



The Royal Star
& Garter Homes
Caring for the nation's military family since 1916

Annual Report & Accounts

For the year ended 31 December 2017





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& Garter Homes**
Caring for the nation's military family since 1916

“The standard of care provided by The Royal Star & Garter Homes is second to none. They do not rest on their laurels and are always seeking to improve... I would not hesitate to recommend The Royal Star & Garter Homes to others.”

Jessica Cheesman, Stephen's mother



Residents, relatives, staff and volunteers all play a part in making our Homes **happy and welcoming places to live and work**

We believe that **people** make a home

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The Royal Star & Garter Homes provides award-winning care for veterans and their partners who live with disability or dementia



Chairman's Report

The Royal Star & Garter Homes has provided the highest quality of care for veterans living with disabilities for more than a century.

We invest heavily in our staff teams, facilities, and the wide range of therapies and activities which make The Royal Star & Garter Homes so special.

Care rated as 'Outstanding'

We are extremely proud of our care teams. The Care Quality Commission (CQC) rated the overall care in our Solihull Home as 'Outstanding' in September 2017, which places the Home in the top one per cent of all care homes in England. It takes a truly passionate and dedicated team to achieve this, and we congratulate all our staff and volunteers for this wonderful achievement. Our Solihull Home celebrated its ninth birthday in 2017, and has capacity for 60 residents including 15 living with dementia.

We are also proud that our Surbiton Home achieved an overall rating of 'Good' from the CQC (with 'Outstanding' for Caring), and that both Homes were awarded Level 1 in The Butterfly Household Model of Care Accreditation Award by Dementia Care Matters following unannounced audits. Level 1 is the highest award, and indicates that our Homes are demonstrating 'exceptional person-centred dementia care'. Our Surbiton Home celebrated its fourth birthday in 2017, and has capacity for 63 residents including 26 living with dementia.

Building work continues on our new High Wycombe Home, and we expect to welcome our first residents in late 2018. We will recruit and develop a team which provides the highest quality care at all times, and gradually build resident numbers until we reach full capacity - 74 residents including 30 who are living with dementia.

To achieve our standards we continually explore new developments in care, working closely with leading academic researchers and other charities to share expertise and explore new approaches. Each of our Homes is designed to provide the highest quality of care for generations to come, and they represent an investment of nearly £60 million by the Charity.

The challenges ahead

Although we are well placed to strengthen and grow our activities, we continue to face significant challenges which include the current level of funding for the provision of care for the elderly and disabled, uncertainty about future government policy, and changes in fundraising regulations.

We believe that we fill an important role in the spectrum for the provision of care, between hospitals and more typical care homes.

OUR SPECIALIST CARE



This means that the Charity's cost of care is significantly higher than in some traditional care homes as it reflects the cost of staff needed to support residents who have a disability and those living with dementia. The Charity's fees for all residents are significantly lower than the actual

cost of care - which means that the Charity provides a subsidy for the care we provide to all our residents.

We continue to provide our distinctive care because we believe that many members of the veterans' community would otherwise suffer because they would not be able to obtain the specialist care which they need.

The Charity relies heavily on legacies and public donations to finance the care we provide. We are very grateful for the tremendous support we receive from a wide range of individuals and organisations. This income is critical and allows us to continue to meet the changing needs of the veterans' community and to invest in new facilities and services.

Developing new ways to support Servicemen and women

The Charity is committed to providing the highest quality of care to veterans in our Homes. As our third new Home moves towards completion we have expanded our focus to explore other areas which will help us reach more veterans and their families than ever before. Governors have taken the decision not to create a fourth new Home on our existing model at present. Instead we believe that the Charity can increase its impact by developing new ways to support Servicemen and women.

Day Care – Our 'Star & Garter Club'

There is a clear trend that people are staying in their own homes for longer if they have the right support in place and moving into residential care when they have higher acuity needs. This has led the Charity to implement a trial of Day Care services for veterans which commenced in Solihull in November 2017. We are welcoming 6 or 7 veterans each weekday into the Home to participate in activities and benefit from a tailored well-being programme. This trial will run for two years, and if the outcomes are positive for members and our existing residents, we will open similar groups in our Surbiton and High Wycombe Homes.

This day care trial is supported by a grant from the Aged Veterans' Fund funded by the Chancellor using LIBOR funds.

Home Care

In 2018, we will explore whether it would be possible for the Charity to provide care in veterans' own homes. Home Care helps with daily activities that cannot be safely managed on one's own. If the initial trial in the Surbiton area is successful, it would allow us to achieve a significant increase in the number of veterans we are able to support and we will consider a similar service in Solihull and High Wycombe, and perhaps other locations.

Younger Veterans

Our new Homes mean that we are once again able to play our part in supporting younger veterans if they become disabled. A member of The Rifles who was seriously injured by a mortar bomb while serving in Basra is currently being cared for in one of our Homes. This takes the Charity back to its roots, which was to care for young Servicemen with severe injuries following the First World War.

We are actively developing plans for the Charity to create small home communities for 4 to 6 younger veterans with disabilities. These homes would meet our high standards, with the same access to support, activities and therapies, but would have a more modern domestic aesthetic and focus on quality of life and promoting independence, with residents taking more responsibility for organising activities and events, and encouraging education and training.

Our wider role

As an outstanding care provider, we are fully aware of our responsibilities to support both the whole military community and the wider social care sector. We help to fulfil our charitable objectives not only through delivering our own care, but by helping others to reach best standards too.

This year our Director of Care has supported work by the National Institute for Health and Clinical Excellence to develop national dementia care standards, and Health Education England by providing places for Nursing Associate trainees in our Surbiton Home. We continue to be involved in a range of research programmes with leading academic institutions and to welcome military nursing students in both Homes.

We are also working with The Royal Borough of Kingston upon Thames as they develop their own new dementia care home which will draw from our care model.

Our amazing team

We place great emphasis on finding, developing and supporting people who are committed to delivering the highest quality of care in our Homes. I would like to thank our team of staff and volunteers who make our Homes so special for residents, and the Governors for their commitment and support. I am also thrilled to be able to congratulate two recipients of very deserving honours.

I was delighted that Betty Johnson was awarded the British Empire Medal in the 2018 New Year's Honours List for her services to charities. Betty started volunteering with us in 2000 and makes a wonderful difference through supporting our residents.

Pauline Shaw, our Director of Care, received an OBE in the 2018 New Year's Honours List in recognition of her services to veterans. This award acknowledges her passionate and unwavering commitment to the Charity.

I would also like to record my thanks to my fellow Governors. Our Governors give freely of their time and expertise to support and lead the work of the Charity. I am particularly grateful to our Governors for their commitment to the Charity over many years.

We are determined to continue providing the highest quality of care in our Homes, and to implementing new services which will benefit those who have served. We have made tremendous headway in a number of areas in 2017. By this time next year, we will report significant further progress.



Major General Tim Tyler CB
Chairman, Governing Body

19 June 2018

Our Residents



Cherished memories



Joan loves the activities

GEORGE

George is a former Royal Marine who has been widely recognised for his service both to the Armed Forces and the Fire Service. During his service George was involved in the D-Day landings, supporting the Americans on Utah Beach as part of 'Operation Neptune', the amphibious phase of D-Day. George loves socialising and living a full life. As a keen sportsman, he relishes the challenge of physiotherapy. He also loves musical activities and socialising, especially live entertainment and pub lunches.



George enjoys friendship...



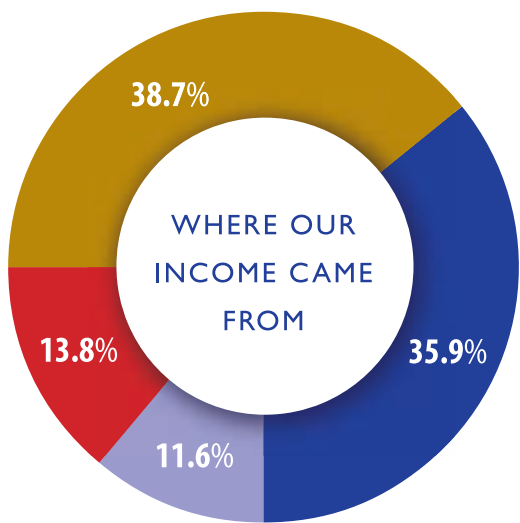
...and life in the Home

Summary of Income and Expenditure

We rely on public support for everything that we do. Like all charities, we have to spend money in order to raise valuable funds and ensure we are well run. Here is a brief summary of our income and expenditure in 2017.

HOW WE RAISED OUR INCOME

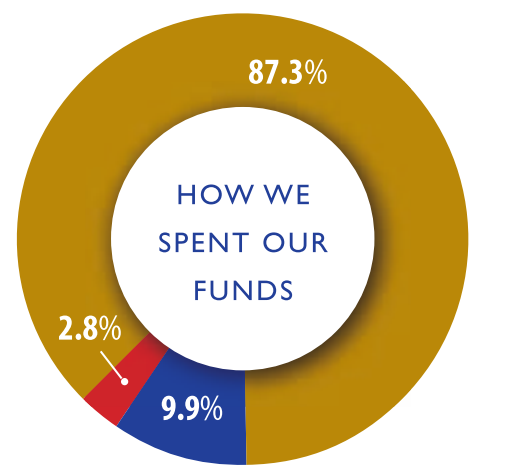
During 2017, we raised £18.1m to enable us to provide the highest quality of care for military veterans.



Fees for care services	£7.0m
Legacies	£6.5m
Investment income	£2.5m
Donations/other income	£2.1m
TOTAL INCOME	£18.1m

HOW WE SPENT OUR FUNDS

We spent £12.4m on providing care and support to residents – 87p in every £1 we spent. We spent just 16.3p on fundraising for every £1 we raised during the year.



Care & support	£12.4m
Fundraising incl. legacies	£1.4m
Managing our investments	£0.4m
TOTAL EXPENDITURE	£14.2m



Why we hold Reserves

We are investing £74.5m to provide wonderful Homes for our residents. This means that half our assets are tied up in buildings. The following is a brief summary of how we are using our resources.

One-off investment of £5m to open the Home and recruit and develop a new staff team



£5.0m OPENING HIGH WYCOMBE HOME

£12m being spent over five years to develop three innovative new services



£12.0m INVESTING IN NEW SERVICES

We hold only 12 months' funds to cope with unforeseen events and £2m is required to cover the deficit on our pension scheme



£19.4m UNEXPECTED EMERGENCIES

This fund produces £1.5m annual income to support our residents' care



£39.3m SUPPORTING OUR CARE SERVICES

Our buildings are an integral part of how we deliver high quality care



£44.2m BUILDINGS

£10m is required to complete the High Wycombe Home, and all our properties require regular upkeep, refurbishment and eventual replacement



£30.3m PROPERTY UPKEEP

PETER

Peter served in the RAF between 1950 and 1952 as part of National Service. He was stationed at RAF Little Rissington, Gloucestershire, with Central Flying School.

When speaking about his time in the RAF, Peter comments: *"It's difficult to put it into words. It was very intense, you had to be on the ball all the time."* He recalls: *"It was always extremely sad when a plane crashed, and somebody got injured."*

Peter receives regular physiotherapy sessions at The Royal Star & Garter Home to help retain strength in his legs. He says: *"It's very good here. I enjoy the camaraderie, all these ex-servicemen - they are fantastic people."* He gets involved with as many of the activities as possible and says: *"They keep you going all the time!"*

Governors' Report

The Governors present their annual report and audited financial statements for the year ended 31 December 2017, and confirm they comply with the requirements of the Charities Act 2011, the Charity's governing document and the relevant Statement of Recommended Practice (Charities SORP 2015).

About The Royal Star & Garter Homes

The Royal Star & Garter Homes ('the Charity') was established in 1916 to care for soldiers and sailors who had been disabled during the First World War. The Charity is registered with the Charity Commission under charity number 210119. The Charity's activities are governed by Royal Charter dated 21 September 1990 as amended on 13 June 2007.

Our Mission is to provide an outstanding range of care and therapies for disabled men and women who have served or who are serving in Her Majesty's Armed Forces, and for disabled partners or spouses of those who have served.

We are committed to providing the highest quality of care, and our teams of staff and volunteers believe passionately in helping residents live life to the full irrespective of age and care needs. We employ a wide range of professional care staff including nurses and care assistants, together with physiotherapy, speech and language therapy and activities teams. We operate with relatively high staffing levels to meet the care, mobility and therapy requirements of our residents, and we invest significant amounts in staff training, activities and benevolent services which are a hallmark of our care. We assist residents in maintaining and enhancing mobility and encourage involvement in activities and personal interests which help to improve confidence, enhance independence, and create a vibrant sense of community.

Meeting the current need for care

The Charity has undergone a transformation over the past decade. We have created two award-winning, purpose built care homes (Solihull: 2008 and Surbiton: 2013), and expect to complete our third (in High Wycombe) in late 2018. These three homes will enable us to provide the highest quality of care for 197 residents with state-of-the-art facilities, including 71 residents in specially-designed dementia communities.

Each of our Homes provides outstanding accommodation which will meet the expected care needs of residents for the foreseeable future. Each resident's bed-sitting room has an en-suite shower room, ample space to facilitate bedside therapies, treatments and for socialising, ceiling hoists to aid mobility, and easy access for wheelchairs. These arrangements help residents to be as independent and mobile as possible while ensuring that support is available whenever it is needed. Each Home offers a spacious homely environment with dedicated activities, dining and social areas for residents, attractive gardens and a wide range of spaces where residents and visitors can spend time together.

We also maintain strong links with the Armed Forces which our residents value so highly. We reinforce these links with the presence of military student nurses completing clinical placements, encouraging visits and events organised by Service organisations, and by means of a ceremonial presence at key events during the year.

Our Homes welcome residents from all backgrounds. We know that the veterans community will continue to require high levels of care from our Charity.

- By 2020 it is estimated that around 115,000 veterans and 102,000 dependents of veterans will require residential and nursing care, and that 40,000 veterans will be affected by dementia.

- There are currently only around 1,500 beds provided in ex-Service care homes in England, with just over 100 of these available for those with dementia.

Continuing development of dementia care

We continue to invest in enhancing the quality and personal focus of the care we provide for residents who are living with dementia. Involving residents' families, friends, staff and supporting professionals, we are developing an approach which achieves a really positive personal connection between residents and their carers and families. Based on the concept of 'emotional care', this is particularly important for people living with dementia, where they can no longer rely on logic, memory and reason. We were delighted that both Homes were awarded the Level 1 accreditation by Dementia Care Matters following unannounced audits in 2017. Level 1 is the highest award, and indicates that our Homes are demonstrating 'exceptional person-centred dementia care'.

Supporting the development of care

The Charity is committed to support academic research and other national and international initiatives that help to drive innovations in care. This not only supports the development of care for veterans more widely, but also allows the Charity to rapidly adopt best practice and new approaches within our Homes to the benefit of our residents.

We have continued our involvement with a wide-ranging programme of academic research, including 'The impact of military service on risk of dementia' with King's College London; a Longitudinal study researching why some individuals develop symptoms such as hallucinations and paranoia also with King's College London; and 'SettleIn', a structured programme to support residents moving into residential care, with University College London.

Our Director of Care has been involved in a National Institute for Health and Clinical Excellence ('NICE') guidelines development group for standards in dementia care that will publish in 2018. Through Health Education England our Surbiton Home has been a pilot site for new Nursing Associate trainees from Kingston and St George's University Hospital, and we have been delighted to welcome 6 trainees on this exciting new programme. It is always a pleasure to welcome students who are keen to learn into our Homes, and we continue to support tri-service military nursing students from Birmingham City University in our Solihull Home (5 students in 2017), and civilian students from Kingston Hospital in our Surbiton Home (4 students). The Royal Borough of Kingston upon Thames have also approached the Charity to support them in the development of their own new dementia care home, which will be based on our Surbiton model.

Our staff team continue to be heavily involved in the National Care Forum, an association of not-for-profit care providers, joining their board and chairing the HR group. Our Chief Executive also chairs the Confederation of Service Charities 'care cluster', helping to share best practice across the military care sector.

This year we have been delighted to welcome visitors from across the globe in both Homes to learn about our approach to care, especially dementia care. These have included Earl Howe, Minister of State for Defence in the House of Lords; Andrew Larpent, director of the Commonwealth care organisation, CommonAge; and health care visitors from China on a study tour with Kingston University.

Communicating and meeting residents' needs

We are committed to finding out and meeting the needs of our residents and use a number of informal and structured approaches to obtain feedback from residents and their families about the services we provide.

We are also committed to providing an environment that is free from discrimination on any grounds including age, race, religion, sex, sexual orientation and disability, and have a policy of making reasonable adjustments to accommodate the needs of staff or residents who are or who become disabled.

Future strategy

Governors have identified three new service areas where the Charity can provide much needed support for beneficiaries, and designated funds as described on page 12 to meet those needs.

Young Veterans' Homes: The Charity is actively developing plans to create small home communities for 4 to 6 younger veterans with disabilities. These homes will meet the high standards of our current homes, with the same access to support, activities and therapies; a modern domestic feel; and focus on promoting independence and supporting residents in organising activities, events, education and training. We estimate that it may cost up to £4 million to develop each Young Veterans' Home, and are exploring the possibility of purchasing a suitable residential house and undertaking a full conversion to meet the requirements of younger veterans. The Charity has designated £10m to enable us to develop a business plan, provide sufficient resources to purchase and adapt a suitable home, cover initial start-up costs, and provide a basis for financing a further home if we can identify sufficient need.

Day Care – Our 'Star & Garter Club'

There is a clear trend that people are staying in their own homes for longer if they have the right support in place, and moving into residential care when they have higher acuity care needs. Governors have designated £2m to cover the start-up costs for trial Day Care and Home Care services which will help the Charity to support veterans who are continuing to live at home despite their disabilities or dementia.

The Charity initiated a two year trial of Day Care services for veterans in Solihull in November 2017. We are aiming to welcome 6 or 7 veterans each weekday into the Home to participate in activities, have lunch, take part in trips and benefit from a tailored wellbeing programme. If the outcomes are positive, we will open similar groups in our Surbiton and High Wycombe Homes.

This day care trial is supported by a grant from the Aged Veterans' Fund funded by the Chancellor using LIBOR funds. In the longer-term we expect that this service will run with only a limited subsidy in each Home.

Home Care

In 2018, we will explore whether there is sufficient demand for the Charity to provide Home Care support for veterans in the area around our Surbiton Home. Home Care is delivered when a carer visits someone in their own home and helps them with daily activities they cannot safely manage on their own such as getting dressed, preparing meals, washing and going to the toilet. If the initial trial is successful, it will allow us to significantly increase the number of veterans we are able to support.

We anticipate that some Home Care clients may choose to join our Star & Garter Club, and perhaps eventually move into one of our Homes. If the evaluation is positive, we will consider implementing a similar service in Solihull and High Wycombe, and perhaps other locations.

The essential role of volunteers

The Charity benefits from the services of approximately 70 active volunteers, who in some cases receive reimbursement of expenses. Volunteers are very generous with their time and their work covers a wide range of activities to support the care and welfare of residents and in fundraising. Most of this work would not be affordable if performed by employees. The Governors wish to record their gratitude, and that of our residents, to all our volunteers for their support which enables residents to enjoy such a wide range of activities and outings.

Financial review

Governors were delighted that the Charity increased the number of residents for whom we provided care in 2017. Average occupancy increased from 105 in 2016 to 115 in 2017. As a result of this increase, the cost of providing care rose by 11% (2017: £12.4m; 2016: £11.14m).

The Charity received fee income from residents and funding organisations (principally local authorities and the NHS) totalling £7m during 2017 (2016: £5.8m). Income was higher in 2017 as a result of increased occupancy and the higher proportion of residents who were self-funding. This means that the Charity provided an effective grant from its own resources to finance the cost of resident care totalling £5.4m during 2017 (2016: £5.3m). This grant has been financed from fundraising and other income generated during the year.

Our care services

We have set a very demanding occupancy figure at 95% for each of our Homes to maximise the number of beneficiaries who we provide care for each year. Our Solihull Home has capacity for 60 residents, including 15 who are living with dementia. We increased average occupancy in Solihull to 94% in 2017 (2016: 90%). Our Surbiton Home has capacity for 63 residents, including 26 who are living with dementia. We increased average occupancy in our Surbiton Home to 92% in 2017 (2016: 81%). The Charity supported 176 residents in 2017 (2016: 175), and the average age of our residents was 89.5 years on 31 December 2017.

When setting our fees, we seek to achieve a balance between affordability, a level which is consistent with the first class care and accommodation we provide for our residents, and our desire not to exclude any beneficiary on the grounds of financial hardship. This means that we welcome residents whose care is funded from a variety of sources.

Our Homes provide care for residents drawn from a wide geographical area. During the year, our Surbiton Home provided care for residents funded by thirteen local authorities and our Solihull Home provided care for residents funded by four local authorities.

A summary of the Charity's Strategy is set out in the Chairman's Report, and details of the Charity's results for the year are set out in the Consolidated Statement of Financial Activities (page 21). In setting objectives and planning activities, Governors give full consideration to the Charity Commission's guidance on public benefit and fee-charging.

Our fundraising

We have a number of active programmes to encourage individuals and organisations to support our work, and Governors gratefully acknowledge the financial support given to the Charity by so many generous donors. We use a range of fundraising approaches, but always aim to achieve best practice in the way we communicate with and support our donors. We are conscious of pressures which vulnerable people might feel as a result of receiving a letter inviting them to consider making a donation, and take great

care with both the tone of our communications and accuracy of our data to minimise this as much as possible.

The Charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. We apply best practice to protect our supporters' data; we never swap or sell data, and ensure that communication preferences can be changed at any time.

We manage the majority of our own fundraising activities. In 2017 we retained The Woods Group Limited to administer our raffles, and Telebank Limited for the sale of our Christmas cards. One of the important selection criteria for these firms was the professional approach they take to engaging with potential donors. The Charity takes seriously the need to achieve the highest standards in our approach to fundraising and we are not aware of any failure by the Charity or firms which support us to comply with fundraising standards.

The Charity sets high standards about how we communicate with current and potential donors. In 2017 the Charity received 28 complaints, including 23 asking to be removed from our mailing list. Although these complaints represent less than 0.01% of our total mailing programme, each complaint we receive is fully reviewed by a senior member of staff and treated as an opportunity to learn and improve our service.

The current environment for fundraising is particularly challenging. We continue to benefit from the generosity of legacy donors, and received legacy income totalling £6.5m in 2017. Although this was 3% more than we received in 2016 (£6.3m), we believe that the Charity's legacy income will fall over time. The reduction in legacy income since 2015 (£10.6m) is a reminder that this source of income may decline significantly.

The Charity is committed to employing the highest standards in its approach to fundraising, and focuses on building long term relationships with donors, particularly through new digital activities. We are working to increase the range of regular donors and supporters for our work. We received donations and gifts from individuals, trusts and other supporters totalling £1.93m during 2017. This was more than our target (£1.65m), although it represented a reduction by 1.5% from £1.96m in 2016. We are very grateful for all donations, including major grants from the Chancellor using LIBOR funds (£369k), Miss AWG Marriott Discretionary Settlement (£200k) and ABF The Soldiers' Charity (£80k) during the year.

Overall, we spent just 16.3p on fundraising for every £1 we raised in 2017.

Reserves Policy

The Charity has a policy of designating funds to meet specific strategic objectives, which include the retention of sufficient general funds to protect the Charity against unforeseen adverse developments. A brief explanation of the Charity's funds is set out below. Further details are set out in Note 13, and the allocation of net assets between funds is set out in Note 14.

- The combined investment in our Solihull, Surbiton and High Wycombe Homes and our administration office amounts to £54.5m, held in our Fixed Asset, Designated and Restricted Funds (Notes 13 and 14).
- The *Building Replacement Fund* (£10m) provides resources which will be used to finance the replacement of our Homes and administration office, including the services which are critical to their efficient operation. The Charity will increase the value of this fund over 25 years when the buildings are expected to reach the end of their useful lives.

- The income from the *Property Refurbishment Fund*, estimated at 3% pa, will be used to finance the periodic refurbishment of our properties to ensure they continue to provide the outstanding environment which our residents deserve.
- Governors have designated £12m as a *Strategic Development Fund* to provide capital to develop new services where the Charity can provide much needed support for a greater number of beneficiaries:
 - *Young Veterans' Homes*
 - *Day Care – Our 'Star & Garter Club'*
 - *Home Care*
 Our plans for these services are described on page 9.
- Governors have designated £5m as a *Transitional Support Fund* to cover the expected investment required to establish the High Wycombe Home from opening in late 2018 to 31 December 2020. The Charity will make a significant investment in recruiting a staff team and providing training to ensure they deliver the highest quality of care. We will recruit more than 100 new members of staff in 2018 and 2019 and phase the admission of residents to ensure that everyone receives the highest quality of care from the outset. We estimate that the net cost of operating the Home will amount to some £6.5m in this period as it builds to full capacity.
- The *Care Support Fund* (£39.3m) is designed to provide income and capital which will be used to secure the future of dependent beneficiaries in case fundraising income falls. Although the Charity has benefited from excellent support from fundraising over many years, the majority of this is in the form of legacies from individuals who had experience of the Second World War. This income is unpredictable and the Charity considers it likely that the amount of legacy income will fall significantly in the future. We do not know when the Charity will need to make use of this fund, but believe it is necessary because the Charity is committed to providing high quality long term care for residents. The annual 'grant' from the Charity to cover the cost of care in three homes is expected to be £7.5m in 2018.

Governors review the Charity's reserves policy at least annually and have approved the holding of a General Fund amounting to £19.4m (2016: £12.0m) as set out in Notes 13 and 14. This unrestricted free reserve is designed to enable the Charity to cope with other unforeseen expenditure or loss of income and includes items held for the following purposes:

- Free Reserves (£17.4m) are held in the form of disposable assets including cash, term deposits, equities and fixed interest investments, and are equivalent to 12 months' operating costs (2016: 12 months). The increase in value reflects the impact of opening our High Wycombe Home in late 2018. The actual level of reserves is reviewed regularly, and Governors consider that the current level of Free Reserves is sufficient in view of the scale and scope of the Charity's operations, and their assessment of the Charity's risk profile.
- A Pension Reserve (£2m) is being held to cover the agreed contributions into the Charity's defined benefit pension scheme as described in Note 15.2.

The Charity's overall net assets (£150.2m) are held for specific purposes as set out above. We have included a diagram (page 6) to help illustrate how we are using our resources.

Pension Schemes

During the year the Charity provided access to money purchase pension schemes which are operated by Standard Life PLC and the National Employment Savings Trust ('NEST'). These arrangements comply with the pension auto-enrolment rules, and if an employee makes a contribution of 5% or more of pensionable salary into one of these schemes, then the Charity will also contribute 5% into the scheme on their behalf.

The Charity's defined benefit pension scheme was closed to future accrual on 30 April 2007. A triennial actuarial valuation by a qualified independent actuary indicated that a 'pension deficit' of £2.7m existed at 31 December 2016. The Charity has agreed with the trustees of the pension scheme a Schedule of Contributions to be paid into the pension scheme in order to eliminate this deficit over a period of 10 years from 1 January 2018.

A qualified independent actuary has also prepared a valuation of the pension scheme for these accounts in accordance with Financial Reporting Standard 102 ('FRS 102'). This valuation indicated that a deficit of £0.7m existed at 31 December 2017 (2016: £0.5m deficit). This deficit has been recognised in these accounts. Further details of the FRS 102 valuation are set out in Note 15.2.

Subsidiary Companies

The Charity had two wholly owned subsidiary companies during 2017:

- Star & Garter Property Limited, whose principal activity is to undertake the design and build of new homes to supply to The Royal Star & Garter Homes. Star & Garter Property Limited received income totalling £7.9m during the year (2016: £6.4m) as payments in advance for the supply of the Surbiton and High Wycombe Homes to the Charity. The company contributed £229k to the Charity during 2017 by way of the payment of Gift Aid, and this has eliminated its taxable profits (2016: Gift Aid payment of £187k).
- Star and Garter Promotions Limited is dormant.

Further information about these companies is set out in Note 9.

Investment Policy

At 31 December 2017, the Charity's investments were valued at £105.8m (2016: £103.8m) as set out in Note 10. The Charity operated a policy of reinvesting investment income in 2017. The portfolios managed by Sarasin & Partners LLP ('Sarasin') produced a net gain of £2.5m during 2017 (2016: gain £2.3m). The market value of the Sarasin portfolios increased to £43.6m (2016: £39.6m).

The portfolio managed by Smith & Williamson Investment Management LLP ('Smith & Williamson') produced a net gain of £2.5m in 2017 (2016: gain £2.5m). The market value of the Smith & Williamson portfolio increased to £36.7m (2016: £33.6m).

The Charity invested £5m with Ruffer LLP ('Ruffer') in December 2017. The Ruffer portfolio produced a net gain of £16k in 2017 (2016: £nil). The Charity also held bank deposits totalling £20.4m (2016: £30.5m).

The overall performance of these investments has been consistent with movements in world stock markets generally, and Governors consider that the investment approaches employed by each of the investment managers remain sound. Governors will continue to monitor the performance of the investment portfolios in the light of external developments during 2018.

Risk

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

Risk and uncertainty	Management plans
<ul style="list-style-type: none"> Recruitment and retention of high quality care staff including nurses. 	<ul style="list-style-type: none"> Apply multiple approaches to attract nurses in an environment of national shortage. High quality training, management support and working environment to help retain high quality teams.
<ul style="list-style-type: none"> Ensure the Charity continues to provide the highest quality of care for residents. 	<ul style="list-style-type: none"> Effective recruitment, training, development and retention of staff. Monthly internal audits in Homes and central key quality performance systems. Independent evaluation of performance by external specialists.
<ul style="list-style-type: none"> To secure fundraising income, including potential for significant reduction in legacy income. 	<ul style="list-style-type: none"> Implement new fundraising strategy in 2018 with a focus on encouraging individual and regular donors. Care Support Fund to secure future for dependent beneficiaries if fundraising income falls.
<ul style="list-style-type: none"> Ensure the High Wycombe Home provides the highest quality of care from its opening in late 2018. 	<ul style="list-style-type: none"> Senior management overseeing build programme with professional team. Detailed planning for opening the Home based on successful implementation at Solihull and Surbiton Homes. Home Manager to be appointed several months before opening to co-ordinate key activities. Ensure consistent systems and procedures used across all Homes.
<ul style="list-style-type: none"> Serious accident, incident or allegation of abuse. 	<ul style="list-style-type: none"> Wide ranging staff training programme. Lead nurses monitoring standards of care, staff supervision and observational audits. Quality Assurance Manager appointed to lead regular audits and investigate safeguarding issues. Whistleblowing and safeguarding policies in place with regular staff training.

The management team maintain a Risk Register which is updated regularly as part of a formal risk management process. This involves examining the types of risk the Charity faces and prioritising them in terms of likelihood of occurrence and consequence. Governors review potential risks to the Charity and the Charity's Risk Register at each meeting of the Finance Committee and twice a year at meetings of the Governors, and consider that the Charity has a clear plan which will enable it to continue providing the highest quality of care for beneficiaries.

Governance

Strong governance is at the heart of the Charity and critical to our long-term success. Our Governors are responsible for ensuring that the Charity is effectively and responsibly run in line with our Royal Charter and all appropriate law and regulation. Governors ensure that the Charity has a clear strategy, uses its resources to deliver the highest quality of care to beneficiaries, and safeguards its finances and property. All Governors, who are the Charity's trustees, give their time freely and no remuneration was paid to Governors in the year (2016: £Nil).

The Charity reviews governance arrangements and underlying procedures on a regular basis. We compared our approach with the new Governance Code ('the Code') which is endorsed by the Charity Commission and leading charity sector bodies. The Code asks charities to apply the Code or explain why they have taken a decision to adopt a different approach. While The Royal Star & Garter Homes is broadly compliant with the Code, Governors have taken a decision to adopt a different approach in the following areas:

- The Charity has 16 Governors, more than the 12 recommended in the Code. We feel that this provides a broader range of skills and experience in areas vital to the Charity's work.
- The Charity has taken the decision that Governors may be appointed for up to four terms of 3 years in order to retain experienced individuals and provide continuity of service.
- The Charity recognises the value of a diverse board, and considers diversity within the Governor recruitment process, however we do not consider it necessary to set specific diversity objectives.
- The Charity completed its annual internal effectiveness review, but feel it is sufficient to commission external reviews every 5 years, following a comprehensive review in 2013.

New Governors are elected by existing Governors and initially serve for a term of three years at which time they are eligible for re-election up to three times. Governors are selected on the basis of their skills, knowledge and experience, and we maintain strong links with the military through appointing serving and retired officers from all three Services. The Charity seeks to ensure that Governors retain a wide range of professional and other skills. New Governors receive a handbook about the Charity and meet members of the executive team, other staff and residents in order to familiarise themselves with the workings of the Charity.

Details of the Patron, President, Vice-Presidents and Governors are set out on page 37. The names of the executive team and external advisers are set out on page 38.

The Governors

The Governors meet four times each year and receive comprehensive reports on all aspects of the Charity's affairs. Governors are encouraged to attend relevant external training courses where appropriate. The Governors delegate the exercise of certain powers in connection with the management and administration of the Charity as follows:

Care Committee

The Care Committee was established in June 2017, and holds meetings at least twice each year. The Committee reviews all aspects of care delivered by the Charity together with proposals for the future development of care, and provides reports and makes recommendations to Governors at their quarterly meetings.

Finance Committee

The Finance Committee holds meetings at least four times each year. The Committee considers the annual report and financial statements, the appointment of external auditors and the annual budget and

operating plan. It also considers the risk management report, investment strategy, investment performance and other relevant financial matters and makes recommendations to Governors at their quarterly meetings.

Property Committee

The Property Committee is authorised to exercise the powers of the Governors when dealing with property matters on behalf of the Charity including the acquisition, development and disposal of any land and/or buildings. The Committee meets on an ad hoc basis as required and may take decisions without holding a meeting provided that a majority of Committee members shall have communicated their views to the Chairman on the matter in question. All decisions are reported to Governors at their quarterly meetings.

Remuneration Committee

The Remuneration Committee makes recommendations to Governors concerning the remuneration of the Charity's Chief Executive and Directors. The Committee met once in the year and considered an independent benchmarking report when setting the pay and remuneration of the executive team.

The Charity completed its first gender pay gap analysis in 2017. The mean gender pay gap (6.2%) is significantly below the national average, and the averages for the care sector and charities generally. As a matter of policy, the Charity has adopted the Foundation Living Wage and pays the same salary to anyone doing the same job. The Charity's pay gap reflects the relatively high proportion of female staff employed by the Charity in middle salary bands (80%). The Charity is actively seeking to attract men to work in the care sector, focusing on the creation of opportunities such as apprenticeships to attract those seeking a career change.

Strategy Group

The Strategy Group met once in the year and reviewed care needs within the Service community, and identified those which the Charity is best placed to meet. Their work has helped to inform the next stages in the development of the Charity's care services. Having completed their review, it was agreed that the Strategy Group would not meet again until further strategy questions need to be considered.

Governor Recruitment Committee

A Governor Recruitment Committee was established to make recommendations concerning procedures for recruiting new Governors for the Charity and advise the Board on appointments.

Key management personnel

The Chief Executive is responsible for the day-to-day management of the Charity and for implementing policies agreed by the Governors. The Chief Executive is assisted by an executive team of five Directors and other managers.

Corporate governance

The Charity operates systems of internal control which are designed to provide reasonable assurance against material mis-statement or loss. They include:

- an annual operating plan and budget approved by the Governors;
- regular consideration by the Governors of financial and operational results against the budget and other performance indicators;
- delegation of day-to-day management authority and segregation of duties; and
- identification and management of risks.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency and effectiveness. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Executive and the Governors.

Statement of Governors' Responsibilities

The Governors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its net income for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors' Report was approved by the Body of Governors and signed on its behalf by:



Chairman

Date: 19 June 2018

Independent Auditor's Report To the Governors of The Royal Star & Garter Homes

Opinion

We have audited the financial statements of The Royal Star & Garter Homes for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Governors 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 charity and the charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2017 and of the group's income and expenditure 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 Charities Act 2011.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Governors' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement set out on page 17, the Governors 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 Governors 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 Governors are responsible for assessing the group's and the parent charity'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 Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

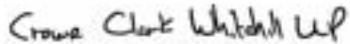
Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Crowe Clark Whitehill LLP

Statutory Auditor
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date: 19 June 2018

Crowe Clark Whitehill LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2017

	Note	Unrestricted Funds (Note 13) £000	Restricted Funds (Note 13) £000	Permanent Endowment (Note 13) £000	Total Funds 2017 £000	Total Funds 2016 £000
Income and endowments from:						
Charitable activities	2b	7,041	-	-	7,041	5,835
Donations and gifts	2b	1,433	492	-	1,925	1,957
Legacies	2b	6,327	212	-	6,539	6,312
Investments		2,444	-	-	2,444	1,629
Other trading activities		144	-	-	144	136
Other income		2	-	-	2	1
TOTAL		17,391	704	-	18,095	15,870
Expenditure on:						
Charitable activities	3	12,317	94	-	12,411	11,142
Raising funds	3	1,764	-	-	1,764	2,014
TOTAL	3	14,081	94	-	14,175	13,156
NET INCOME BEFORE INVESTMENT GAIN		3,310	610	-	3,920	2,714
Net gain on investments	10	5,065	-	4	5,069	4,811
NET INCOME		8,375	610	4	8,989	7,525
OTHER RECOGNISED LOSSES						
Actuarial losses on defined benefit pension scheme	15e	(362)	-	-	(362)	(845)
NET MOVEMENT IN FUNDS		8,013	610	4	8,627	6,680
Total funds brought forward		141,202	348	51	141,601	134,921
TOTAL FUNDS CARRIED FORWARD		149,215	958	55	150,228	141,601

A comparative statement of financial activities has not been prepared on the basis that all comparative amounts relate to unrestricted funds, with the exception of £246k of Donations and Gifts and £70k of Legacies.

BALANCE SHEETS

At 31 December 2017

		Group		Charity	
	Note	2017 £000	2016 £000	2017 £000	2016 £000
FIXED ASSETS					
Tangible fixed assets	8	44,195	37,625	44,990	38,191
Investments	9, 10	105,778	103,761	105,778	103,761
		149,973	141,386	150,768	141,952
CURRENT ASSETS					
Stocks		3	2	3	2
Debtors: amounts receivable within one year	11	697	949	1,107	1,146
Cash at bank and in hand		2,392	1,930	2,016	1,767
		3,092	2,881	3,126	2,915
LIABILITIES					
Creditors: amounts falling due within one year	12	(2,124)	(2,121)	(2,158)	(2,155)
NET CURRENT ASSETS		968	760	968	760
NET ASSETS EXCLUDING PENSION LIABILITY		150,941	142,146	151,736	142,712
Defined benefit pension scheme liability	15	(713)	(545)	(713)	(545)
TOTAL NET ASSETS		150,228	141,601	151,023	142,167
THE FUNDS OF THE CHARITY:					
Unrestricted funds:					
General fund		20,113	12,545	20,908	13,111
Less: Pension reserve	15	(713)	(545)	(713)	(545)
	13	19,400	12,000	20,195	12,566
Fixed asset funds	13	44,195	37,700	44,990	38,266
Designated funds		85,620	91,502	84,825	90,936
Total unrestricted funds	13	149,215	141,202	150,010	141,768
Permanent endowment fund	13	55	51	55	51
Restricted fund	13	958	348	958	348
TOTAL CHARITY FUNDS		150,228	141,601	151,023	142,167

Approved and authorised for issue by the Governors on 19 June 2018 and signed on their behalf by



Amanda Francis DSS BSc ACA
Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS **For the year ended 31 December 2017**

	Note	2017 £000	2016 £000
Cash flows from operating activities:			
Net cash provided by operating activities	A	2,816	54,050
Cash flows from investing activities:			
Investment income and interest received		2,444	1,629
Purchase of tangible fixed assets	8	(7,850)	(6,376)
Purchase of investments		(7,012)	(50,957)
Net cash used in investing activities		(12,418)	(55,704)
Change in cash and cash equivalents during the year	B	(9,602)	(1,654)

(A) Reconciliation of cash flows from operating activities

	2017 £000	2016 £000
Net income for the year	3,920	2,714
Adjustments for:		
Investment income and interest receivable	(2,444)	(1,629)
Depreciation	1,280	1,256
(Increase)/ decrease in stocks	(1)	155
Decrease in debtors receivable within one year	252	51,545
Increase in creditors	3	309
Pension expense	(194)	(300)
Net cash provided by operating activities	2,816	54,050

(B) Analysis of changes in cash and cash equivalents during the year

	2016 £000	Change In Year £000	2017 £000
Cash at bank and in hand	1,930	462	2,392
Cash on deposit	30,499	(10,064)	20,435
Total cash and cash equivalents	32,429	(9,602)	22,827

1. Charity Information

The Royal Star & Garter Homes is a company incorporated by Royal Charter (Company No. RC000713) and registered with the Charity Commission in England and Wales (Charity No. 210119). The registered office is 15 Castle Mews, Hampton, Middlesex TW12 2NP.

2. Principal Accounting Policies

2a *Basis of Preparation*

The financial statements have been prepared in accordance with the Charities SORP (Financial Reporting Standard 102 ('FRS 102')) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016. The consolidated accounts include the trading activities, assets and liabilities of Star & Garter Property Limited consolidated on a line-by-line basis.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

The Charity constitutes a public benefit entity as defined by FRS 102. In the view of the Governors, there are no material uncertainties casting doubt on the ability of the Charity to continue providing care for beneficiaries in the foreseeable future.

2b *Income*

Fee income represents charges for accommodation, nursing and care of residents and is accounted for in the year care was provided.

Donations are accounted for on receipt. Grant income is recognised when receivable. Legacies are accounted for at the earlier of receipt of the legacy, authorisation by the executors of an interim distribution or the point at which the final accounts of the estate are agreed by the Charity.

2c *Expenditure and the Allocation of Costs*

The costs of the Charity are allocated to the activity to which they relate as follows:

- Care - nursing and care costs together with catering, domestic, facilities and support costs relating to the provision of care for residents.
- Raising funds - direct and support costs associated with generating donations, grants and legacies.
- Governance - costs incurred in compliance with constitutional and statutory requirements.

The Charity allocates support costs, which relate to central services including human resources, information technology and the finance team, based on an estimate of the costs incurred in supporting each activity, generally by reference to headcount. Depreciation is allocated on the basis of the use of the assets concerned.

All expenses are accounted for on an accruals basis and the irrecoverable element of VAT is included with the item of expense to which it relates.

2d Fixed Assets – Valuation and Depreciation

Depreciation is provided to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Freehold land	– Not depreciated
Leasehold land	– 0.4% (250 year lease)
Buildings	– 2% - 5%
Plant and equipment	– 10% - 20%
Motor vehicles	– 20%

The carrying values of tangible fixed assets are reviewed for impairment periodically when events or changes in circumstances indicate that the carrying value may not be recoverable.

Items costing less than £5,000, and expenditure on buildings where the cost is below £10,000 are written off as an expense when incurred.

2e Financial instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. At the balance sheet date the Charity held the following financial assets at amortised cost:

	Note	2017 £000	2016 £000
Bank deposits	10	20,435	30,499
Fees receivable	11	130	183
Accrued income	11	147	231
Legacies receivable	11	109	27
Other debtors	11	159	362
Cash at bank and in hand		2,392	1,930
Total		23,372	33,232

Financial liabilities which comprise trade creditors, accruals and other creditors are held at the Balance Sheet date at amortised cost of £1.94m (2016: £1.95m) (Note 12).

Investments which form part of an investment portfolio are held at the Balance Sheet date at fair value of £85.34m (2016: £73.26m) (Note 10), with gains and losses recognised within income and expenditure.

2f Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less cost of disposal.

2g Pensions

The Charity operates two defined contribution pension schemes for employees. Contributions are charged to the Statement of Financial Activities ('SOFA') as they become payable in accordance with the rules of the Scheme.

The Charity also operates a defined benefit pension scheme which closed to future accrual on 30 April 2007. The defined benefit pension scheme current service costs together with the scheme interest cost less the expected return on the scheme assets for the year are charged to the SOFA within expenditure. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses.

The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

2h Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the lease term.

2i Funds

Endowment funds comprise investment assets which are held as capital by the Charity and whose income is applied for charitable purposes.

Restricted funds are accounted for in accordance with the particular terms of trust arising from the express or implied wishes of donors in so far as these are intended to be binding on the Governors.

Designated funds are set aside by the Governors out of unrestricted funds.

General funds are available for use by the Charity in accordance with its charitable objects.

2j Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in Note 2, Governors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In the view of the Governors, other than in respect of the defined benefit pension scheme, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

3. Analysis of Total Expenditure

	Staff costs £000	Depreciation £000	Other £000	Total 2017 £000	Total 2016 £000
Charitable activities: care costs	7,711	1,174	3,526	12,411	11,142
Raising funds	579	106	1,079	1,764	2,014
TOTAL EXPENDITURE	8,290	1,280	4,605	14,175	13,156

Care costs include support costs totalling £1.8m (2016: £1.5m) and development costs totalling £0.1m (2016: £0.01m). Support costs include staff costs £0.8m (2016: £0.7m), depreciation £0.1m (2016: £0.1m) and other costs £0.9m (2016: £0.7m) relating to the human resources, finance, information technology, pension administration and other central service teams. Other support costs (£0.9m) include building maintenance for the administration office together with pension administration, computer services and other central service costs.

The cost of raising funds includes support costs totalling £105k (2016: £121k) and investment management fees totalling £363k (2016: £267k). Support costs include staff costs £53k (2016: £46k) and other costs £52k (2016: £75k).

Support costs include governance costs totalling £84k (2016: £86k).

4. Auditor's Remuneration

The amount of remuneration payable to the auditor was as follows:

	2017 £000	2016 £000
In respect of audit services:		
Charity	26	25
Group companies	3	3
In respect of taxation and other advice and services	5	1
	34	29

5. Legacies

The Charity has received notification of a number of residuary legacies which have not been included in these accounts because they did not meet the criteria for recognition of income. The estimated total value of this potential income is £4.3m at 31 December 2017 (2016: £4.9m).

6. Governors' Remuneration

No Governor received any remuneration during the years ended 31 December 2017 or 2016. During the year, four Governors (2016: five) received reimbursement of personal travel and subsistence expenditure amounting to £769 (2016: £1,361).

7. Emoluments & Numbers of Employees

The total emoluments of employees for the year comprised:

	2017 £000	2016 £000
Wages and salaries	6,636	6,267
Employer National Insurance costs	607	554
Contributions to defined contribution pension scheme	271	239
	<u>7,514</u>	<u>7,060</u>
Other staff costs	776	717
Total staff costs	<u>8,290</u>	<u>7,777</u>

During the year, staff from commercial agencies provided cover for nurses, health care assistants and clerical services at a total cost of £689k (2016: £651k). This is included within other staff costs above.

The average monthly number of staff employed during the year was as follows:

	2017	2016
Nursing and care	189	180
Domestic, catering and other Home based staff	38	39
Fundraising	15	14
Management and administration	13	12
	<u>255</u>	<u>245</u>

The number of employees who received more than £60,000 in the year was as follows:

Emoluments :	2017	2016
£60,001 - £70,000	2	4
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	2
£100,001 - £110,000	2	1
£110,001 - £120,000	1	1

The total employment benefits (including employers' national insurance contributions) of the above employees, who are the Charity's senior management personnel, were £815k (8 employees) during the year (2016: £869k - 9 employees).

8. Tangible Fixed Assets - Group

	<i>Freehold Land & Buildings £000</i>	<i>Asset in the course of construction £000</i>	<i>Leasehold Land & Buildings £000</i>	<i>Plant & Equipment £000</i>	<i>Motor Vehicles £000</i>	<i>Total £000</i>
Cost :						
At 1 January 2017	17,073	7,307	14,254	5,606	144	44,384
Additions	(28)(*)	7,760	13	105	-	7,850
At 31 December 2017	17,045	15,067	14,267	5,711	144	52,234
Accumulated depreciation :						
At 1 January 2017	1,299	-	1,769	3,547	144	6,759
Charge for year	414	-	234	632	-	1,280
At 31 December 2017	1,713	-	2,003	4,179	144	8,039
Net book value at 31 December 2017	15,332	15,067	12,264	1,532	-	44,195
Net book value at 31 December 2016	15,774	7,307	12,485	2,059	-	37,625

* This represents an adjustment to an amount accrued at 31 December 2016.

The Charity commenced construction of the High Wycombe Home in March 2016. Completion is expected in September 2018 and we expect to welcome our first residents in late 2018. The Charity has established a budget of £25m for constructing and fitting out the Home.

The net book value of tangible fixed assets owned by the Charity is as follows:

Net book value at 31 December 2017	15,692(*)	15,502(**)	12,264	1,532	-	44,990
Net book value at 31 December 2016	16,130(*)	7,517(**)	12,485	2,059	-	38,191

These figures include cumulative profit earned by Star & Garter Property Limited on the provision of construction services to the Charity in connection with:

* the Surbiton Home amounting to £360k at 31 December 2017 (2016: £356k); and

** the High Wycombe Home amounting to £435k at 31 December 2017 (2016: £210k).

The Charity had contracted capital commitments totalling £8m in relation to the High Wycombe Home at 31 December 2017 (2016: £14.4m).

9. Investments: Subsidiary Undertakings

The Charity holds 100% of the share capital in the following subsidiary companies, whose results are included in the consolidation:

- Star & Garter Property Limited (Registered in England No. 7393425) whose principal activity is to undertake the design and build of new care homes which will be supplied to The Royal Star & Garter Homes. At the balance sheet date the Charity held one £1 ordinary share (100% of voting rights) in the company. The company makes Gift Aid payments to the Charity to cover its taxable profits.
- Star and Garter Promotions Limited (Registered in England No. 1990808) which ceased trading on 31 December 2011 and is now dormant. At the balance sheet date the Charity held two £1 ordinary shares (100% of voting rights) in the company.
- The registered office for the above companies is: 15 Castle Mews, Hampton, Middlesex TW12 2NP.

The value attributed to the investment in subsidiaries in the Charity's balance sheet comprises:

	2017 £	2016 £
Shares in Star and Garter Promotions Limited	2	2
Shares in Star & Garter Property Limited	1	1
Total	3	3

Net income from the trading activities of Star & Garter Property Limited was as follows:

	2017 £000	2016 £000
Turnover	7,873	6,404
Operating costs	(7,644)	(6,217)
	229	187
Contribution to The Royal Star & Garter Homes: Gift aid payment	(229)	(187)
Net profit before taxation	-	-
Corporation tax	-	-
Retained in subsidiary	-	-

Turnover represents charges for construction services relating to the provision of Care Homes to the Charity. Apart from this, and the payment of Gift Aid, there were no other related party transactions with subsidiaries.

The Net Assets of Star & Garter Property Limited at 31 December 2017 were as follows:

	2017 £000	2016 £000
Total Assets	1,649	1,706
Total Liabilities	(1,649)	(1,706)
Net Assets	-	-

10. Investments: Other Investments

	2017 £000	2016 £000
Market value at 1 January	103,761	48,570
Net (withdrawal)/ investment of capital	(3,052)	50,380
Net realised and unrealised gain during the year	5,069	4,811
Market value at 31 December	105,778	103,761
Historical cost as at 31 December	94,851	101,178
Analysis of Investments:	2017 £000	2016 £000
Bank deposits	20,435	30,499
Investment portfolio managed by Smith & Williamson Investment Management LLP	36,719	33,612
Ruffer LLP: Ruffer Absolute Return Fund	5,016	-
Investment portfolio managed by Sarasin & Partners LLP:		
The Alpha Common Investment Fund for Endowments	38,410	34,641
The Alpha Common Investment Fund for Income & Reserves	5,198	5,009
	105,778	103,761

The investment portfolio managed by Smith & Williamson included listed investments £35.2m (2016: £32.0m) and cash or cash equivalents £1.5m at 31 December 2017 (2016: £1.6m).

11. Debtors

Amounts falling due within one year:

	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Fees receivable	130	183	130	183
Amounts due from subsidiary companies	-	-	541	540
Accrued income	147	231	147	231
Prepayments	152	146	152	146
Legacies receivable	109	27	109	27
Other debtors	159	362	28	19
	697	949	1,107	1,146

12. Creditors

	Group 2017 £000	Group 2016 £000	Charity 2017 £000	Charity 2016 £000
Trade creditors	1,025	1,140	261	268
Accruals	849	750	840	723
Amounts due to subsidiary companies	-	-	807	933
Other taxation and social security	183	169	183	169
Other creditors	67	62	67	62
	2,124	2,121	2,158	2,155

13a. Statement of Funds - 2017

	At 1 Jan 17 £000	Income in year £000	Expenditure in year £000	Transfers in year £000	Other Gains £000	At 31 Dec 17 £000
UNRESTRICTED FUNDS:						
Fixed Asset Funds:						
Solihull Home Fund	12,895	-	(469)	94	-	12,520
Surbiton Home Fund	14,605	-	(609)	(103)	-	13,893
High Wycombe Home Fund	7,302	-	-	7,765	-	15,067
Administration Office Fund	2,898	-	(202)	19	-	2,715
	37,700	-	(1,280)	7,775	-	44,195
Designated and General Funds:						
High Wycombe Designated Fund	17,370	-	-	(8,010)	-	9,360
Fourth Home Fund	25,000	-	-	(25,000)	-	0
Building Replacement Fund	6,850	-	-	3,150	-	10,000
Property Refurbishment Fund	3,169	-	(77)	6,908	-	10,000
Strategic Development Fund	13,235	-	-	(1,235)	-	12,000
Transitional Support Fund	-	-	-	5,000	-	5,000
Care Support Fund	25,878	-	-	13,382	-	39,260
General Fund	12,000	17,391	(12,724)	(1,970)	4,703	19,400
Total Unrestricted Funds	141,202	17,391	(14,081)	-	4,703	149,215
Permanent Endowment Fund	51	-	-	-	4	55
Restricted Fund	348	704	(94)	-	-	958
TOTAL FUNDS	141,601	18,095	(14,175)	-	4,707	150,228

Unrestricted Funds:

The *Solihull Home Fund* represents the book value of the Solihull Home.

The *Surbiton Home Fund* represents the book value of the Surbiton Home.

The *High Wycombe Home Fixed Asset Fund* represents the book value of the High Wycombe Home at the balance sheet date. The High Wycombe designated and restricted funds together represent investments held to cover the expected cost to complete the Home.

The *Administration Office Fund* represents the book value of the Charity's administration office in Hampton.

Governors took the decision to redistribute the *Fourth Home Fund* in 2017 to augment the *Care Support Fund*, *Property Refurbishment Fund* and *Building Replacement Fund* and to establish the *Transitional Support Fund* following a review of the Charity's strategy as set out on page 2.

The *Building Replacement Fund* is designed to finance the replacement of the Charity's Homes and administration office when they reach the end of their expected useful lives.

The income from the *Property Refurbishment Fund's* assets is used to finance the refurbishment of the Charity's Homes and administration office.

The *Strategic Development Fund* was established to provide capital to be applied in developing the Charity's work for beneficiaries as set out on page 9.

The *Transitional Support Fund* was established in 2017 to provide funds to cover the net cost of operating the High Wycombe Home in the period to 31 December 2020.

The *Care Support Fund* was established to provide income and capital to use to secure the future of dependent beneficiaries in case other fundraising income falls.

The *General Fund* is designed to enable the Charity to cope with unforeseen expenditure or loss of income.

Permanent Endowment Fund:

The income from the *Central Regimental Institutes Fund* is available for the Charity's general purposes.

Restricted Fund:

The movements on the *Restricted Fund* during the year have been as follows:

	1 Jan 17 £000	Income £000	Expenditure £000	31 Dec 17 £000
Solihull Home	-	369	-	369
High Wycombe Home	328	245	-	573
Care Activities	20	90	(94)	16
TOTAL FUNDS	348	704	(94)	958

We expect to spend the *Restricted Fund* in 2018 on completing the High Wycombe Home and refreshing facilities in the Solihull Home.

13b. Statement of Funds - 2016

	At 1 Jan 16 £000	Income in year £000	Expenditure in year £000	Transfers in year £000	Other Gains £000	At 31 Dec 16 £000
UNRESTRICTED FUNDS						
Fixed Asset Funds:						
Solihull Home Fund	13,203	-	(454)	146	-	12,895
Surbiton Home Fund	15,262	-	(599)	(58)	-	14,605
High Wycombe Home Fund	1,101	-	-	6,201	-	7,302
Administration Office Fund	3,100	-	(202)	-	-	2,898
	32,666	-	(1,255)	6,289	-	37,700
Designated and General Funds:						
High Wycombe Designated Fund	23,574	-	-	(6,204)	-	17,370
Fourth Home Fund	25,000	-	-	-	-	25,000
Home Replacement Fund	5,600	-	-	1,250	-	6,850
Property Refurbishment Fund	3,205	-	(36)	-	-	3,169
Strategic Development Fund	8,900	-	-	4,335	-	13,235
Care Support Fund	25,897	-	-	(19)	-	25,878
General Fund	9,703	15,554	(11,569)	(5,651)	3,963	12,000
Total Unrestricted Funds	134,545	15,554	(12,860)	-	3,963	141,202
Permanent Endowment Fund	48	-	-	-	3	51
Restricted Fund	328	316	(296)	-	-	348
TOTAL FUNDS	134,921	15,870	(13,156)	-	3,966	141,601

Restricted Fund:

The movements on the *Restricted Fund* during 2016 were as follows:

	1 Jan 16 £000	Income £000	Expenditure £000	31 Dec 16 £000
Solihull Home	3	156	(159)	-
High Wycombe Home	325	3	-	328
Care Activities	-	157	(137)	20
TOTAL FUNDS	328	316	(296)	348

14a. Analysis of Group Net Assets between Funds - 2017

	<i>Tangible Fixed Assets £000</i>	<i>Investments £000</i>	<i>Current Assets £000</i>	<i>Current Liabilities £000</i>	<i>Pension Liabilities £000</i>	<i>Total £000</i>
Unrestricted Funds:						
Fixed Asset Funds:						
Solihull Home Fund	12,520	-	-	-	-	12,520
Surbiton Home Fund	13,893	-	-	-	-	13,893
High Wycombe Home Fund	15,067	-	-	-	-	15,067
Administration Office Fund	2,715	-	-	-	-	2,715
	44,195	-	-	-	-	44,195
Designated and General Funds:						
High Wycombe Designated Fund	-	9,360	-	-	-	9,360
Property Refurbishment Fund	-	10,000	-	-	-	10,000
Building Replacement Fund	-	10,000	-	-	-	10,000
Strategic Development Fund	-	12,000	-	-	-	12,000
Transitional Support Fund	-	5,000	-	-	-	5,000
Care Support Fund	-	39,260	-	-	-	39,260
General Fund	-	20,103	2,134	(2,124)	(713)	19,400
Total Unrestricted Funds	44,195	105,723	2,134	(2,124)	(713)	149,215
Permanent Endowment Fund	-	55	-	-	-	55
Restricted Fund	-	-	958	-	-	958
Total Net Assets	44,195	105,778	3,092	(2,124)	(713)	150,228

14b. Analysis of Group Net Assets between Funds - 2016

	<i>Tangible Fixed Assets £000</i>	<i>Investments £000</i>	<i>Current Assets £000</i>	<i>Current Liabilities £000</i>	<i>Pension Liabilities £000</i>	<i>Total £000</i>
Unrestricted Funds:						
Fixed Asset Funds:						
Solihull Home Fund	12,895	-	-	-	-	12,895
Surbiton Home Fund	14,530	-	75	-	-	14,605
High Wycombe Home Fund	7,302	-	-	-	-	7,302
Administration Office Fund	2,898	-	-	-	-	2,898
	37,625	-	75	-	-	37,700
Designated and General Funds:						
High Wycombe Designated Fund	-	17,370	-	-	-	17,370
Fourth Home Fund	-	25,000	-	-	-	25,000
Property Refurbishment Fund	-	3,169	-	-	-	3,169
Home Replacement Fund	-	6,850	-	-	-	6,850
Strategic Development Fund	-	13,235	-	-	-	13,235
Care Support Fund	-	25,878	-	-	-	25,878
General Fund	-	12,208	2,458	(2,121)	(545)	12,000
Total Unrestricted Fund	37,625	103,710	2,533	(2,121)	(545)	141,202
Permanent Endowment Fund	-	51	-	-	-	51
Restricted Fund	-	-	348	-	-	348
Total Net Assets	37,625	103,761	2,881	(2,121)	(545)	141,601

15. Pension Schemes

The Charity operated a Pension Scheme for some of the Charity's staff as described in Note 15.2. This Scheme is administered by an external firm and its financial and other records are kept separately from those of the Charity. It operates in compliance with the Pensions Acts of 1995 and 2004 and the regulations of the appropriate pensions and financial sector regulators. Trustees include representatives of the Governors and members of staff of the Charity.

15.1 Defined Contribution Scheme

During the year, the Charity provided access to money purchase pension schemes for employees which are operated by Standard Life PLC and the National Employment Savings Trust ('NEST'). If an employee makes a contribution of 5% or more of pensionable salary into one of these schemes, then the Charity also contributes 5% on their behalf. The Charity made contributions amounting to £270,770 (2016: £238,818) into the defined contribution pension schemes during the year. The value of outstanding contributions at 31 December 2017 was £45,011 (2016: £40,609).

15.2 Defined Benefit Pension Scheme

The Charity's defined benefit pension scheme was closed to future accrual on 30 April 2007. The disclosures set out below are based on calculations carried out as at 31 December 2017 by a qualified independent actuary in accordance with FRS102. The Scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The Trustees of the fund are required to act in the best interest of the fund's beneficiaries. The appointment of Trustees to the fund is determined by the Scheme's trust documentation.

The liabilities of the defined benefit scheme are measured by discounting the best estimate of future cash flows to be paid out of the scheme using the projected unit method. This amount is reflected in the asset or deficit recorded in the balance sheet.

The actuarial valuation indicated that a deficit of £0.7m existed at 31 December 2017 (deficit of £0.5m at 31 December 2016). This amount has been provided for in these accounts. In order to reflect the obligations set out in the Schedule of Contributions agreed between the Charity and Pension Trustees, the Charity has established a *Pension Reserve* with a value of £2m to cover the balance of the payments which have been agreed to eliminate the triennial pension deficit.

As at 31 December 2017, contributions are payable to the Scheme by the Charity at the rates set out in the Schedule of Contributions dated 22 September 2017, which is based on the results of the most recent full triennial actuarial valuation as at 31 December 2016. The Employer contribution expected to be made in the year commencing 1 January 2018 is £280,000.

(A) Principal assumptions

The principal actuarial assumptions at the balance sheet date were:

	2017	2016
Discount rate	2.50%	2.70%
Expected return on scheme assets	2.50%	2.70%
RPI Inflation	3.50%	3.50%
CPI Inflation	2.50%	2.50%
Rate of increase in salaries	N/A	N/A
Rate of increase in pensions in payment (lower of RPI or 5%)	3.30%	3.20%
Pensioner and non-pensioner mortality (pre and post retirement)	Note 1	Note 1
Cash commutation	Note 2	Note 2

For the avoidance of doubt the above assumptions are in absolute terms.

1. Based on S2PA table using CMI 2016 improvements and an assumed 1.5% long term rate of mortality improvement
2. Members take 50% of maximum cash available.

(B) Asset Breakdown

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2017	2016
Gilts/Corporate Bonds	51.1%	54.1%
Investment portfolio	47.4%	44.9%
Cash	1.1%	0.4%
Insurance policies	0.4%	0.6%
Total	100%	100%

(C) Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2017 £000	2016 £000
Present value of funded obligations	(26,527)	(25,553)
Fair value of scheme assets	25,814	25,008
Net liability recognised in the balance sheet	(713)	(545)

The impact of deferred taxation has not been calculated as the Charity is not chargeable to corporation tax.

(D) The total expense recognised in the Statement of Financial Activities:

	2017 £000	2016 £000
Interest on obligation	680	824
Expected Return on Pension Scheme Assets	(668)	(848)
Total – included within Total Resources Expended	12	(24)

(E) Statement of Total Recognised Gains and Losses (STRGL) in Statement of Financial Activities:

	2017 £000	2016 £000
Actuarial (loss)	(362)	(1,367)
Release of irrecoverable surplus	-	522
Actuarial (loss) recognised in Statement of Financial Activities	(362)	(845)
Cumulative amount of actuarial (loss) recognised in the STRGL	(742)	(380)

(F) Changes in the present value of the defined benefit obligation:

	2017 £000	2016 £000
Opening defined benefit obligation	25,553	22,732
Interest cost	680	824
Impact of adjustments and assumptions on scheme liabilities (Note I)	1,057	2,932
Benefits paid	(763)	(935)
Closing defined benefit obligation (Note H)	26,527	25,553

(G) Changes in the fair value of scheme assets are as follows:

	2017 £000	2016 £000
Opening fair value of scheme assets	25,008	23,254
Actual return on scheme assets (*)	1,363	2,413
Contributions by employer	206	276
Benefits paid	(763)	(935)
Closing fair value of scheme assets (Note H)	25,814	25,008

(*) Calculation of actual return on scheme assets:

Expected return	668	848
Experience adjustments on scheme assets (Note I)	695	1,565
Actual return on scheme assets	1,363	2,413

(H) Movements over previous five years

	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
(Deficit) reported in Balance Sheet:					
Defined benefit obligations (Note F)	(26,527)	(25,553)	(22,732)	(24,367)	(21,825)
Scheme assets (Note G)	25,814	25,008	23,254	24,051	21,092
(Deficit)/ surplus	(713)	(545)	522	(316)	(733)
Restriction applied to irrecoverable surplus	-	-	(522)	-	-
Deficit reported in Balance Sheet	(713)	(545)	-	(316)	(733)

(I) Impact of adjustments and assumptions on scheme liabilities and assets:

Experience adjustments on scheme liabilities	83	267	137	189	9
Changes in the assumptions underlying the present value of scheme liabilities	(1,140)	(3,199)	1,549	(2,664)	(917)
Impact of adjustments and assumptions on scheme liabilities (Note F)	(1,057)	(2,932)	1,686	(2,475)	(908)
Impact of experience adjustments on scheme assets (Note G)	695	1,565	(1,047)	2,905	(857)

OFFICE BEARERS

Patron

Her Majesty The Queen

President

HRH Princess Alexandra, the Hon. Lady Ogilvy, KG, GCVO

Vice Presidents

Vice Admiral Sir David Dobson KBE

Vice Admiral Sir John Dunt KCB

Air Chief Marshal Sir David Parry-Evans GCB CBE

Dennis Roberts OBE

The Mayor of the London Borough of Richmond upon Thames

The Mayor of the Royal Borough of Kingston upon Thames

The Mayor of Solihull

Governors

2,3,4,5 Major General Tim Tyler CB MA (Chairman)

1,6 Susan J Bush RRC MBA BA (Hons)

2,3,4,6 J. Malcolm D. Chapple BSc, Barrister at Law, FCI Arb (Vice Chairman)

4,5,6 Air Vice-Marshal Simon R C Dougherty MSc MBBS FRCP FFOM DAvMed DObstRCOG FCMI FRAeS

1 Surgeon Rear Admiral Michael A Farquharson-Roberts CBE PhD MA MB FRCS - to 20 March 2018

3 Digby Flower BSc MRICS

2,4,5 Amanda Francis DSS BSc ACA (Treasurer)

Edward Goodchild BSocSc Chartered FCSI – from 19 June 2018

1,3 Christopher Harrison

Surgeon Commodore Paul Hughes MBBS FRCGP MBA – from 19 June 2018

1 Colonel Alison McCourt OBE ARRC QHN – from 21 March 2017

Colonel Matt Petersen MA – from 21 March 2017

2 William Reid BA Chartered FCSI FRSA – from 21 March 2017

Robert Robson OBE BA MIOD – to 5 December 2017

6 Julie Thain-Smith MSc BSc RGN

Group Captain Marcus Wills CVO OBE – to 20 June 2017

2,4 Mark Wills BSc FRGS DipAIBD MInstRE Chartered FCSI CWM

Medical Representatives from the Armed Services – Ex Officio Governors

Surgeon Commodore Peter Buxton OBE QHP FRCR Royal Navy – to 21 March 2017

Air Commodore Maria Byford QHDS – from 20 March 2018

Surgeon Commodore Paul Hughes QHP FRCGP Royal Navy – to 12 September 2017

Appointee of The British Red Cross Society

5 Professor Suzanna Rose JP DL PhD MA RN

Committee membership as at 31 December 2017

1 Care Committee

2 Finance Committee

3 Property Committee

4 Remuneration Committee

5 Strategy Group

6 Governor Recruitment Committee

LEGAL AND ADMINISTRATIVE INFORMATION

FULL NAME

The Royal Star & Garter Homes

Registered Charity No. 210119

Incorporated by Royal Charter in England: Company No. RC000713

BODY OF GOVERNORS

A full list with appointments to sub-committees is shown on Page 37.

EXECUTIVE

Andy Cole OBE MA MBA

Gordon Craig BA MInstF

Siobhan Creighton FCIPD

Martin Goldman MBIFM

Malcolm Munro-Faure BSc ACA FRSA

Pauline Shaw OBE BHSc MSc RGN PG Dip Arts (Nursing)

Chief Executive

Director of Fundraising & Marketing – to 7 March 2018

Director of Human Resources

Director of Operations – from 14 August 2017

Director of Finance

Director of Care & Service Development

REGISTERED OFFICE

15 Castle Mews

Hampton

Middlesex TW12 2NP

general.enquiries@starandgarter.org

SURBITON HOME

Upper Brighton Road

Surbiton

Surrey KT6 6JY

SOLIHULL HOME

Tudor Coppice

Solihull

West Midlands B91 3DE

HIGH WYCOMBE HOME (opens late 2018)

Hughenden Avenue

High Wycombe

Buckinghamshire HP13 5GG

BANKS

National Westminster Bank Plc

Lloyds Bank plc

Barclays Bank PLC

SOLICITOR

Trowers & Hamlins LLP

3 Bunhill Row

London EC1Y 8YZ

INVESTMENT MANAGERS

Sarasin & Partners LLP

Juxon House

100 St Paul's Churchyard

London EC4M 8BU

Smith & Williamson Investment Management LLP

25 Moorgate

London

EC2R 6AY

Ruffer LLP

80 Victoria Street

London SW1E 5JL

AUDITOR

Crowe Clark Whitehill LLP

St Bride's House

10 Salisbury Square

London EC4Y 8EH

Our Homes



Encouraging activities



Solihull - opened 2008



Surbiton - opened 2013



Individually tailored care



A beautiful new home
for 74 residents



High Wycombe - opening 2018



Betty enjoys games and a chat

Betty's Story

During the Second World War, Betty joined the Women's Auxiliary Air Force (WAAF) and was stationed at RAF Feltwell as Secretary to the Commanding Officer. Part of Betty's role included the difficult task of writing to the families of missing aircrew who did not return from missions. Betty receives regular physiotherapy sessions. *"The physiotherapy team have made it possible for me to get around without the assistance of others. Of course, I still use my wheelchair, but now I don't need to ask for help all of the time."*



general.enquiries@starandgarter.org

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www.starandgarter.org

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