	85,348	82,708	191,422	188,902
Total creditors (falling due within one year)	299,580	296,940	364,999	362,479

Net obligations under hire purchase are secured by fixed charges in the assets concerned

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

	2020		2019	
	Group £	Charity £	Group £	Charity £
Hire purchase creditor	17,177	17,177	29,301	29,301
Other creditors and accruals	-	-	-	-
Total creditors (falling due after more than one year)	17,177	17,177	29,301	29,301

Net obligations under hire purchase are secured by fixed charges in the assets concerned

13. General fund

	2020		2019	
	Group £	Charity £	Group £	Charity £
Revenue funds				
At 1 January 2020	3,437,309	3,437,310	3,645,065	3,645,066
Retained surplus/(deficit) for the year	1,296,574	1,296,574	(191,029)	(191,029)
Transfers from/(to) restricted funds	(124,206)	(124,206)	(16,727)	(16,727)
At 31 December 2020	4,609,677	4,609,678	3,437,309	3,437,310

14. Restricted and endowment funds

GROUP	Endowment Funds	Capital Funds	Other Restricted Funds	Total
	£	£	£	£
Revenue funds				
At 1 January 2020	156,906	4,372,520	340,089	4,869,515
Incoming resources	-	-	642,345	642,345
Expenditure	-	(532,698)	(438,566)	(971,264)
Gains/(losses) on investments	3,165	-	-	3,165
Transfer between funds	-	93,742	(93,742)	-
Transfers from/(to) revenue funds	-	124,206	-	124,206
At 31 December 2020	160,071	4,057,770	450,126	4,667,967

The transfers between funds during the year are represented by additional funds when required to show progress; transfers to and from these fund represent the introduction of funds from restricted income and the distribution of costs to capital funds. Transfers to the revenue fund represent restricted funds received for the allocation against revenue costs.

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

The endowment funds are represented as follows;

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

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

CHARITY	Endowment Funds	Capital Funds	Other Restricted Funds	Total
	£	£	£	£
Revenue fund				
At 1 January 2020	156,906	4,535,790	340,089	5,032,785
Incoming resources	-	-	642,345	642,345
Expenditure	-	(532,698)	(438,566)	(971,264)
Gains/(losses) on investments	3,165	-	-	3,165
Transfer between funds	-	93,742	(93,742)	-
Transfers from/(to) revenue fund	-	124,206	-	124,206
At 31 December 2020	160,071	4,221,040	450,126	4,831,237

15. Analysis of movements in restricted funds

	Balance at 1 January 2020	Income	Expenditure	Transfers	Funds 31 December 2020
	£	£	£	£	£
Chaplaincy costs	1,817	3,000	(4,293)	-	524
CFV choir costs	45	-	-	-	45
Sporting chances for disabled veterans	33,250	-	(17,993)	-	15,257
Garden design and costs	1,764	-	(1,764)	-	-
Mixed rehabilitation related costs	223,983	278,336	(166,308)	-	336,011
Green Project - Solar panels & maintenance	14,195	-	(2,829)	-	11,366
Lift replacement and maintenance	39,923	44,000	(74,794)	-	9,129
Richmond Wing extension	6,221	-	-	-	6,221
Social and recreation	200	-	(200)	-	-
Hospital equipment - general	16,068	12,026	(21,522)	-	6,572
Residents costs and entertainment	2,473	302	(2,775)	-	-
Ward hospitality	150	400	(550)	-	-
Green Projects - Electric Vehicle	-	43,678	-	-	43,678
IT Equipment	-	4,794	(4,794)	-	-
Occupational Therapy Equipment	-	19,861	(18,261)	-	1,600
Room Conversions	-	19,723	-	-	19,723
COVID-19 impact programme	-	125,000	(125,000)	-	-
COVID-19 infection control	-	91,225	(91,225)	-	-
	340,089	642,345	(532,308)	-	450,126

Analysis of movements in restricted funds - previous year

	Balance at 1 January 2019	Income	Expenditure	Transfers	Funds 31 December 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)	-	-
	186,262	701,848	(548,021)	-	340,089

Name of restricted fund

Sporting chances for disabled veterans
Garden design and costs
Mixed rehabilitation related costs
Green Project - Solar panels
Lift replacement and maintenance
Richmond Wing extension
Social and recreation costs
Hospital equipment - general
Residents costs and entertainment
Ward hospitality
Green Projects - Electric Vehicle
IT Equipment
Occupational Therapy Equipment
Room Conversions
COVID-19 impact programme

Description of fund

Sporting activities for disabled veterans (delayed due to Covid)
Fund towards ongoing gardening requirements
To maintain occupational therapy, physiotherapy and speech therapy.
To provide and maintain Solar panels
To replace the two lifts and related costs on Alexandra Wing
Retention dispute on Richmond Wing extension
To purchase the necessary equipment required for the use with residents.
To provide the much need services for residents needing end-of-life care.
To purchase small items for residents needs.
To purchase small items for the Wings to show appreciation
To purchase an electric ambulance
To purchase equipment to allow staff remote working
IT equipment to aid residents
Conversion of double rooms to single rooms
To provide funds to help during Covid-19

16. Analysis of net assets between funds

GROUP	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due >1year	Total
	£	£	£	£	£
Endowment fund					
Capital fund	21,000	139,071	-	-	160,071
(including unrealised (losses) of (£32,192) (2019: Losses £1,273))					
	21,000	139,071	-	-	160,071
Restricted fund					
Capital fund	4,057,770	-	-	-	4,057,770
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	450,126	(17,177)	432,949
	4,057,770	-	450,126	(17,177)	4,490,719
Unrestricted fund					
Revenue fund	-	3,953,192	673,662	-	4,626,854
(including unrealised (losses) of (£251,661) (2019: Losses £275,314))					
Pension fund liability	-	-	-	(286,000)	(286,000)
	-	3,953,192	673,662	(286,000)	4,340,854
	4,078,770	4,092,263	1,123,788	(303,177)	8,991,644
CHARITY					
	£	£	£	£	£
Endowment fund					
Capital fund	21,000	139,071	-	-	160,071
(including unrealised (losses) of (£32,192) (2019: Losses £1,273))					
	21,000	139,071	-	-	160,071
Restricted fund					
Capital fund	4,221,040	-	-	-	4,221,040
Capital expenditure fund	-	-	-	-	-
Other restricted funds	-	-	450,126	(17,177)	432,949
	4,221,040	-	450,126	(17,177)	4,653,989
Unrestricted fund					
Revenue fund	-	3,953,193	673,662	-	4,626,855
(including unrealised (losses) of (£251,661) (2019: Losses £275,314))					
Pension fund liability	-	-	-	(286,000)	(286,000)
	-	3,953,193	673,662	(286,000)	4,340,855
	4,242,040	4,092,264	1,123,788	(303,177)	9,154,915

17. Capital commitments

There were no capital commitments at 31 December 2020 (2019: None). No other commitments had been made at 31 December 2020 (2019: 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 (2019: 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 registered 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 2020 were as follows:

	2020	2019
	£	£
Turnover	491,847	539,813
Cost of sales	477,521	525,397
	14,326	14,416
Other operating income and charges	2,943	2,866
Profit/(loss) on ordinary activities before taxation	11,383	11,550
Appropriation to holding company (Gift aid)	(11,383)	(11,550)
(Loss)/profit for the financial year	-	-
Net current assets	1	1
Net assets	1	1
Share capital	1	1
Retained profit	-	-
Net assets	1	1

20. Surplus of income over expenditure

The charity has taken advantage of section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The net of income over expenditure for the period includes a surplus of £1,342,968 (2019: deficit (£32,083) which is dealt with in the financial statements of the charity.

21. Grants/ Donations receivable

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

Funder	Project	2020 Amount £
RAF Benevolent Fund	Mixed Rehab	20,000
ABF Soldiers' Charity	Mixed Rehab	60,000
Armed Forces Covenant Trust	- Keep Calm and Keep Connected	19,345
	- Covid-19 Impact Programme	125,000
The Chapman Charitable Trust	Further the objectives of the Charity	12,000
The Corporation of Trinity House	Further the objectives of the Charity	10,000
Ernest Kleinwort Charitable Trust	Mixed Rehab	30,000
Royal Navy & Royal Marines Charity	Mixed Rehab	63,858
The Francis Winham Foundation	Mixed Rehab	10,000
Postcode Neighbourhood Trust	Room conversion	19,723
Garfield Weston Foundation	Core costs	40,000
Rampion Fund at Sussex Community Foundation	Electric mini-ambulance	24,343
The Wolfson Foundation	Lift refurbishment project	44,000
The Julia and Hans Rausing Trust	Charity Survival Fund	245,635
Sussex Community Foundation	Sussex Crisis Fund- Remote working	4,794

22. Analysis of governance

	Basis of apportionment	2020 £	2019 £
Salaries, wages and related costs	Time apportionment	22,914	22,437
Insurance	Governance	-	-
Audit fees - charity	Governance	13,590	12,375
Audit fees - subsidiary company	Governance	2,640	2,520
Total governance		39,144	37,332

23. Analysis of changes in net funds

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	379,366	368,890	748,256
	379,366	368,890	748,256
Obligations under finance leases	(41,426)	12,125	(29,301)
	337,940	381,015	718,955



**Ask us about all the ways you can help
Care for Veterans.**



Care for Veterans

Gifford House
Boundary Road
Worthing
West Sussex
BN11 4LJ

Telephone

01903 213458

Email

info@careforveterans.org.uk

Web

www.careforveterans.org.uk

Follow us on



The Queen Alexandra Hospital Home since 1919

Registered Charity No. 1072334

A Company limited by guarantee, registered in England No. 3646570