



Royal Star & Garter

Care with courage



Annual Report & Accounts

For the year ended 31 December 2024





Royal Star & Garter

Care with courage

Highlights

Care for Veterans



In 2024, we agreed a merger with another military charity Care for Veterans, which is based in Worthing. Our two charities have shared values and objectives, with long histories of providing high quality care to the Armed Forces community and an ambition to improve the quality and range of our services.

This merger expands the Royal Star & Garter group to four care homes and brings together our existing services, expertise and resources.

We are committed to continuing the excellent care in our Worthing Home, alongside maintaining the legacy of Care for Veterans. The

merger completed in April 2025, but we will continue to work on full operational integration into a single organisation for a couple of years.

Together, we are driven by the desire to do the very best we can for veterans and families. This is a positive step for the whole sector, which we believe will offer greater long-term support for the Armed Forces community.

Veteran Friendly Framework

The Veteran Friendly Framework (VFF) is a two-year collaboration between ourselves, the Royal British Legion and the NHS, with funding support from the Armed Forces Covenant Fund Trust in 2024.

Designed for use in residential settings for older people, the VFF helps providers to offer appropriate support for veterans living in care homes across England. It aims to deliver improved health and wellbeing outcomes for over 25,000 veterans and their partners.

As of 31 December 2024, 100 care homes had achieved the Framework, with more working towards it. This had enabled the support of over 1,200 veterans and their partners, helping to connect them with their community, and signposting them to charities and healthcare providers so they can access any support they are entitled to.



The programme has gathered widespread praise from care homes – one told us nine of their residents led a local Remembrance parade after being identified as veterans, giving them a great sense of pride in being recognised. Another home facilitated a connection with Blind Veterans UK and together they discovered there were eight veterans living alone in the community, so they were invited to spend Christmas Day at the home.

The project enables staff to develop a deeper understanding their residents' experiences and underpins the goal of delivering person-centred care.

Day Care & Lunch Clubs



Both of these services have enabled us to extend our vital support and welcome veterans and their partners from the local community. Those attending join our Homes for healthy meals, activities and companionship, promoting wellbeing and helping address loneliness.

Having supported 171 veterans and their partners across both services this year, we know that the impact on each individual can be deeply personal and far-reaching. Lunch Club is helping one of its users to grieve, following the loss of her husband.

Romayne helps lead the Lunch Club at Solihull. She says the service has helped her adjust to life following the death of husband Paul, who was a resident. “I used to come with our labrador Bella to visit Paul regularly and, when he died in 2022, I really missed the friendships I’d developed with residents and staff, I’d miss the familiar faces. Royal Star & Garter felt like family.”

She was encouraged to join Lunch Club as a volunteer following its launch in 2023 and said: “I really enjoy my role because I feel like I’m helping people.”

Making new friends and caring for others is also helping Romayne come to terms with Paul’s death. “Lunch Club has helped me grieve. I’ve found coming back to the Home, and being with people who knew and loved Paul, helps me greatly. I always look forward to it.”

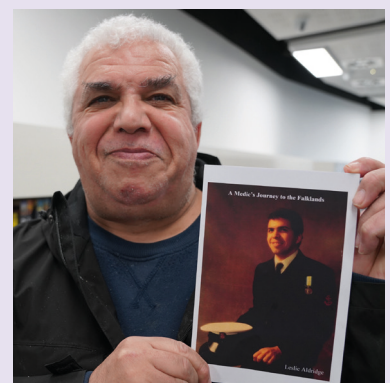
Telephone Friendship Service

Our free Telephone Friendship Service (TFS) reached 67 veterans and their partners, nationally. Trained volunteers provide friendship and conversation and also wellbeing support.

Les, 64, said the TFS had helped boost his confidence enough to publish an autobiography in 2024. The Falklands veteran praised it for “giving him his voice back.”

His memoir covers his time as a nurse on the hospital ship SS Uganda in 1982, where he treated burns casualties. As a result of this experience, Les developed post-traumatic stress disorder, which has had a lasting impact on his life. He has been unable to work for the past four years, leaving him depressed.

However, he was recommended to the TFS soon after it was launched in 2023, by Veterans UK. He said it was a catalyst to bring meaning and wellbeing back into his life: “I think it has given me confidence, it certainly gave me the confidence to write my book. Having someone to talk to, to bounce ideas off and to have a chat with, gives me comfort and support. It gives me companionship.”



We provide loving, compassionate care to veterans and their partners living with disability or dementia

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| Our values sit at the heart of our care. | As a family We work and live as one team, one family, one community. |
| Living positively We are optimistic in everything we do, supporting veterans and their partners in leading happy, fulfilled lives. | With love We carry out our work with love, care and compassion. |
| Standing in their shoes We show admiration and respect for people and never forget what they have done. | Take courage We are not afraid to do what is right and what is needed. |



Chair's Letter

We are proud to support members of the Armed Forces community who have given so much and who are now living with disability or dementia. This year, we continued to strive to provide outstanding, compassionate and loving care to those who have had the courage to serve their country.

We have supported more residents in our three Homes than ever before, as well as taken significant steps to increase our national reach through our care home accreditation programme and telephone support service.

Our care teams and support staff remain consistently dedicated to our residents, beneficiaries and the wider work of Royal Star & Garter and I am, as ever, extremely grateful to them. Our dedicated staff are what makes our services so special.

We were delighted this year to welcome our new Patron, HRH The Princess Royal. We have benefited from Royal Patronage since our very earliest days, and we look forward to working with Her Royal Highness for many years to come.

I am also extremely pleased to have completed our merger with fellow veterans' charity, Care for Veterans. This was first mooted in Summer 2024, and such was the natural synergy between the organisations that it was completed within just over half a year. I am delighted to welcome their Worthing Home into the Royal Star & Garter family.

With some sadness, this is my last letter as Chair of the board. As I come to the end of my term of office, I am pleased to be handing the baton to Richard Williams MC, who I know will expertly guide the charity through the next stage of our development. When I was appointed in 2014, our Richmond Home had only closed a few months before. The construction of our wonderful new Home in High Wycombe, navigating the many challenges of the Covid pandemic, as well as the recent merger, are all achievements that I am proud to have played a part in supporting.

I want to offer my heart-felt thanks to all the staff and members of the board who have served with me over the last decade. It has been a real joy visiting our Homes, witnessing the care given and warm response by our residents and their families. If the charity can sustain this, we will have a bright future. I know there is still more that Royal Star & Garter can do for the veteran community, and I am confident we will do so.

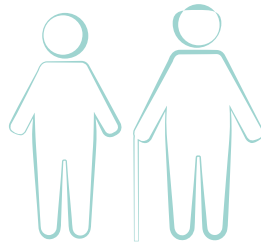
Major General Tim Tyler CB
Chair, Governing Body

1 July 2025

2024

515

veterans
and partners
supported:



274

as residents

122

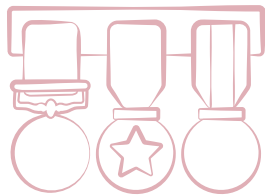
at Lunch Club

67

through the Telephone
Friendship Service

52

at Day Care



51%

Army

37%

RAF

12%

Royal Navy &
Royal Marines



54%

of residents need
nursing care

46%

of residents need
dementia care



Residents took part in

31,800

Wellbeing* sessions



1,700

sessions of one-to-one
physiotherapy delivered



8,700

attendances to group
physiotherapy sessions

* Wellbeing includes: activities, events and outings, in groups or one to one

Governors' Report

Our mission is to provide outstanding care and support that recognises the needs of veterans and their families.

Royal Star & Garter was established in 1916. We support men and women who have served in the regular and Reserve forces (including National Service) and their partners. We are registered with the Charity Commission (number 210119) and our activities are governed by Royal Charter dated 21 September 1990, as amended on 15 February 2023.

Governors present their annual report and audited financial statements for the year ended 31 December 2024, and confirm they comply with the requirements of the Charities Act 2011, our governing document and the relevant Statement of Recommended Practice (Charities SORP).

More than a century since our first residents returned from the First World War, we continue to support veterans and their partners from all backgrounds, ranks and services. We know that the veteran community will continue to require high levels of care well into the future.

In Great Britain, over 2 million people have served in the UK Armed Forces (regular, Reserve or both), almost 1 in 25 people of the adult population. Over half of veterans (53%) are aged 65 and over, and nearly one-third (31.8%) are aged 80 and over. The proportion of veterans over the age of 90 is expected to double in the next decade. Among the 1.2 million spouses or partners of veterans living in England and Wales, over 46% are aged 65 or over.

Ever more Service men and women are surviving injury and illness into older age. However, the veteran community is more likely to experience long-term physical health conditions, with a particular prevalence of muscular-skeletal issues. The 2021 National Census indicates that there are 26,500 veterans over the age of 80 living in residential social care in England and Wales and, including partners of veterans, it is likely that this increases in scope to more than 50,000 members of the Armed Forces community.

We have also seen a significant increase in the number of individuals requiring specialist dementia care. There are currently estimated to be almost 1 million people living with dementia in the UK, but more than a third of people with the condition do not have a diagnosis. The number is expected to rise to 1.4 million by 2040.

By 2028, we estimate that around 65,000 veterans will have developed dementia. There is also a growing body of research evidence linking early trauma and PTSD, which may be experienced by some in the Armed Forces community, with the onset of dementia. We continue to provide and expand our distinctive care because we believe that many veterans would otherwise not be able to obtain the specialist care and support which they need. This is why our work remains so vitally important.

We provide high quality care for those in greatest need. Social care in the UK remains under significant pressure, with challenges in attracting enough skilled staff and often overwhelming costs for families. Funding from local authorities or the NHS does not cover the actual cost of care. In that context, Royal Star & Garter makes a firm commitment to our Armed Forces community: our Homes are your home, and we never ask a resident to leave for financial reasons.

Merger with Care for Veterans

This year we initiated merger discussions with our fellow Armed Forces care charity, Care for Veterans (formerly the Queen Alexandra Hospital Home), which operates a single home in Worthing, West Sussex. A merger of our two historic charities (Care for Veterans was founded in 1919) will bring together all our existing services and expand the Royal Star & Garter group to four care homes.

We are delighted to be bringing the residents and staff from Worthing into the Royal Star & Garter family. The merger is consistent with our strategy of ensuring consistently high-quality care is provided for those people living with disability and dementia among the military family. Consolidating our services will enable us to share expertise, resources and support functions, so that together we provide a more effective, efficient and wider-reaching offer to the Armed Forces community.

A memorandum of understanding was signed in November 2024. An integration agreement was signed in February 2025, with services coming together from 31 March 2025. Further integration of our services will continue over the next couple of years.

Our strategy

We have moved forward with our long-term strategy which focuses on three critical areas: providing outstanding care for veterans and their partners living with disability or dementia; meeting the needs of the next generation of the Armed Forces community; and raising the standard of care for all veterans.

1. Outstanding care

Our three purpose-built Homes, with modern facilities, enable us to provide the highest quality of care for 197 residents. Across the whole year, we supported 274 long-term or short-break residents. The average age of our residents is 90, although ages ranged from 36 to 105 during 2024. Residents live with either a physical disability or dementia and a wide range of conditions, such as osteoarthritis, osteoporosis and the impact of stroke. Many residents experience a complex combination of conditions, and the majority require the use of a wheelchair or mobility aid.

All our existing standards and systems will be implemented in the new Care for Veterans Home over the next two years, and our capacity will increase by a further 60 rooms.

Exceptional care is personalised care. Each resident's physical, wellbeing and social needs are met with love, respect and friendship.

The demand for our specialist dementia care continues to grow, and we now care for 101 residents in our specially designed dementia communities, having expanded the capacity in our High Wycombe Home.

We were considered for six awards and shortlisted for four of these, including the National Care awards (Small Care Home Group category) and Nursing Times Award (for Non-medical prescribing). Our Surbiton Home was listed in Top 20 Care Homes in 2024 for the London area by carehome.co.uk, following endorsements given by residents' families.

We were also pleased to welcome several high-profile visitors to meet residents and staff and experience our quality of care directly, including Rt Hon. Johnny Mercer MP, the then Minister for Veterans Affairs, Dr Neil Shastri-Hurst, newly elected MP for Solihull West and Shirley, Emma Reynolds, the new MP for Wycombe, and Air Marshal Clare Walton CB KHP, the Director General of Defence Medical Services in charge of the tri-Service medical services.

We utilise a wide range of professional care staff, including nurses and healthcare assistants, together with physiotherapy and speech and language therapy as part of our integrated Wellbeing Programme. Our Wellbeing Teams combine activities, physiotherapy, exercise and outings to provide support for residents seven days a week. We work hard to ensure that each resident lives life to the full and enjoys activities that reflect their needs, interests and abilities. Our Wellbeing Programme focusses on physical, mental and emotional wellbeing, with our teams now setting personal goals for all residents and recording the outcomes and impacts of these.

To offer this level of support requires continual investment in our staffing, training and activities, which are all hallmarks of our care. Our staff turnover averaged 18% this year, reflecting planned changes to

our management and operational structures, although still well below the sector average of 26% (Skills for Care: 2024). We have been championing the development of nursing associates in the social care workforce for several years and have supported many of our carers to develop new skills. During 2024, four more nurse associates graduated, and one new student nurse associate commenced their training, joining three that we were already supporting. One more person has also commenced their top-up programme to achieve a full registered nurse qualification.

As part of our focus on improving the quality of care, we completed several major upgrades of our clinical systems:

- We have implemented a new digital system, PainChek, which uses AI facial recognition to intelligently automate pain assessments at the point of care. The AI automatically recognises and documents facial muscle movements that are indicative of pain. PainChek has replaced paper-based approaches and offers more accurate and timely pain diagnosis, particularly helping those residents living with dementia or who are non-verbal.
- We have implemented an Acoustic Monitoring solution, Ally, in two of our Homes to enhance the safety and wellbeing of residents during the night. The system uses sound and motion sensors, combined with AI, to learn each resident's typical nighttime patterns. This enables the system to proactively detect unusual activity and alert care staff only when needed – allowing for a more personalised, less intrusive approach to nighttime care. By reducing unnecessary disturbances, this supports better quality sleep, greater privacy, and a more person-centred experience for residents.
- We have introduced an electronic reception system, which enables accurate, GDPR-compliant sign-in and sign-out for visitors, staff, and contractors. The system allows us to share messages, capture feedback in real time, and act promptly on feedback received. It also offers a contactless check-in option via QR code, enhancing both accessibility and hygiene.

We have a particular focus on our end-of-life care. All our Homes are working towards the Gold Standards Framework accreditation. This is a national quality improvement framework designed to ensure that people nearing the end of life receive well-coordinated, compassionate, personalised and high-quality care. Our High Wycombe Home received a Platinum award, which demonstrated the ongoing impact of the accreditation.

For many years we have been at the forefront of delivering very high-quality care for residents living with dementia. To build on this legacy, we committed to a new dementia strategy in 2024. Although our previous model of care had served us well, there was a need to review this to ensure we adopt a more evidence-based approach. The six key areas of the strategy are:

1. Recognising the growing needs of people with dementia who live longer as a result of moving into our Homes;
2. The need for a more robust diagnosis framework that supports the journey from nursing to specialist dementia care;
3. Investing significantly in staff training;
4. Developing dementia champions across all our Homes and services;
5. Embracing the use of appropriate technology;
6. Constantly evolving our engaging environments and ensuring that we regularly challenge ourselves in the latest thinking and approaches.

Faced with a national shortage of nurses and care staff, in 2023 we embarked on a wide-reaching change programme to adapt our staffing model and enhance the support, training and skills we provide to our brilliant care teams.

This Developing Care Together programme focused on our healthcare assistants during 2023, and registered nurses in 2024. The results of the changes are:

- Increasing responsibility within the role to include some clinical tasks;
- Amending the staffing structure of each Home;
- Delivering a new competency-based development framework;
- Updating our approach to pay to focus on progress through the stages of the development framework.

This year we have also restructured our management teams in the Homes, creating a more focused and consistent leadership team in each.

We 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 arranged by Service organisations and with a presence at key ceremonial events during the year. Royal Star & Garter was also awarded the Defence Employer Recognition Gold Award to recognise our support for the veterans we employ. We are only the second social care organisation in the country to have achieved this recognition.

2. Next generation of veterans

Although residential care remains at the heart of what we do, in recent years we have developed Day Care services. Operating in all our homes now, Day Care is now a central part of the care that we offer to the Armed Forces community. This service also supports veterans or their partners in considering the benefits of living with us, and several people have gone on to become permanent residents. Our experienced Day Care teams can often spot where someone may be struggling to live at home and can talk to them or their families about considering short breaks or permanent residency.

Our free-to-access Telephone Friendship Service provides support and companionship to veterans and their families in their own homes. The Telephone Friendship Service helps veterans who may need support but are not ready for residential care. It gives people the knowledge that somebody is there taking an interest, asking questions, and sharing important moments with them, providing a source of comfort and confidence, and tackling loneliness. At the end of December 2024, we supported 67 veterans and their partners, through 27 volunteer Telephone Friends, well over double the previous year.

Our Homes are also open to local veterans to join our community. Our Day Care opened in all of the Homes in early 2024, while our drop-in Lunch Clubs welcomed a total of 122 veterans and their families across the year.

Our three modern Homes mean we are once again able to play our part in supporting younger veterans if they become disabled. We are particularly proud to have been able to meet the care needs of three working age Service personnel with severe injuries, illness or disabilities during the year. This role takes us back to our roots during the First World War. We are seeking to build on our expertise and are developing plans to invest significant resources in providing care in new accommodation for younger veterans.

Within our current strategy, we set ourselves a challenging target of at least doubling the number of veterans we support by 2025. This target has now been achieved.

We have designated £12m to develop further new services to expand our reach and impact, including a bespoke community for younger veterans. To that end, we invested a further £1.8m purchasing a plot of land near our High Wycombe Home in 2022. We have also taken advantage of an opportunity to purchase a property next to our Surbiton Home in 2023 and are exploring the potential to provide additional care services at these sites in the future.

We take our wider responsibilities as a charity extremely seriously and have committed to be net carbon zero across the whole of our operations by 2030. To deliver on this important goal we installed solar panels in Surbiton and High Wycombe with the aim of being able to generate at least a quarter of our own power. Significant programmes are also underway to reduce power use, minimise food and other waste and improve levels of recycling. We are also a founding member of the NCF Environmental Sustainability Network.

3. Raising standards of care

We actively embrace our responsibility to the wider communities around our Homes and to all veterans in the country. We help to fulfil our charitable objectives not only through delivering our own care, but by helping others to reach the highest standards too. To that end we are involved in a range of innovative projects.

We have led a partnership with the Royal British Legion and the NHS Veterans Covenant Healthcare Alliance (VCHA) to develop a national Veteran Friendly Framework for care homes, part funded by the Armed Forces Covenant Fund Trust. This launched in October 2023 and enables care homes in England to better understand the veterans in their care and help them to access the range of statutory and charitable support available. It also promotes vital social connections between members of the Armed Forces community. While initially a pilot programme over two years, our aim is to accredit at least 350 care homes in England during this phase. At the end of 2024, nearly 100 homes had signed up including some of the largest groups of care homes in the country with many more anticipated to complete the process in the first half of 2025.

Our staff team continues to be heavily involved in the National Care Forum, the leading association of not-for-profit care providers, and the Confederation of Service Charities (Cobseo). Our Chief Executive is the current Chair of the National Care Forum.

This year we have also engaged with the new government on two important matters. Firstly, the need for a fair financial settlement for social care services, so that state-funded care is on a more sustainable footing. We have also made an active case for social care to be included in the scope of the Armed Forces Covenant, which at present only applies to health, education and housing.

We drive best practice in all that we do and share our experience openly with other care providers and veterans' charities.

Communicating and meeting residents' needs

We are committed to understanding and meeting the needs of our beneficiaries and use informal and structured approaches to obtain feedback from veterans 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, gender, sexual orientation and disability, and have a policy of making reasonable adjustments to accommodate the needs of staff or veterans and their partners who are, or who become, disabled.

The essential role of volunteers

We have benefited over many years from the services of active volunteers who are generous with their time. Volunteers have supported a wide range of the Wellbeing activities, and at the end of December 2024 we had 29 engaged in our Homes. In addition, we had 27 volunteers as Telephone Friends.

We are extremely grateful to all our volunteers for giving so generously of their time to support us over many years.

Financial review

Our cost of care is higher than in some care homes as we operate with a relatively high ratio of staff to residents. This enables us to deliver a high quality, person-centred approach. This year we have made

significant investments in upskilling our frontline staff and reworking our core staff rotas. These changes have contributed to a reduction of £1.5m in our costs of providing care, while not impacting quality. Over the next 12 months we expect to make a further £1m of savings in our operating costs. This target has been made even more challenging by the unexpected increase in Employer's National Insurance which has come into force from April 2025.

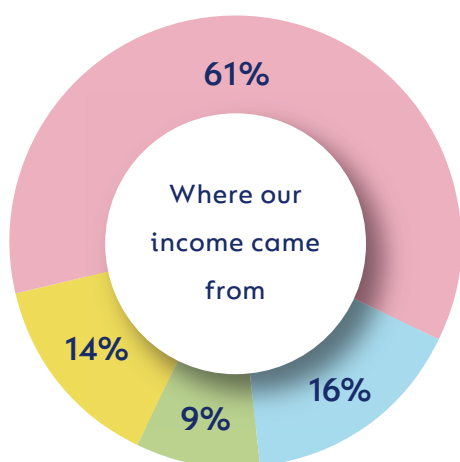
We consider it a vital part of our remit to provide some financial support to all our residents. We also believe it is important to be accessible for individuals if they do not have sufficient funds to cover our standard fees.

We rely heavily on legacies and public donations to finance the range of projects we deliver including our Wellbeing Programme, Day Care, our staff training and our new dementia strategy. 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 and their families and to invest in new services.

Details of our results for 2024 are set out in the Consolidated Statement of Financial Activities (page 20). In setting objectives and planning activities, Governors consider the Charity Commission's guidance on public benefit and fee-charging.

How we raised our income

During 2024, we raised £26.0m to enable us to provide the highest quality of care for military veterans and their partners.

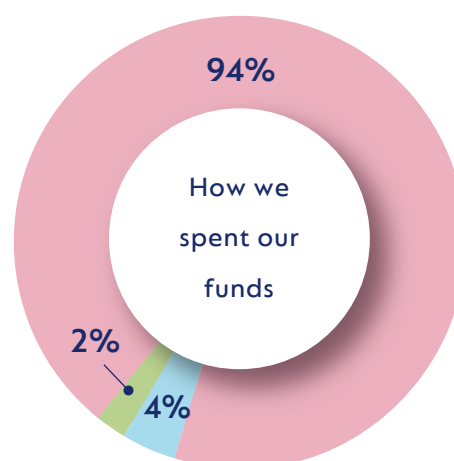


| | |
|------------------------|--------|
| Fees for care services | £15.8m |
| Legacies | £4.1m |
| Investment income | £2.3m |
| Donations/other income | £3.8m |

Total income £26.0m

How we spent our funds

During 2024, we spent £25.3m on providing care and support to residents - 94p in every £1 we spent. We spent 21p on fundraising for every £1 we raised during the year.



| | |
|---------------------------|--------|
| Care & support | £25.3m |
| Fundraising inc. legacies | £1.1m |
| Managing our investments | £0.4m |

Total expenditure £26.8m

Summary of income and expenditure

We rely on public support for everything that we do. Like all charities, we must spend money in order to raise valuable funds and ensure we are well run. The following is a summary of our income and expenditure in 2024.

We received fee income from residents and funding organisations (local authorities and the NHS) totalling £15.8m during 2024 (2023: £14.7m). The cost of providing care to residents decreased to £25.3m in 2024 (2023: £26.8m) primarily due to a review of the clinical staffing levels across our services.

The cost of care for each resident is in part supported by our fundraising income. This support amounted to £9.4m in 2024 (2023: £12.0m).

Our care services

We set demanding occupancy targets at 95% for each of our Homes to maximise the number of beneficiaries we care for each year. As with many care providers, we found that resident numbers were lower than we would expect. The average occupancy in the Homes rose slightly to 85.3% in 2024, in line with national averages.

Overall, we provided care to a total of 274 long-term or short-break residents in 2024 (2023: 254).

When setting our fees, we seek to achieve a balance between affordability, a level which is consistent with the outstanding care and high-quality environment we provide, and our desire not to exclude any beneficiary on the grounds of their financial status. This means that we welcome residents whose care is funded from a variety of sources and from a wide geographical area. During the year, our Surbiton Home provided care for residents funded by five public sector bodies (local authorities or the NHS); High Wycombe: five; and our Solihull Home: two.

Our fundraising

We have continued to maintain active programmes to encourage individuals and organisations to support our work. The Governors gratefully acknowledge the financial support given by so many generous donors. We use a range of fundraising approaches but always aim to achieve best practice in our donor communications and data management.

We are conscious of the pressure people might feel as a result of receiving a donor mailing. We take great care when asking supporters to consider making a gift, at the same time ensuring the accuracy of our data. We remain fully compliant with the Fundraising Preference Service and any donor request to suppress their data is acted on by the next working day.

We are aware of the risks of fundraising from older, potentially vulnerable supporters and, where we know (or suspect) someone falls into this category, we won't actively contact them unless they have a known association with Royal Star & Garter. We have also implemented a policy and procedure for the management of any gifts from anyone who we consider may be vulnerable.

Our donor recruitment campaigns made use of compliant data based on a Legitimate Interest Assessment or in accordance with the General Data Protection Regulation (GDPR). All our donors are provided with an opt out from further communications and this information is recorded on our database.

In 2024, we received only three formal complaints in response to mailings or information (on and off line) sent to donors (2023: 13). These represent an extremely small proportion of our donor database and communications, however they were reviewed by a senior member of staff and treated as an opportunity to improve our service. In contrast we recorded 36 comments and compliments from supporters, and we would like to thank them for taking the time to provide this important feedback. Despite the ongoing economic challenges, we are extremely grateful to the many loyal donors who continue to support us despite their own personal situation. We benefited from the considerable generosity of legacy donors and received income totalling £4.1m in 2024 (2023: £5m).

We are registered with the Fundraising Regulator and adhere to the Fundraising Codes. We apply best practice to protect our supporter data, never swap or sell data and only use information that is compliant with the GDPR.

We directly manage the majority of our own fundraising activities, but in 2024, we retained the experienced provider Sterling Lotteries to establish our new online Lottery which we plan to launch in early 2025. We also continued our arrangements with Impress Publishing Limited for the sale of Christmas cards.

One of the important selection criteria for these firms was the professional approach they take to engaging with potential donors. We take seriously the need to achieve the highest standards and we are not aware of any failure on our part, or the firms which support us, to comply with fundraising standards.

We focus on building long-term relationships with donors. We received donations and gifts from individuals, trusts and other supporters totalling £0.9m in 2024 (2023: £1m). We are very grateful for all donations from continuing and new funders. This included: the Army Benevolent Fund, the Armed Forces Covenant Fund Trust, the Royal British Legion and The Veterans' Foundation. Overall, we spent 21p on fundraising for every £1 we raised in 2024 (15p in 2023), an increased ratio linked to reduced legacy income in the year.

Reserves Policy






Governors review our reserves policy annually. We have a policy of designating assets to meet specific strategic objectives, which include the retention of sufficient resources to protect the charity against unforeseen adverse developments. A brief explanation of how we have allocated assets for specific purposes is set out below. Further details are set out in Note 14 and the allocation of net assets between funds is set out in Note 15.

Over the past two decades we have invested heavily in building three wonderful Homes for our residents. At 31 December 2024, our investment in buildings amounted to £74m including funds set aside for upkeep, refurbishment and eventual replacement. This means that 49% of our assets are bound up in buildings which are essential for delivering our care services. The following is a summary of how we are using our overall net assets (£151.5m) for specific purposes:

Investment in buildings

| | | | |
|---|---|--------|---|
| Our buildings are an integral part of how we deliver high quality care |  | £48.4m | Buildings |
| All our properties require regular upkeep, refurbishment and eventual replacement |  | £25.6m | Replacement buildings and property upkeep |

Care and support services

| | | | |
|---|---|--------|--|
| To cover expected cost of reducing our environmental impact |  | £2.0m | Environmental transition |
| To cover expected cost of transferring pension obligations to a reputable insurance company |  | £4.0m | Pension scheme |
| £8.7m for younger veterans £2m for Outreach and Daycare £0.4m in Restricted and Endowment funds |  | £11.1m | Investing in new services |
| We hold only 12 months' operating costs to cope with unforeseen events |  | £17.6m | Free reserves: to cover running costs and unexpected emergencies |
| Investment fund producing £11m annual income and capital to help support our residents' care |  | £42.7m | Supporting our care services |

Since the year end, Governors approved depositing £2.5m into an escrow account which will provide funds for the future pension buy-in. This was funded from the above designated pension deficit fund.

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 our operations, and their assessment of our risk profile. The level and use of our reserves will be reviewed alongside the new strategy which is being developed in 2025.

Investment Policy

Our investments are managed by three experienced firms which adopt different strategies to provide growth over the medium term and enable us to respond to short-term needs as they arise. We engage with our investment managers on a regular basis. Investment markets continued to be very volatile and produced a net gain of £6.3m during 2024 (2023: gain of £3.5m). This volatility is a key reason that we hold sufficient funds to enable us to continue providing outstanding care even when times get tough.

At 31 December 2024, our investments were valued at £99.1m (2023: £92.9m), as set out in Note 11. We retained £3m of our bank deposits as a long-term investment (2023: £3m) and £5.7m as current assets (2023: £5.3m) to cover our expected deficit and other obligations in 2024. The overall performance of our quoted investments is consistent with movements in world stock markets, and Governors consider that the investment strategies 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 the year.

Although we do not know what the final impact of the current economic uncertainty will be, we retain confidence in our ability to keep operating even if we continue to suffer from investment market volatility.

Pension Schemes

During the year, we provided access to a money purchase pension scheme whereby if an employee contributes 5% or more of pensionable salary into these schemes, then we contribute 7.5% on their behalf (10% for Directors).

Our 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 deficit of £1m existed at 31 December 2022. We have agreed a Schedule of Contributions with the trustees of the pension scheme which is designed to eliminate this deficit over the period to 31 March 2026.

We have also agreed in principle to the transfer of pension obligations to a reputable insurance company over the next two to three years, and allocated funds to cover the estimated cost of implementing this transfer (£4m). As noted above, Governors have approved depositing £2.5m of this designated fund into an escrow account in advance of the anticipated transaction.

A qualified independent actuary has prepared a valuation of the pension scheme for these accounts in accordance with Financial Reporting Standard 102 ('FRS 102'). This valuation indicated that there was a deficit of £51k at 31 December 2024 (2023: £0.4m surplus). Further details of the FRS 102 valuation are set out in Note 16.2.

Subsidiary Companies

We had two wholly owned subsidiary companies during 2024:

- Star & Garter Property Limited, whose principal activity is to undertake the design and build of our new Homes, received income totalling £5k during the year (2023: £107k) with costs at a similar level. The company contributed its surplus to the charity during 2024 by way of payments of Gift Aid under a deed of covenant. This has eliminated its taxable profit.

- Star & Garter Promotions Limited is dormant. As this company is no longer required, we have taken the decision to strike-off this company.

Further information about these companies is set out in Note 10.

Risk

This year the charity was targeted by a significant cyber incident, which impacted all our on-premises servers. Resident care systems were not impacted. It took several days for data to be recovered and systems secured, leading to several major operational challenges. Since the incident we have invested to further strengthen our approach to cyber security and also commissioned an external review of our cyber security posture against the National Institute of Standards and Technology framework by consultants at IBM. The recommendations of this review will be received in 2025 and implemented in full.

Governors considered that the key underlying risks and uncertainties facing the charity and the plans which were in place for managing these at 31 December 2024 were as follows:

| Risk and uncertainty: | Management plans: |
|--|---|
| Meeting cyber security standards. | <ul style="list-style-type: none"> Adherence with GDPR, Data Security and Protection Toolkit standards. IT system upgrades to move well beyond Cyber Essential standards. Active staff training programme on data security, phishing and other cyber crime. |
| Recruitment and retention of care staff and nurses. | <ul style="list-style-type: none"> High quality training, management support, development, reward and working environment to help retain staff. |
| Market volatility – impact on investments and pensions. | <ul style="list-style-type: none"> Investment strategy designed to meet defined objectives. Professional advice taken to inform investment decisions. Investment managers selected to provide diversification, with regular performance monitoring. |
| Secure required level of fundraising income, and address potential for significant reduction in legacy income. | <ul style="list-style-type: none"> Fundraising strategy with a focus on encouraging individual and regular donors. Proactive legacy marketing activity. Care support fund secures future for dependent beneficiaries if fundraising or legacy income declines. |
| Serious accident, incident or allegation of abuse. | <ul style="list-style-type: none"> Thorough induction and extensive staff training programme and supporting clinical leadership. Regular risk assessments, and audits, and root cause analyses when required. Regular audits and investigates safeguarding issues. Robust whistleblowing and safeguarding policies in place with regular staff training. |

The Executive team maintains strategic and operational risk registers which are updated regularly as part of a formal risk management process. This involves examining the types of risk we face and prioritising them in terms of likelihood of occurrence and consequence. Governors have reviewed potential risks and the strategic risk register twice this year and consider that we have a clear plan to continue providing the highest quality of care for beneficiaries.

Governance

Strong governance is critical to our long-term success. Our Governors are responsible for ensuring that we are run effectively and responsibly in line with our Royal Charter and all appropriate laws and regulation. Governors ensure that we have a clear strategy, use our resources to deliver the highest quality of care to beneficiaries and safeguard our 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 (2023: £Nil).

In 2024 we made a total of five notifications to our four regulators, all of which were closed without any action. The majority of these notifications were in relation to the cyber incident.

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

- We had 16 Governors in 2024, more than the 12 recommended in the Code. We feel that this provides a broader range of skills and experience in areas vital to our work.
- We have taken the decision that Governors may be appointed for up to four terms of three years in order to retain experienced individuals and provide continuity of service.
- We recognise the value of a diverse board and actively consider this within the Governor recruitment process. Although we have not set specific targets, we have implemented a programme that has addressed equality, diversity and inclusion across the charity.

We commissioned an external review of our governance arrangements in 2024. This review concluded that our approach to governance was good and identified "many examples of good governance practice". Nine of the eleven recommendations from the review have been adopted by Governors; all have been considered and two were considered unnecessary.

We undertook a review of the updated Governance Code published in December 2020, and used this to further inform the development of our governance arrangements.

Details of our 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.

Our Governors

Governors are selected based on their skills, knowledge and experience, and we maintain strong links with the military through appointing serving and retired members from all three Services. We seek to ensure that Governors retain a wide range of professional and other skills. New Governors receive a handbook outlining our work and meet members of the Executive team, other staff and residents in order to familiarise themselves with our operations.

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

- Care Committee
- Finance Committee

- Property Committee
- Remuneration Committee
- Governor Recruitment Committee

An Audit and Risk Committee has been agreed to be established in 2025.

Attendance at Governors' meetings was 85% in 2024 (2023: 85%). Attendance at Committee meetings was 93%. We have successfully adopted a mix of face to face, remote and hybrid approaches to board and committee meetings.

Key management personnel

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

Staff pay

The Remuneration Committee, a sub-committee of our Governors (the unpaid trustees of the charity), commissioned an independent review of the salary and benefits of the Chief Executive and directors in 2021. This review confirmed that remuneration of senior staff was at an appropriate level to ensure good governance in delivering complex, highly regulated services. The Committee also reviews all executive salaries annually, informed by local and national data in line with our remuneration policy.

We completed our seventh gender pay gap analysis in 2024 and achieved a notable success. Our median gender pay gap has decreased from 0.42% in 2023 to 0% in 2024. We are delighted with this milestone and are committed to maintaining this standard.

As a matter of policy, we pay at Foundation Living Wage rates and pay the same salary to anyone doing the same job. We do not pay women and men differently for the same or equivalent work. We are actively seeking to attract a broad range of individuals to work in the care sector, focusing on the creation of opportunities such as apprenticeships to attract those seeking a career change.

Corporate governance

We operate systems of internal control which are designed to provide reasonable assurance against material misstatement 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.

Processes are in place to ensure that performance is monitored and that appropriate management information is reviewed regularly by both the Executive team 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 our state of affairs and of the net income or expenditure 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 our transactions and disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding our assets 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:



Chair

1 July 2025

Independent Auditor's Report to the Governors of Royal Star & Garter

Opinion

We have audited the financial statements of Royal Star & Garter for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2024, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' annual report has been prepared in accordance with applicable legal requirements.
- Matters on which we are required to report by exception
- We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:
 - the information given in the Governors' Annual Report is inconsistent in any material respect with the financial statements; or
 - the group or parent charity has not kept adequate accounting records; 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 required for our audit.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 14, 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 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 group or parent 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 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's Governors, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 any party other than the charity and charity's Governors as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

15 July 2025

Moore Kingston Smith, Statutory Auditor
Date:

9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2024

| | | <i>Unrestricted Funds</i> | <i>Restricted Funds</i> | <i>Permanent Endowment</i> | <i>Total Funds</i> | <i>Total Funds</i> |
|--|-------------|-------------------------------|-----------------------------|--------------------------------|------------------------|------------------------|
| | <i>Note</i> | <i>(Note 13)</i> | <i>(Note 13)</i> | <i>(Note 13)</i> | <i>2024</i> | <i>2023</i> |
| | | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> |
| Income and endowments from: | | | | | | |
| Charitable activities | 2c | 15,832 | - | - | 15,832 | 14,739 |
| Donations and gifts | 2c | 661 | 265 | - | 926 | 985 |
| Legacies | 2c | 4,106 | - | - | 4,106 | 5,510 |
| Investments | | 2,339 | - | 2 | 2,341 | 2,343 |
| Other trading activities | | 30 | - | - | 30 | 47 |
| Other income | 3 | 2,764 | - | - | 2,764 | 71 |
| TOTAL | | 25,732 | 265 | 2 | 25,999 | 23,695 |
| Expenditure on: | | | | | | |
| Charitable activities | 4 | 24,687 | 566 | 2 | 25,255 | 26,764 |
| Raising funds | 4 | 1,584 | - | - | 1,584 | 1,467 |
| Loss on sale of Fixed assets | | - | - | - | - | 2 |
| TOTAL | 4 | 26,271 | 566 | 2 | 26,839 | 28,233 |
| NET (DEFICIT) BEFORE INVESTMENT GAIN/(LOSS) | | (539) | (301) | - | (840) | (4,538) |
| Net gain/(loss) on investments | 11 | 6,335 | - | 5 | 6,340 | 3,461 |
| NET (DEFICIT) | | 5,796 | (301) | 5 | 5,500 | (1,077) |
| OTHER RECOGNISED LOSSES | | | | | | |
| Actuarial loss on defined benefit pension scheme | 16.2 | (322) | - | - | (322) | (270) |
| NET MOVEMENT IN FUNDS | | 5,474 | (301) | 5 | 5,178 | (1,347) |
| Total funds brought forward | | 145,641 | 613 | 62 | 146,316 | 147,663 |
| TOTAL FUNDS CARRIED FORWARD | | 151,115 | 312 | 67 | 151,494 | 146,316 |

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 £471k of Donations and £513k expenditure on Charitable Activities.

BALANCE SHEETS

At 31 December 2024

| | | Group | | Charity | |
|--|--------|---------|---------|---------|---------|
| | Note | 2024 | 2023 | 2024 | 2023 |
| | | £000 | £000 | £000 | £000 |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 9 | 48,372 | 49,612 | 48,372 | 49,612 |
| Investments | 10, 11 | 99,106 | 92,920 | 99,106 | 92,920 |
| | | 147,478 | 142,532 | 147,478 | 142,532 |
| CURRENT ASSETS | | | | | |
| Stocks | | 5 | 2 | 5 | 2 |
| Debtors: amounts receivable within one year | 12 | 463 | 659 | 464 | 684 |
| Cash at bank and in hand | | 5,727 | 5,256 | 5,727 | 5,232 |
| | | 6,195 | 5,917 | 6,196 | 5,918 |
| LIABILITIES | | | | | |
| Creditors: amounts falling due within one year | 13 | (2,128) | (2,133) | (2,129) | (2,134) |
| | | 4,072 | 3,784 | 4,067 | 3,784 |
| NET CURRENT ASSETS | | 151,545 | 146,316 | 151,545 | 146,316 |
| NET ASSETS EXCLUDING PENSION LIABILITY | | | | | |
| Defined benefit pension scheme liability | | (51) | - | (51) | - |
| TOTAL NET ASSETS | | 151,494 | 146,316 | 151,494 | 146,316 |
| THE FUNDS OF THE CHARITY: | | | | | |
| Unrestricted funds: | | | | | |
| General fund | 14 | 17,648 | 17,400 | 17,648 | 17,400 |
| Fixed asset funds | 14 | 48,372 | 49,612 | 48,372 | 49,612 |
| Designated funds | | 85,095 | 78,629 | 85,095 | 78,629 |
| Total unrestricted funds | 14 | 151,115 | 145,641 | 151,115 | 145,641 |
| Permanent endowment fund | 14 | 67 | 62 | 67 | 62 |
| Restricted funds | 14 | 312 | 613 | 312 | 613 |
| TOTAL CHARITY FUNDS | | 151,494 | 146,316 | 151,494 | 146,316 |

The charity has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual Statement of Financial Activities. The surplus for the charity for the year was £5,178k (2023: deficit of £1,347k).

Approved and authorised for issue by the Governors on 1 July 2025 and signed on their behalf by



Tim Tyler
Chair

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

| | Note | 2024 £000 | 2023 £000 |
|--|------|--------------|----------------|
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | A | (1,429) | (4,566) |
| Cash flows from investing activities: | | | |
| Investment income and interest received | | 2,341 | 2,343 |
| Purchase of tangible fixed assets | 8 | (595) | (1,765) |
| Adjustment – VAT refund relating to tangible fixed assets | | - | 108 |
| Disposal of investments | | 154 | 27 |
| Net cash provided by investing activities | | 1,900 | 713 |
| Change in cash and cash equivalents during the year | B | 471 | (3,853) |

(A) Reconciliation of cash flows from operating activities

| | 2024 £000 | 2023 £000 |
|--|----------------|----------------|
| Net (deficit) for the year | (840) | (4,538) |
| Adjustments for: | | |
| Investment income and interest receivable | (2,341) | (2,343) |
| Depreciation | 1,835 | 2,193 |
| Loss on disposal of fixed assets | 0 | 2 |
| (Increase)/Decrease in stocks | (3) | (1) |
| Decrease in debtors receivable within one year | 196 | 215 |
| Increase in creditors | (5) | 176 |
| Pension expense | (271) | (270) |
| Net cash used in operating activities | (1,429) | (4,566) |

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

| | 2023 £000 | Change In Year £000 | 2024 £000 |
|--|--------------|---------------------------|--------------|
| Cash at bank and in hand | 5,256 | 471 | 5,727 |
| Cash on deposit held as investments | 3,000 | - | 3,000 |
| Total cash and cash equivalents | 8,256 | 471 | 8,727 |

1. Charity Information

Royal Star & Garter 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')), the Charities Act 2011 and UK Generally Accepted Accounting Practice. 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 *Going Concern*

Governors have prepared these accounts on the going concern basis having reviewed forecasts for a period of at least twelve months from the date the accounts were approved for the group and parent charity and made enquiries of management.

2c *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.

2d *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.

2e Employee Benefits

The cost of unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination payments are recognised as an expense when the charity has committed to terminate the employment of an employee.

2f 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% |
| Temporary buildings | - | 25% - 33% |
| Plant and equipment | - | 4% - 33% |
| 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.

2g 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. Investments which form part of an investment portfolio are held at the Balance Sheet date at fair value of £96.1m (2023: £89.9m) (Note 11), with gains and losses recognised within income and expenditure.

2h 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.

2i Pensions

The charity operates a defined contribution pension scheme. 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 charge to the SOFA includes the current service cost together with the scheme interest cost less the expected return on the scheme assets for the year. 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.

2j 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.

2k 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 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, other than in respect of the actuarial valuation of the defined benefit pension scheme – further details are set out in Note 16.2.

3. Income

Other income of £2.8m (2023: £0.1m) includes £2.6m (2023: nil) received in relation to an insurance claim for Covid-related disruption during 2020-21.

4. Analysis of Total Expenditure

| | <i>Staff costs</i> | <i>Depreciation</i> | <i>Other</i> | <i>Total 2024</i> | <i>Total 2023</i> |
|-----------------------------------|--------------------|---------------------|--------------|-------------------|-------------------|
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> |
| Charitable activities: care costs | 16,687 | 1,761 | 6,807 | 25,255 | 26,764 |
| Raising funds | 715 | 75 | 794 | 1,584 | 1,467 |
| TOTAL EXPENDITURE | 17,402 | 1,836 | 7,601 | 26,839 | 28,231 |

Care costs include support costs £3.2m (2023: £2.7m) and development costs £22k (2023: £24k). Support costs include staff costs £1.9m (2023: £1.7m), depreciation £0.1m (2023: £0.1m) and other costs £1.2m (2023: £0.9m) relating to the human resources, finance, information technology, pension administration and other central service teams. Other support costs include building maintenance for the administration office together with pension administration, computer services and other central service costs.

The cost of raising funds includes investment management fees of £468k (2023: £444k) and support and office costs of £288k (2023: £288k). Support costs include an allocation of central staff costs £82k (2023: £76k) and other costs £45k (2023: £40k).

Support costs include governance costs totalling £147k (2023: £138k).

OPERATING LEASE

The charity has the following commitments under operating leases:

| | <i>2024</i> | <i>2023</i> |
|---|-------------|-------------|
| | <i>£000</i> | <i>£000</i> |
| Lease payments in the year | 11 | 11 |
| Lease commitments within one year | 10 | 11 |
| Lease commitments between 2 and 5 years | - | - |

5. Auditor's Remuneration

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

| | 2024 £000 | 2023 £000 |
|--|--------------|--------------|
| In respect of audit services: | | |
| Charity | 37 | 33 |
| Group companies | 3 | 3 |
| In respect of taxation and other advice and services | 1 | 3 |
| | 41 | 39 |

6. 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 £4.4m at 31 December 2024 (2023: £3.96m).

7. Governors' Remuneration

No Governor received any remuneration during the years ended 31 December 2024 or 2023. During the year, five Governors (2023: seven) received reimbursement of personal travel and subsistence expenditure amounting to £2,524 (2023: £1,197).

There were no other related party transactions that require disclosure in the year (2023: None).

8. Emoluments & Numbers of Employees

The total emoluments of employees for the year comprised:

| | 2024 £000 | 2023 £000 |
|--|---------------|---------------|
| Wages and salaries | 13,702 | 13,213 |
| Employer National Insurance costs | 1,334 | 1,289 |
| Contributions to defined contribution pension scheme | 839 | 822 |
| | 15,875 | 15,324 |
| Other staff costs | 1,526 | 3,170 |
| Total staff costs | 17,401 | 18,494 |

During the year, staff from commercial agencies provided cover for nurses, health care assistants and clerical services at a total cost of £1.4m (2023: £3.1m). This is included within other staff costs above.

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

| | 2024 | 2023 |
|-------------------------------------|------------|------------|
| Nursing and care | 246 | 262 |
| Domestic and other Home-based staff | 53 | 51 |
| Fundraising | 20 | 18 |
| Management and administration | 30 | 27 |
| | 349 | 358 |

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

| Emoluments : | <i>2024</i> | <i>2023</i> |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 5 | 3 |
| £70,001 - £80,000 | 2 | 3 |
| £80,001 - £90,000 | 2 | 3 |
| £90,001 - £100,000 | 1 | 4 |
| £100,001 - £110,000 | 4 | 1 |
| £160,001 - £170,000 | 1 | 1 |

The total employment benefits (including employers' national insurance contributions) of our senior management team (SMT) amounted to £1.3m in 2024 (2023: £1.3m). Our SMT included 11 members in 2024 (2023: 11 members).

During the year the charity incurred redundancy costs totalling £77k (2023: £145k).

9. Tangible Fixed Assets – Group and Charity

| | <i>Freehold Land & Buildings £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 2024 | 41,368 | 15,383 | 11,150 | 350 | 68,251 |
| Additions | 342 | 98 | 155 | - | 595 |
| Disposals | - | - | - | - | - |
| At 31 December 2024 | 41,710 | 15,481 | 11,305 | 350 | 68,846 |
| Accumulated depreciation : | | | | | |
| At 1 January 2024 | 6,475 | 3,681 | 8,188 | 295 | 18,639 |
| Charge for year | 1,036 | 294 | 450 | 55 | 1,835 |
| Disposals | - | - | - | - | - |
| At 31 December 2024 | 7,511 | 3,975 | 8,638 | 350 | 20,474 |
| Net book value at 31 December 2024 | 34,199 | 11,506 | 2,667 | 0 | 48,372 |
| Net book value at 31 December 2023 | 34,893 | 11,702 | 2,962 | 55 | 49,612 |

The charity had contracted capital commitments totalling £Nil at 31 December 2024 (2023: £Nil).

10. 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 Royal Star & Garter. 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 & Garter Promotions Limited (Registered in England No. 1990808) which ceased trading on 31 December 2011 and is now dormant. The charity has taken the decision to strike-off this company as it is no longer required. 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:

| | 2024 | 2023 |
|--|------|------|
| | £ | £ |
| Shares in Star & 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:

| | 2024 | 2023 |
|---|------|-------|
| | £000 | £000 |
| Turnover | 5 | 107 |
| Operating costs | (5) | (104) |
| | - | 3 |
| Contribution to Royal Star & Garter: Gift aid payment | - | (3) |
| 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 2024 were as follows:

| | 2024 | 2023 |
|-------------------|------|------|
| | £000 | £000 |
| Total Assets | 5 | 29 |
| Total Liabilities | (5) | (29) |
| Net Assets | - | - |

11. Investments: Other Investments

| | 2024 | 2023 |
|---|---------------|---------------|
| | £000 | £000 |
| Market value at 1 January | 92,920 | 94,486 |
| Net (withdrawal) of capital | (155) | (5,027) |
| Net realised and unrealised gain/(loss) during the year | 6,340 | 3,461 |
| Market value at 31 December | 99,106 | 92,920 |
| Historic cost at 31 December | 78,610 | 77,445 |

| Analysis of Investments: | 2024 | 2023 |
|---|---------------|---------------|
| | £000 | £000 |
| Bank deposits | 3,000 | 3,000 |
| Investment portfolio managed by Evelyn Partners Investment Management LLP | 38,980 | 36,903 |
| Ruffer LLP: Ruffer Absolute Return Fund | 5,983 | 6,100 |
| Investment portfolio managed by Sarasin & Partners LLP: | | |
| The Alpha Common Investment Fund for Endowments | 51,143 | 46,917 |
| | 99,106 | 92,920 |

The investment portfolio managed by Evelyn Partners included listed investments £34.6m (2023: £33.2m) and cash or cash equivalents £0.2m at 31 December 2024 (2023: £0.1m).

12. Debtors**Amounts falling due within one year:**

| | Group 2024 £000 | Group 2023 £000 | Charity 2024 £000 | Charity 2023 £000 |
|---------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Fees receivable | 68 | 207 | 68 | 207 |
| Amounts due from subsidiary companies | - | - | 1 | 25 |
| Accrued income | 109 | 59 | 109 | 59 |
| Prepayments | 225 | 204 | 225 | 204 |
| Legacies receivable | 22 | 160 | 22 | 160 |
| Other debtors | 39 | 29 | 39 | 29 |
| | 463 | 659 | 464 | 684 |

13. Creditors

| | Group 2024 £000 | Group 2023 £000 | Charity 2024 £000 | Charity 2023 £000 |
|-------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade creditors | 679 | 506 | 679 | 506 |
| Accruals | 947 | 1,127 | 943 | 1,123 |
| Amounts due to subsidiary companies | - | - | 5 | 5 |
| Other taxation and social security | 336 | 340 | 336 | 340 |
| Other creditors | 166 | 160 | 166 | 160 |
| | 2,128 | 2,133 | 2,129 | 2,134 |

14a. Statement of Funds - 2024

| | <i>At 1 Jan 24</i> | <i>Income</i> | <i>Expenditur e</i> | <i>Capital expenditur e</i> | <i>Other transfers</i> | <i>Other gains/ (losses)</i> | <i>At 31 Dec 24</i> |
|--------------------------------------|------------------------|---------------|-------------------------|-------------------------------------|----------------------------|----------------------------------|-------------------------|
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> |
| UNRESTRICTED FUNDS: | | | | | | | |
| Fixed Asset Funds: | | | | | | | |
| Solihull Home | 11,981 | - | (393) | 123 | - | - | 11,711 |
| Surbiton Home | 11,879 | - | (499) | 298 | - | - | 11,678 |
| High Wycombe Home | 20,881 | - | (726) | 174 | - | - | 20,329 |
| Younger Veterans project | 1,800 | - | - | - | - | - | 1,800 |
| Surbiton development project | 1,248 | - | (26) | - | - | - | 1,222 |
| Administration office | 1,767 | - | (135) | - | - | - | 1,632 |
| Minibuses | 56 | - | (56) | - | - | - | 0 |
| | 49,612 | - | (1,835) | 595 | - | - | 48,372 |
| Designated and General Funds: | | | | | | | |
| Building replacement | 14,500 | - | - | - | 2,500 | - | 17,000 |
| Property refurbishment | 9,127 | 274 | (196) | (595) | - | - | 8,610 |
| Strategic development | 10,750 | - | - | - | - | - | 10,750 |
| Care support | 38,252 | - | - | - | (2,500) | 6,983 | 42,735 |
| Environmental transition | 2,000 | - | - | - | - | - | 2,000 |
| Pension deficit | 4,000 | - | - | - | - | - | 4,000 |
| Free reserves | 17,400 | 25,458 | (24,240) | - | - | (970) | 17,648 |
| Total Unrestricted Funds | 145,641 | 25,732 | (26,271) | - | - | 6,013 | 151,115 |
| Permanent Endowment Fund | 62 | 2 | (2) | - | - | 5 | 67 |
| Restricted Funds | 613 | 265 | (566) | - | - | - | 312 |
| TOTAL FUNDS | 146,316 | 25,999 | (26,839) | - | - | 6,018 | 151,494 |

Unrestricted Funds:

The *Fixed asset funds* represent the book value of our assets.

The *Building replacement fund* is being built up to finance the replacement of our Homes when they reach the end of their expected useful lives.

The *Property refurbishment fund* is used to finance the refurbishment of our buildings to ensure they continue to provide the outstanding environment which our residents deserve.

Our *Strategic development fund* enables us to plan new services and increase the number and range of beneficiaries we support, including long-term funding of our outreach work and new facilities.

Our *Care support fund* enables us to provide care for residents who do not have sufficient income or capital to finance their care fees. It also enables us to provide a secure long-term home even if our income from legacies, investments or individuals declines, and to continue providing the highest quality of care during challenging times such as the Covid-19 pandemic. We are proud that we can provide this level of support to beneficiaries over the long term.

The *Environmental transition fund* enables us to move ahead with measures to reduce our environmental impact.

The *Pension deficit fund* represents the estimated cost of implementing a buyout of our defined benefit pension scheme.

Our *Free reserves* are designed to enable us to cope with unforeseen expenditure or loss of income.

Permanent Endowment Fund:

The income from the *Central Regimental Institutes Fund* is available for our general purposes.

Restricted Funds:

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

| | <i>At 1 Jan 24 £000</i> | <i>Income £000</i> | <i>Expenditure/ Transfers £000</i> | <i>At 31 Dec 24 £000</i> |
|-------------------------------|---------------------------------|------------------------|--|--------------------------------------|
| Care services and development | 522 | 221 | (431) | 312 |
| Veteran Friendly Framework | 91 | 44 | (135) | - |
| RESTRICTED FUNDS | 613 | 265 | (566) | 312 |

We expect to spend the *Restricted Funds* on care services in 2025.

14b. Statement of Funds – 2023

| | <i>At 1 Jan 23 £000</i> | <i>Income £000</i> | <i>Expenditur e £000</i> | <i>Capital expenditur e £000</i> | <i>Other transfers £000</i> | <i>Other gains/ (losses) £000</i> | <i>At 31 Dec 23 £000</i> |
|--------------------------------------|---------------------------------|------------------------|----------------------------------|--|-------------------------------------|---|----------------------------------|
| UNRESTRICTED FUNDS: | | | | | | | |
| Fixed Asset Funds: | | | | | | | |
| Solihull Home | 12,191 | - | (406) | 196 | - | - | 11,981 |
| Surbiton Home | 12,179 | - | (594) | 294 | - | - | 11,879 |
| High Wycombe Home | 21,814 | - | (956) | 25 | (2) | - | 20,881 |
| Younger Veterans project | 1,908 | - | - | - | (108) | - | 1,800 |
| Surbiton development project | - | - | (2) | 1,250 | - | - | 1,248 |
| Administration office | 1,932 | - | (165) | - | - | - | 1,767 |
| Minibuses | 126 | - | (70) | - | - | - | 56 |
| | 50,150 | - | (2,193) | 1,765 | (110) | - | 49,612 |
| Designated and General Funds: | | | | | | | |
| Building replacement | 14,500 | - | - | - | - | - | 14,500 |
| Property refurbishment | 9,643 | 289 | (290) | (515) | - | - | 9,127 |
| Strategic development | 12,000 | - | - | (1,250) | - | - | 10,750 |
| Care support | 39,556 | - | - | - | (2,300) | 996 | 38,252 |
| Environmental transition | - | - | - | - | 2,000 | - | 2,000 |
| Pension deficit | 3,700 | - | - | - | 300 | - | 4,000 |
| Free reserves | 17,400 | 22,933 | (25,235) | - | 110 | 2,192 | 17,400 |
| Total Unrestricted Funds | 146,949 | 23,222 | (27,718) | - | - | 3,188 | 145,641 |
| Permanent Endowment Fund | 59 | 2 | (2) | - | - | 3 | 62 |
| Restricted Funds | 655 | 471 | (513) | - | - | - | 613 |
| TOTAL FUNDS | 147,663 | 23,695 | (28,233) | - | - | 3,191 | 146,316 |

Restricted Funds:

The movements on the *Restricted Funds* during 2023 were as follows:

| | <i>At 1 Jan 23 £000</i> | <i>Income £000</i> | <i>Expenditure/ Transfers £000</i> | <i>At 31 Dec 23 £000</i> |
|-------------------------------|---------------------------------|------------------------|--|----------------------------------|
| Care services and development | 648 | 261 | (387) | 522 |
| Veteran Friendly Framework | - | 179 | (88) | 91 |
| Covid-19 emergency support | 7 | 31 | (38) | - |
| RESTRICTED FUNDS | 655 | 471 | (513) | 613 |

15a. Analysis of Group Net Assets between Funds - 2024

| | <i>Tangible Fixed Assets £000</i> | <i>Investments £000</i> | <i>Current Assets £000</i> | <i>Current Liabilities £000</i> | <i>Total £000</i> |
|--------------------------------------|---|-----------------------------|------------------------------------|---|-----------------------|
| UNRESTRICTED FUNDS: | | | | | |
| Fixed Asset Funds: | | | | | |
| Solihull Home | 11,711 | - | - | - | 11,711 |
| Surbiton Home | 11,678 | - | - | - | 11,678 |
| High Wycombe Home | 20,329 | - | - | - | 20,329 |
| Younger Veterans project | 1,800 | - | - | - | 1,800 |
| Surbiton development project | 1,222 | - | - | - | 1,222 |
| Administration office | 1,632 | - | - | - | 1,632 |
| Minibuses | - | - | - | - | - |
| | 48,372 | - | - | - | 48,372 |
| Designated and General Funds: | | | | | |
| Building replacement | - | 17,000 | - | - | 17,000 |
| Property refurbishment | - | 8,610 | - | - | 8,610 |
| Strategic development | - | 10,750 | - | - | 10,750 |
| Care support | - | 42,734 | - | - | 42,734 |
| Environmental transition | - | 2,000 | - | - | 2,000 |
| Pension deficit | - | 4,000 | - | - | 4,000 |
| Free reserves | - | 13,945 | 5,883 | (2,179) | 17,649 |
| Total Unrestricted Funds | 48,372 | 99,039 | 5,883 | (2,179) | 151,115 |
| Permanent Endowment Fund | - | 67 | - | - | 67 |
| Restricted Funds | - | - | 312 | - | 312 |
| Total Net Assets | 48,372 | 99,106 | 6,195 | (2,179) | 151,494 |

15b. Analysis of Group Net Assets between Funds – 2023

| | <i>Tangible Fixed Assets £000</i> | <i>Investments £000</i> | <i>Current Assets £000</i> | <i>Current Liabilities £000</i> | <i>Total £000</i> |
|--------------------------------------|---|-----------------------------|------------------------------------|---|-----------------------|
| UNRESTRICTED FUNDS: | | | | | |
| Fixed Asset Funds: | | | | | |
| Solihull Home | 11,981 | - | - | - | 11,981 |
| Surbiton Home | 11,879 | - | - | - | 11,879 |
| High Wycombe Home | 20,881 | - | - | - | 20,881 |
| Younger Veterans project | 1,800 | - | - | - | 1,800 |
| Surbiton development project | 1,248 | - | - | - | 1,248 |
| Administration office | 1,767 | - | - | - | 1,767 |
| Minibuses | 56 | - | - | - | 56 |
| | 49,612 | - | - | - | 49,612 |
| Designated and General Funds: | | | | | |
| Building replacement | - | 14,500 | - | - | 14,500 |
| Property refurbishment | - | 9,127 | - | - | 9,127 |
| Strategic development | - | 10,750 | - | - | 10,750 |
| Care support | - | 38,252 | - | - | 38,252 |
| Environmental transition | - | 2,000 | - | - | 2,000 |
| Pension deficit | - | 4,000 | - | - | 4,000 |
| Free reserves | - | 14,229 | 5,305 | (2,134) | 17,400 |
| Total Unrestricted Funds | 49,612 | 92,858 | 5,305 | (2,134) | 145,641 |
| Permanent Endowment Fund | - | 62 | - | - | 62 |
| Restricted Funds | - | - | 613 | - | 613 |
| Total Net Assets | 49,612 | 92,920 | 5,918 | (2,134) | 146,316 |

16. Pension Schemes

16.1 Defined Contribution Schemes

During the year, the charity provided access to a money purchase pension scheme for employees. If an employee makes a contribution of 5% or more of pensionable salary into these schemes, then the charity also contributes 7.5% on their behalf (10% for directors). The charity made contributions amounting to £839k (2023: £822k) into the defined contribution pension schemes during the year. The value of outstanding contributions at 31 December 2024 was £115k (2023: £110k).

16.2 Defined Benefit Pension Scheme

The charity also contributed to a defined benefit pension scheme for some of the charity's staff during the year. This pension scheme was closed to future accrual on 30 April 2007. The pension scheme's assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The charity appointed Zedra Governance Limited as the sole trustee of the pension scheme with effect from 7 July 2023. The trustee of the pension scheme is required to act in the best interests of the scheme's beneficiaries.

The pension 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.

The disclosures set out below are based on calculations carried out as at 31 December 2024 by a qualified independent actuary in accordance with FRS102. The liabilities of the defined benefit pension 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 £51k existed at 31 December 2024 (2023: £0.4m surplus). . Governors and the Pension Trustee have agreed to take the necessary steps so that pension obligations can be transferred to an insurance company in the next couple of years provided conditions are appropriate (known as a pension buy-in). The charity has established a Pension Reserve with a value of £4m to cover the expected contributions and cost of implementing this transfer (2023: £4m).

As at 31 December 2024, contributions are payable to the pension scheme by the charity at the rates set out in the Schedule of Contributions dated 14 December 2024, which is based on the results of the most recent full triennial actuarial valuation as at 31 December 2022. The Trustee of the scheme has agreed that no further contributions are required for the time being given the progress being made with respect to the pension buy-in.

(A) Principal assumptions

The principal actuarial assumptions at the balance sheet date were:

| | 2024 | 2023 |
|---|--------|--------|
| Discount rate | 5.40% | 4.60% |
| RPI Inflation | 3.35% | 3.25% |
| CPI Inflation | 2.90% | 2.85% |
| Rate of increase in salaries | N/A | N/A |
| Rate of increase in pensions in payment (lower of RPI or 5%) | 3.20% | 3.10% |
| Pensioner and non-pensioner mortality (pre and post-retirement) | Note 1 | Note 1 |
| Cash commutation | Note 2 | Note 2 |

1. Based on S3PA table using CMI 2021 projections and an assumed 1.75% long term rate of mortality improvement.
2. Members assumed to 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:

| | 2024 | 2023 |
|-----------------------|-------------|-------------|
| Gilts/Corporate Bonds | 97.0% | 84.8% |
| Investment portfolio | 0.0% | 12.5% |
| Cash | 2.8% | 2.5% |
| Insured assets | 0.2% | 0.2% |
| Total | 100% | 100% |

(C) Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

| | 2024 | 2023 |
|--|-------------|------------|
| | £000 | £000 |
| Present value of funded obligations | (16,263) | (17,938) |
| Fair value of scheme assets | 16,212 | 18,335 |
| Surplus/(deficit) | (51) | 397 |
| Restriction applied to irrecoverable surplus | - | (397) |
| Net asset/liability recognised in the balance sheet | (51) | - |

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

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

| | 2024 £000 | 2023 £000 |
|---|--------------|--------------|
| Interest on liabilities | 799 | 808 |
| Expected return on pension scheme assets | (824) | (855) |
| Total – included within Total resources expended | (25) | (47) |

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

| | 2024 £000 | 2023 £000 |
|---|--------------|--------------|
| Impact of adjustments and assumptions on scheme liabilities | 1,335 | (492) |
| Experience adjustments on scheme assets | (2,072) | (100) |
| Actuarial (loss)/ gain recognised in Statement of Financial Activities (*) | (737) | (592) |
| Cumulative amount of actuarial (loss) recognised in the STRGL | (1,739) | (1,002) |

(*) Subject to restriction

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

| | 2024 £000 | 2023 £000 |
|---|---------------|---------------|
| Opening defined benefit obligation | 17,938 | 17,535 |
| Interest cost | 799 | 808 |
| Impact of adjustments and assumptions on scheme liabilities | (1,35) | 667 |
| Benefits paid | (1,139) | (1,072) |
| Closing defined benefit obligation | 16,263 | 17,938 |

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

| | 2024 £000 | 2023 £000 |
|--|---------------|---------------|
| Opening fair value of scheme assets | 18,335 | 18,388 |
| Actual return on scheme assets (*) | (1,248) | 755 |
| Contributions by employer | 264 | 264 |
| Benefits paid | (1,139) | (1,072) |
| Closing fair value of scheme assets | 16,212 | 18,335 |

(*) Calculation of actual return on scheme assets:

| | | |
|---|----------------|------------|
| Expected return | 824 | 855 |
| Experience adjustments on scheme assets | (2,072) | (100) |
| Actual return on scheme assets | (1,248) | 755 |

17 Other: Care for Veterans

During 2024 we initiated merger discussions with our fellow Armed Forces care charity, Care for Veterans (formerly the Queen Alexandra Hospital Home), which operates a single home in Worthing, West Sussex.

A memorandum of understanding was signed in November 2024. An integration agreement was signed in February 2025, with services coming together from 31 March 2025. Further integration of our services will continue over the next couple of years.

FULL NAME

Royal Star & Garter

Registered Charity No. 210119

Incorporated by Royal Charter in England: Company No. RC000713

OFFICE BEARERS**Patron**

HRH The Princess Royal

President

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

Vice Presidents

Vice Admiral Sir John Dunt KCB

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} Major General (Ret'd) Tim Tyler CB MA (Chair)
- ^{1, 5} Susan Bush RRC BA MBA (to 30 April 2024)
- ² Air Vice-Marshal Maria Byford MA BDS MFGDP(UK) FRAeS CCMI (from 11 January 2025)
- Stephen Crookbain BA (from 1 March 2023)
- ¹ Dr Carolyn Eastwood MBChB MRCPsych
- ^{4, 5} Edward Goodchild BSocSci Chartered FCSI FRSA (to 6 December 2024)
- ² Asoka Karandawala FCA
- Sapandeep Singh Maini-Thompson BA MSc LLM
- ¹ Brigadier (Ret'd) Alison McCourt CBE ARRC (to 6 December 2024)
- ^{2, 3A, 4} William Reid BA Chartered FCSI FRSA
- Brigadier (Ret'd) Christopher Sexton MA FInstRE FCQI
- ¹ Dr David Staples MBiochem MMedSci FRCP FCMI CMgr
- ^{1, 5} Julie Thain-Smith BSc MSc RN FCMI
- ³ Sarah Warden CMgr MCMI CIWFM
- Richard Williams MC (from 21 January 2025)
- ^{1, 2, 4} Mark Wills BSc FRGS DipAIBD MInstRE Chartered FCSI CWM (Vice Chair)

Medical Representative from the Armed Services – Ex Officio Governor

- ² Air Vice-Marshal Maria Byford MA BDS MFGDP(UK) FRAeS CCMI (to 11 January 2025)
- Air Commodore Luke Houghton KHP MStJ MBChB MRCGP DAvMed DRCOG DFRH MRAS MA BSc
- (from 3 July 2024)

Appointee of The British Red Cross Society

Francoise Bathews BSc MA

Committee membership as at 31 December 2024

- | | | |
|--------------------------------|--|---|
| ¹ Care Committee | ³ Property Committee (^{3A} Co-opted member) | ⁵ Governor Recruitment Committee |
| ² Finance Committee | ⁴ Remuneration Committee | |

EXECUTIVE

Andy Cole OBE MA MBA
 Alan Bowers BSc ACA
 Caley Eldred BA
 Martin Goldman TechIOSH
 Shirley Hall BSc RN PGCert (Advanced Practice)
 Malcolm Munro-Faure BSc ACA
 Kate Silver BSc MBA FCIPD

Chief Executive
 Director of Finance (from 15 July 2024)
 Director of Supporter Engagement
 Director of Operations
 Director of Care & Wellbeing
 Director of Finance (to 12 July 2024)
 Director of People

REGISTERED OFFICE

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 Hampton
 TW12 2NP
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 Solihull
 B91 3DE

HIGH WYCOMBE HOME

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 Buckinghamshire HP13 5GG

BANKS

National Westminster Bank plc
 Lloyds Bank plc

SOLICITOR

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 3 Bunhill Row
 London EC1Y 8YZ

INVESTMENT MANAGERS

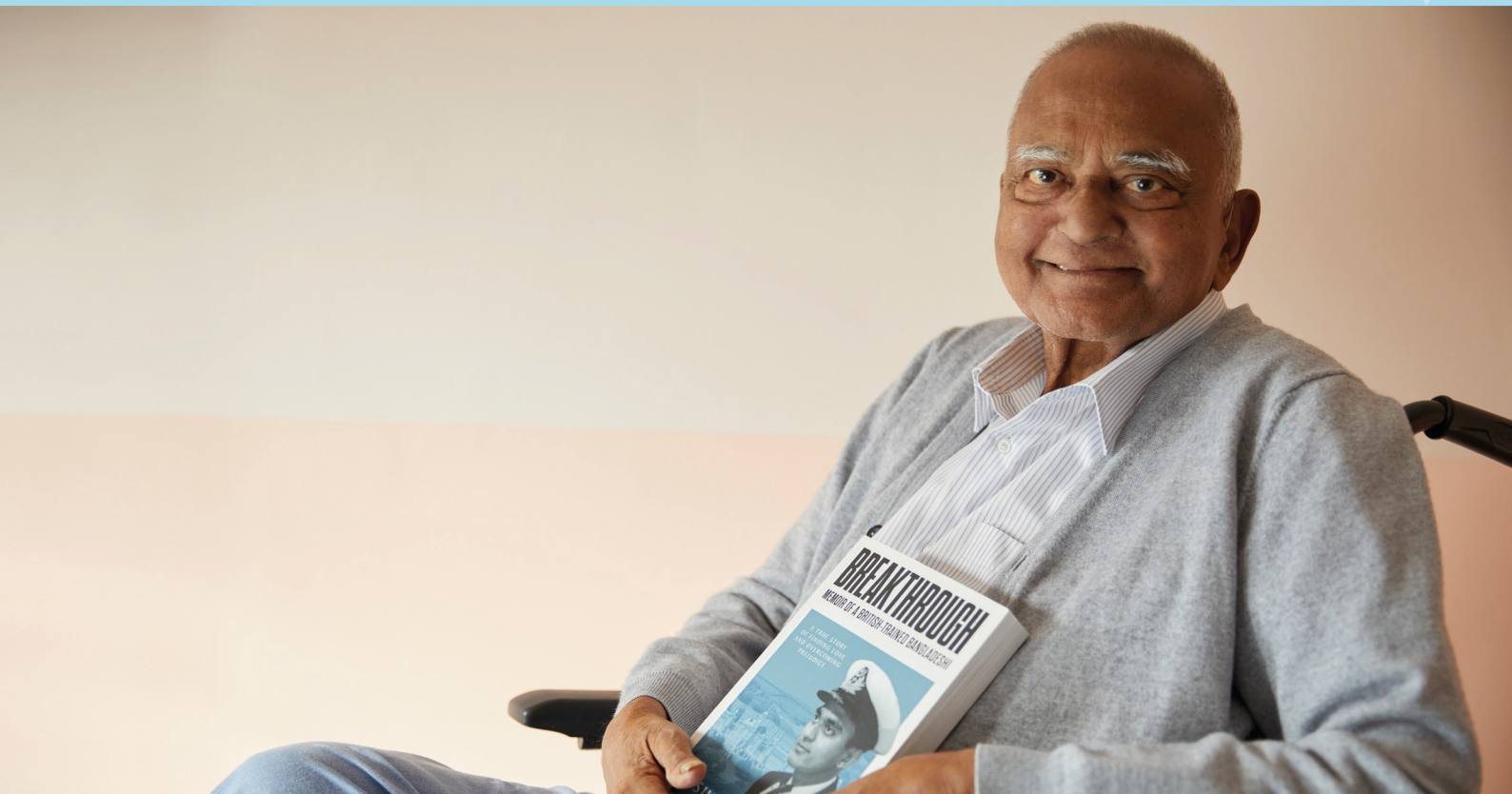
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Royal Star & Garter

Registered Charity No. 210119

Registered office:

15 Castle Mews

Hampton TW12 2NP