

**CHARITY COMMISSION
COPY**

**Nightingale
Hammerson
(formerly Nightingale
House)**

**Annual Report and
Consolidated Accounts**

30 September 2015

Charity Registration Number
207316

CHARITY COMMISSION
FIRST CONTACT

- 2 JUN 2010

ACCOUNTS
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Reference and administrative information

Registered name Nightingale Hammerson

Registered charity number Registered charity number 207316
governed by a scheme made by the Charity
Commission on 30 March 2012

Principal office 105 Nightingale Lane
London
SW12 8NB

Telephone 020 8673 3495

Facsimile 020 8675 2258

Website www.nightingalehammerson.org

Life Patron Dame Vivien Duffield DBE

Life President Gerald Lipton MBE

President Harvey Rosenblatt (with effect from January
2016)

Vice President Patricia Beecham

Corporate trustee Nightingale Hammerson Trustee Company
Limited

Reference and administrative information

Directors of the corporate trustee

Chairman
Honorary Treasurers

Melvin Lawson
David Tyler
David Winton

Other directors

Eleanor Angel
Tim Angel
Stephanie Brada
Susan Grant
Colin Green
Peter Green (resigned 31 December 2015)
Jacqueline Morris (appointed 23 June 2015)
Harvey Rosenblatt
Greg Scott
Eli Shahmoon (appointed 28 January 2015)
Judy Wiseman

Chief Executive

Helen Simmons

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers National Westminster Bank plc
98 Wandsworth High Street
London
SW18 4ZD

Barclays Wealth
Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Investment managers Veritas Asset Management (UK)
Limited
Elizabeth House
York Road
London
SE1 7NQ

Goldman Sachs International
Christchurch Court
10-15 Newgate Street
London
EC1A 7HD

Message from our Chairman



Continuing the tradition of exemplary care

In my first year as Chairman of Nightingale Hammerson I feel privileged to be leading our drive to develop and improve the provision of first class care for our residents. Succeeding in the footsteps of Harvey Rosenblatt will not be easy. Harvey helped to transform Nightingale Hammerson into one of the premier care home providers and I am delighted that Nightingale Hammerson will continue to benefit from his knowledge and expertise in his roles as Trustee and President.

My priority will be to continue the long tradition of providing an exemplary standard of care for the Jewish community. The needs of older people in the community are evolving and we must be able to provide homes with flexible care solutions to residents across London. I have little doubt that our responsibility to care for our community needs to grow. We need to prepare for the future in order to guarantee care for the lonely and vulnerable in our community.

As our residents come to us much older and frailer more focus and preparation towards caring for those with dementia has to be at the heart of our strategy and everything we do.

It's essential that we continue to fund training and development, for both existing and new staff. The skills and competencies of our staff contribute greatly towards the care we provide to our residents but also the accreditations such as Beacon Status by the National Gold Standards Framework (GSF) Centre and our Care Quality Commission (CQC) ratings.

Our financial aim over the next couple of years will be to ensure that the Charity holds enough reserves to cover a year's operating costs. Redevelopments will be funded partly by our own resources but we will have to rely heavily on donations if we are to build the state of the art homes our residents need and deserve.

We have ambitious plans and we will face many challenges going forward but I know that together with my fellow Trustees, committed staff and the generosity of the community we can continue to expand our provision of first class care to more of the Jewish community.

A capital fundraising campaign will be launched later in the year which will be absolutely essential to the completion of Hammerson House. I look forward to championing Nightingale Hammerson in our Community and encouraging more support for this remarkable charity.

Finally we couldn't do what we do without the extraordinary warmth and attention that our staff give to residents, not to mention the vital contribution made by our volunteers and donors. Thank you for your continual commitment and support.

Introduction

Nightingale Hammerson exists to provide care for older members of the Jewish community in need. It operates two care homes – Nightingale House, in South London, and Hammerson House, in North London, – together with a sheltered housing facility, Belmont Lodge, in Bushey.

Nightingale House is able to trace its origins back to 1840 in the East End of London. It moved to its current site in South West London in the early 1900s since which time it has continued to modernise and expand.

Hammerson House was established some 55 years ago thanks to an exceptional gift which was received from Mrs Sue Hammerson CBE, in memory of her late husband Lewis W Hammerson who sadly passed away in 2014. It is primarily a residential home although it also offers nursing beds and sheltered housing.

Belmont Lodge is the newest addition, its owner, Camden Jewish Society, having been merged into the group in April 2015.

Nightingale Hammerson has a corporate trustee (Nightingale Hammerson Trustee Company Limited). The directors of this company meet on a regular basis as the Trustee Board of the Charity. The directors of the corporate trustee (hereafter referred to as 'directors') present their statutory report together with the accounts of Nightingale Hammerson (Nightingale) for the year ended 30 September 2015.

These accounts have been prepared in accordance with the accounting policies set out on pages 26 to 28 of the attached accounts and comply with the charity's governing document, applicable laws and the requirements of Statement of Recommended Practice on 'Accounting and Reporting by Charities' issued in March 2005.

The entities listed below are included within the consolidated accounts since they are all ultimately controlled by the directors of Nightingale Hammerson:

- ◆ Nightingale Hammerson, a registered charity, providing residential and nursing home facilities in London at Nightingale House and Hammerson House;
- ◆ Chalkford Limited, a UK subsidiary which is a property construction company;
- ◆ Camden Jewish Society, a registered charitable company providing sheltered accommodation at Belmont Lodge; and
- ◆ The Friends of Nightingale House, a charitable trust which, in the past, has raised funds for the relief of poverty and distress of the needy aged of the Jewish faith but which is now dormant.

Vision, mission and values

Vision

Nightingale Hammerson strives to be a leading provider of quality person centred care for older Jewish people where all are treated with respect and dignity in quality accommodation.

Mission

Nightingale Hammerson is a charitable organisation providing holistic quality care, assistance and support to older Jewish people in a safe and stimulating environment using dedicated and trained staff and volunteers.

Values

Compassion

- ◆ Putting residents first is at the heart of all we do.
- ◆ Showing genuine concern for the care and feelings of others.
- ◆ Being kind, gentle and respectful.

Respect

- ◆ Acting in a polite and courteous manner.
- ◆ Having a keen interest in residents, their lives, values and history, to understand and accept them as individuals.
- ◆ Embracing all our differences and valuing each other's knowledge and experience.

Excellence

- ◆ Always working towards improvement through goal setting and evaluation.
- ◆ Going the extra mile is the norm rather than the exception.
- ◆ Functioning as an enthusiastic and dedicated team in delivering all areas of care.

Dignity

- ◆ Supporting residents to live their lives and fulfil their wishes and needs.
- ◆ Ensuring that life as well as death are handled with care and empathy.
- ◆ Valuing and honouring residents' choices and privacy.

Integrity

- ◆ Being truthful and honest at all times and doing the right thing.
- ◆ Being transparent in all practices and communications.
- ◆ Treating honesty and truthfulness as intrinsic values of the organisation.

Public benefit

In setting the aims of the charity, the directors have had regard to the guidance published by the Charity Commission in respect to the provision of public benefit by charities.

Review of the year

Our Homes

As always, the time since our last report has been a busy year at both Hammerson House and Nightingale House. In addition, during the year we added a third site as we merged the Camden Jewish Society (previously Abbeyfield Camden Society Limited) into our group. Camden Jewish Society owns and operates Belmont Lodge in Bushey, which provides sheltered housing accommodation for the elderly within the Jewish community.

Review of the year (continued)

Excellence of care continues to be our focus and in late 2015 Hammerson House went through the rigours of the new Care Quality Commission inspection regime and was declared to be 'Good', a real testament to the teams there.

We continue, as ever, to look to the future, and for some years now have been building up funds towards capital redevelopment projects. The time is now here to begin on those works with the launch of our £36 million redevelopment of Hammerson House (see the Hammerson House review below) and to look beyond that to continue to develop the outstanding facilities in South London (including a new unit to be unveiled in early 2017).

None of that would be possible without the generosity of our donors, both those who pledge funds for building works and those whose regular giving allows us to fund residents who cannot pay full fees. Pressures on local authority budgets continue to impact us, with almost 60% of our residents with nursing and dementia needs being funded by Local Authorities, and in order to continue to provide a top class standard of care to all, we continue to rely heavily on charitable donations. Notably, our bi-annual Guildhall Dinner in November 2015 was a great success, with 500 guests enjoying a fun and informative evening. Thanks go to all – patrons, individual supporters and charitable trusts – who support us and also to our volunteers, without whom our homes would be much less vibrant places.

Nightingale House

The year saw the completion of the redevelopment of the Ronson unit, providing state of the art facilities for our residents living with dementia. Smaller projects have been carried out on our older units as well, keeping them running smoothly until their turn comes for full refurbishment. We have also brought nursing staff onto one floor of our Wohl Wing, to reflect the fact that residents are coming in to us with higher needs than ever before. Our Beacon status was also retained, reflecting our commitment to training and development of all our staff.

One of the things that has brought the greatest joy to residents over the past years has been visits from the children of Apples & Honey, a Jewish Nursery based in Wimbledon, and we are delighted that we are now working in partnership with them to create the second Apples & Honey Nursery right here on the Nightingale site, so the children can learn and play a stone's throw from the House and both residents and children can benefit from inter-generational activities and friendships.

At the other end of the spectrum, St George's Hospital took over one floor of our Kingsley unit from November 2014 to April 2015, taking pressure off of their hospital beds over the winter period, and are currently back in for another winter. As well as providing a much needed relief service to the local elderly community, this contract generates funds for our core charitable services for older Jewish people.

Review of the year (continued)

Hammerson House

Planning continued during the year for the redevelopment of Hammerson House and in December 2015 the directors signed off new plans which will allow for the building of a state of the art home for 118 residents on the current Hammerson House site. Hammerson House was originally built as a residential home but residents are increasingly frail and have more advanced nursing and dementia needs than ever before and the new home will allow us to provide them with world-class care.

As part of the new plans, the directors have also taken the difficult decision that Hammerson House will need to close for the period of the building works, expected to start at some point in mid 2017. Individual needs of each resident have been considered and discussed with them and their families, with a notice period of more than twelve months and tailored offers to encourage those who wish to stay within the Nightingale Hammerson family. Staff have been recruited to support all those affected, taking residents and tenants to view other local homes, on trips to see the facilities at Nightingale and being on hand to talk through options and concerns.

To help us continue to look after our North London residents, we are refurbishing part of our main building at Nightingale to provide a brand new unit for those who wish to come to us, allowing them to stay together and to have familiar staff around them. It looks as though this new unit could be over-subscribed but we have guaranteed a place somewhere at Nightingale for anyone who wants to come and already have residents making plans to move to our other units.

We are also working with all the staff affected by the plans, to bring as many as possible to Nightingale House and setting up secondment opportunities with other organisations which will allow staff to broaden their skills and, we hope, come back to the new Hammerson House when it re-opens.

Our people

At Board level we welcomed Eli Shahmoon, who brings extensive property development experience and Dr Jacqueline Morris, who has devoted a long medical career to the elderly, and bade farewell to Peter Green, the chair of our Investment Committee. Harvey Rosenblatt, for almost ten years Chairman of the charity, took on the role of President in January 2016 and his place at the head of the Board is ably filled by Melvin Lawson.

At Executive level we welcomed three new members to our Senior Management Team and said goodbye to Leon Smith, who retired as Executive Vice President. Leon had been with the charity for 42 years and we are all incredibly grateful to him for his work.

The Senior Management Team restructure is now complete, with the current operational directors being as follows:-

| | |
|-------------------------------------|---|
| Chief Executive | Helen Simmons |
| Director of Care Services | Simon Pedzisi |
| Director of Human Resources | Bernadette Thomas |
| Director of Operations | Andrew Leigh |
| Director of Finance and IT | Nicky Wade (appointed October 2015) |
| Director of Marketing & Fundraising | Michelle Quittenton (appointed July 2015) |
| Director of Property Services | Gary Brown (appointed February 2015) |

Achievements and plans for future periods

Key strategic objectives from our five Year Plan (2014-2019) and progress against them in 2015 are as follows:

Care

To adapt in response to changing user needs and demands to provide the highest standards of person centred care.

For 2015

- ◆ The ground floor of Wohl Wing at Nightingale House was converted to a nursing unit to meet changing needs of residents.
- ◆ Namaste Care Programme was rolled out to the Sampson Unit and the Wohl Wing at Nightingale House and our programme was showcased at an End of Life event held at Nightingale House in February.
- ◆ Revised Hammerson House care home plans have been finalised and application has been made for planning permission.

For 2016

- ◆ Further review of nursing needs on Wohl Wing with a view to potentially introducing nursing staff to the first floor.
- ◆ Development of End of Life care practice across the organisation through staff training.
- ◆ Launch of an updated care plan system, including new assessment frameworks to be worked on jointly with our in-house GP practice.
- ◆ Review of skills mix among the care teams, including recruitment of nurses and creation of new posts of Head of Care and Head of Nursing.

People

To invest in our people strategy to raise front line care standards and support functions and make us more attractive to existing and future employees and volunteers.

For 2015

- ◆ Initial stages of development of an over-arching People Strategy have been completed.
- ◆ Care Induction Programme has been reviewed and integrated with the Care Certificate.
- ◆ Pay rates increased for frontline care staff as part of planned progress towards National Living Wage.

For 2016

- ◆ Continue to develop People Strategy to both raise standards and make us a more attractive employer in a competitive market.
- ◆ Further pay review bringing all staff onto the National Living Wage from 1st April 2016.
- ◆ Aim, if possible, to find roles, either internally or on secondment, for all Hammerson House staff who wish to stay with Nightingale Hammerson.

Achievements and plans for future periods (continued)

Finance

To be financially sustainable.

For 2015

- ◆ St George's Healthcare NHS Trust contract renewed for the winter of 2015-16.

For 2016

- ◆ Review investment strategy in light of planned capital expenditure on the new Hammerson House over the next three years, ensuring the right funds are in the right place at the right time.
- ◆ Continue close management of costs to ensure we continue to be able to support residents who are Local Authority funded.
- ◆ Restructure the finance function to meet changing needs of the organisation and improve clarity of information at all levels.

Fundraising & Communications

To develop a fundraising strategy to help achieve financial sustainability.

For 2015

- ◆ Director of Fundraising & Marketing recruited in July 2015.
- ◆ The Biennial Guildhall Dinner was well attended by over 500 donors and supporters. Guests enjoyed a film featuring both Matt Lucas and residents, together with speeches about our work and our Hammerson House plans.

For 2016

- ◆ Review and develop a Patrons programme.
- ◆ Launch a capital fundraising campaign for the Hammerson House redevelopment.
- ◆ Develop a communications strategy including reviewing brand and positioning.

Financial review

Financial summary

Our operating deficit this year was £3.6 million, an increase of 12% on the £3.2 million operating deficit of the previous year. The increased deficit was caused by a reduction in resident income during the year with the cessation of new admissions at Hammerson House and minimal increases in Local Authority funding, in a year where core costs rose by £0.4 million to £14.7 million.

We funded our operating deficit with £2.2 million of donations and legacies (net of fundraising costs), £1.1 million of investment income (net of related charges) and a surplus on the St George's contract of £0.2 million. This left a surplus before investment gains and losses of £0.1 million (compared to £1.7 million in the previous year).

We continue to show a surplus on our investments this year with a gain (realised and unrealised) of £0.7 million (2014: £4.7 million, of which £3.1 million related to the sale of an investment property). In addition, £1.3 million of assets were acquired as a result of the Camden Jewish Society merger, leading to an overall increase in funds of £2.1 million.

Financial review (continued)

Financial results for the year

During the year, total resources expended amounted to £15.5 million (2014 - £15.0 million) against total incoming resources of £15.6 million (2014 - £16.7 million) resulting in an overall surplus of £0.1 million (2014 - £1.7 million) before other gains and losses. £0.6 million of the incoming resources was donated for specific restricted purposes; £1.0 million (2014 - £0.5 million) of the total spend was covered by restricted funds.

During the year the total cost of providing our residential and nursing care services was £14.7 million against maintenance income (both local authority and private) of £11.1 million, producing an operating deficit of £3.6 million. This compares to the previous year's figures of £14.3 million expenditure and £11.1 million income, representing an operating deficit of £3.2 million.

During the year, there was an overall net gain on investment assets (including actuarial losses on the pension scheme) of £0.6 million (2014 – gain of £4.8 million). The net movement in funds for the year was £2.1 million (2014: £6.4 million). Overall, there was a surplus on the general funds during the year (before accounting for transfers to designated funds) of £2.8 million (2014 - £6.7 million).

The year was another successful one for fundraising and this together with investment income contributed towards covering the operating deficit referred to above.

Fundraising is essential to Nightingale Hammerson in order for us to deliver quality care services for our residents. We host a variety of events, some becoming annual favourites for many donors and we endeavour to hold new events to attract new donors. We are generously supported by those donors who become patrons of Nightingale Hammerson. Total voluntary income raised during the year amounted to £2.6 million (2014: £4.0 million) with related expenditure costs of £0.4 million (2014: £0.4 million).

Investment policy

It is the policy of the directors and members of the Investment Sub-Committee to generate long-term capital appreciation and current income through investments in equities and fixed income securities; the charity is dependent on stable returns on its investments. The directors have developed a strategy to diversify across asset classes and have chosen fixed income bonds with a spread of maturities averaging close to four years in order to achieve a decent yield against a modest risk. The directors have developed an equity portfolio with a moderate risk profile but one with long-term appreciation in mind. Finally, the directors have also agreed to hold a material cash balance towards the charity's planned capital projects with the objective of capital preservation.

Given the uncertainties in the market place, the global recession and geo-political events affecting equities, the directors are satisfied with the returns achieved in the year and the market value of our investments at year end. The directors remain committed to continue to manage the charity's investments in a very prudent way.

Reserves policy

The directors have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, not designated for specific purposes nor otherwise committed. The directors consider that given the nature of the charity's work, continuing political economic uncertainty affecting the UK and world stock markets and significant changes happening in the funding of nursing care, the level of free reserves should be equivalent to 12 months' expenditure. The directors are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to the timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Financial position

In total, the net assets of the group were £72.2 million at 30 September 2015 (2014 - £70.2 million).

£20.8 million of these funds are tied up in tangible fixed assets. These include properties which are used in the day to day work of the Homes and are essential to the continuing provision of high quality care to residents. Their value, therefore, should not be regarded as realisable should monies be required to meet contingencies or future commitments and for this reason those funds are recorded as either restricted (under the Building Fund) or designated (under the Hammerson Lease and Fixed Assets Funds).

Of the remaining £51.4 million, £3.1 million is held in restricted funds for specific use and £20 million has been previously designated for major capital projects. In light of the imminent Hammerson House redevelopment, the directors have designated a further £7.5 million for capital projects, bringing the total to £27.5 million, of which £20 million is designated for Hammerson House and £7.5 million for Nightingale House. Given the high level of cost in maintaining and refurbishing buildings to the standard expected by our residents, the directors have designated a further £2.5 million as a maintenance fund, ensuring works can continue in times of uncertainty over funding.

Free reserves therefore now stand at £17.7 million (2014 - £25.1 million) which is in line with the group's reserves policy.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in note 13 to the accounts.

Summary of financial health

Nightingale Hammerson continues to have a strong balance sheet with significant investments and a positive net current assets position. However, the value of the property, which represents the buildings in which our care services are provided, will diminish unless it is continually refurbished to provide the facilities necessary to meet the needs of our future residents who will require more nursing and dementia care, with less demand for the traditional residential care provision.

Nightingale Hammerson struggles to raise sufficient income to cover the resources expended to provide the quality day to day care that our residents need, and again we thank those donors that support us in bridging the gap. The directors are continuing to review other sources of income as well as cost savings.

Governance, structure and management

Governance

Nightingale Hammerson is governed by a Scheme made by the Charity Commission on 30 March 2012 and is a registered charity under the Charities Act 2011, Charity Registration Number 207316.

The charity has a corporate trustee, Nightingale Hammerson Trustee Company Limited, a company limited by guarantee, Company Registration No. 07990530 (England and Wales).

Those who served as directors of the corporate trustee of the charity during the year and to the date on which this report was approved, are set out on page 2. Brief biographical details on each of them is also given below:

Directors of the Corporate Trustee Company

Melvin Lawson - Chairman

Melvin Lawson is an investor in companies and properties. He was previously Managing Director of A. Beckman plc, and is currently a Non-Executive Director of Telecom Plus plc, Satellite Information Services (holdings) Ltd and Catalyst Media Group plc. He is also Vice-Chairman of Central Synagogue and has been a director of Nightingale Hammerson for the past ten years.

Harvey Rosenblatt - President

Harvey has worked in the property industry since 1972 and is a director of numerous property companies involved in development and investment. Until 31 December 2016 he served as Chairman of Nightingale Hammerson.

David Winton – Honorary Treasurer

David is director of a group of property investment companies. He served as Treasurer of the Western Synagogue/Western Marble Arch Synagogue from 1988 to 2002 and Vice President from 2002 to 2006 when he was elected Honorary Life President. He has also served as a Trustee of the Western Charitable Foundation since 1991 and was appointed a Director and Treasurer of Nightingale Hammerson in 2002. Until 31 December 2015 he also served as Deputy Chairman of Nightingale Hammerson.

David Tyler – Honorary Treasurer

David is the Chairman of three companies: J Sainsbury plc, Hammerson plc and Domestic & General plc. He is also Chairman of Hampstead Theatre. During his executive career, he worked in senior financial and general management roles at Unilever, NatWest, Christie's and GUS. He brings extensive business management and financial expertise to the Board

Eleanor Angel

Eleanor is the sales administration director of Angels, The Costumiers. She is also a director of Women of the Year Lunch and a trustee of the Women of the Year Foundation and The Association of Jewish Refugees.

Tim Angel

Tim is the Chairman of Angels, The Costumiers. He was the chairman of the British Academy of Film and Television Arts from 1997 to 2000. Tim has also been a governor of the British Film Institute (BFI) since 2003 and was awarded the OBE for services to film, theatre and television in 1997.

Governance, structure and management (continued)

Stephanie Brada

Stephanie's early career was as a manager in the NHS; she is currently an independent consultant in the construction industry, and has been a founder and Trustee of a charity for the care and support of the Homeless. She has been a volunteer at Nightingale Hammerson for many years.

Susan Grant

Susan is a trained counsellor with extensive experience in running reminiscence groups as well as bereavement and family counselling. As well as being a member of the Board of the European Council for Jewish Communities and of the Claims Conference for Material Reparation, she was Vice Chairman of Jewish Care from 2005 to 2009, and an Otto Schiff Housing Association council member. In 2012 she formed Six Point Foundation, a charity which supports survivors and refugees who were persecuted by the Nazis and are in necessitive circumstances.

Colin Green

Colin was a solicitor in partnership in private practice and then the General Counsel of British Telecommunications (BT). Subsequently, he was BT's Group Commercial Director and Company Secretary. He was for 10 years, Chairman of Hermes Group Pension Scheme. He is now a voluntary adviser for the Citizen's Advice Bureau, a Trustee of Kingston Refugee Action and Chairman of Green Aid.

Jacqueline Morris

Jacqueline is a retired Consultant Geriatrician who is a Vice-President of the Patients Association and a member of the Royal College of Physicians' Audit Committee on End of Life care. As well as working at leading London hospitals for nearly forty years, she set up and ran one of the first care home teams in Camden and was a member of the Professional Advisory Group for Electronic Palliative Care Co-ordination. Having completed a research project on End of Life care in advanced dementia with Jewish Care, she is currently involved with two further care home projects and holds a number of honorary and advisory positions including Medical Advisor to Age UK London.

Greg Scott

Greg is a Partner at London Law firm, Memery Crystal LLP, and Head of its Corporate Department. Greg has some 25 years' experience in advising companies on IPOS and mergers and acquisitions and manages a team of 20 lawyers.

Eli Shahmoon

Eli has extensive and varied property development and redevelopment experience. He is also a former Trustee of Jewish Care, where amongst other roles he chaired the Golders Green Campus Project Group.

Judy Wiseman

Judy trained and worked as a radiographer and then worked for the BBC as a researcher for children's programmes before becoming a relocation counsellor. Her voluntary roles have included chairmanship of the West London Synagogue Charitable Fund and Parents' Forum as well as serving as a Warden for three years.

Directors' responsibilities

The directors are responsible for preparing the report of the directors of the corporate trustee and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity, of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's governing document.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The directors meet five times a year and the Honorary Treasurers on a quarterly basis. The Chief Executive is in frequent contact with the Chairman, Honorary Treasurers and other directors. A Nominations Committee exists to oversee director appointments, structure and development. Capital projects are overseen by the Property Committee, with budgetary oversight of Treasurers.

Ad hoc committees and working groups are established from time to time to analyse specific areas of work and/or to carry through specific projects, reporting on a regular basis to the main board.

Related party transactions

No director received any remuneration or expenses from the group or the charity during the year (2014 - £nil).

The nature of the charity's activities means that from time to time relatives of the directors or staff are cared for by the charity. One director had a relative cared for at Nightingale House during the year but had no direct input in setting fees and related charges for their relative.

Governance, structure and management (continued)

Related party transactions (continued)

Chalkford Limited

Chalkford Limited became a wholly owned subsidiary of Nightingale House on 2 March 2004 and continues as a wholly owned subsidiary of Nightingale Hammerson.

Three directors of Nightingale Hammerson Trustee Company Limited, Harvey Rosenblatt, David Winton and Timothy Angel, are also the directors of Chalkford Limited.

Chalkford Limited made charitable contributions of £6,302 to Nightingale Hammerson during the year to 30 September 2015 (2014 - £382,792).

At 30 September 2015 Chalkford Limited owed Nightingale Hammerson £400,000 (2014 – £400,000) in accordance with a loan facility and a further £6,302 (2014 - £382,792) being charitable contributions payable to Nightingale Hammerson in respect to the year to 30 September 2015.

At 30 September 2015 Nightingale Hammerson owed Chalkford Limited £889,154 (2014 – £1,705,769) under a contract for the construction of property.

Six Point Foundation

Susan Grant, who is a director of the Corporate Trustee of Nightingale Hammerson, is also a Trustee of the Six Point Foundation. During the year ended 30 September 2015 Nightingale Hammerson received donations from the Six Point Foundation of £9,852 (2014 – £12,257).

The Israel Lazarus Charitable Trust

David Winton, who is a director of the Corporate Trustee of Nightingale Hammerson and Gerald Lipton MBE, who is the President of Nightingale Hammerson, are also Trustees of The Israel Lazarus Charitable Trust.

During the year ended 30 September 2015 Nightingale Hammerson received donations from The Israel Lazarus Charitable Trust of £25,000 (2014 – £25,000).

Bantent Limited

Melvin Lawson, is a sole director of Bantent Limited and also a director of the Corporate Trustee of Nightingale Hammerson. Nightingale Hammerson holds 17% of the allotted share capital of Bantent Limited. In the year ended 30 September 2015, Nightingale Hammerson received £18,870 (2014: £13,432) of dividend income from Bantent Limited.

Working with other organisations

Nightingale Hammerson continues to play a key role in the care and charity sectors both within the Jewish community and beyond. The charity is affiliated to the Jewish Board of Deputies, the Jewish Leadership Council (JLC), Care England and also the Fundraising Standards Board.

Partnership projects continue with Jewish Care and Chai Cancer Care and the charity is in regular contact with numerous other charities. It enjoys a close working relationship with the London Borough of Wandsworth and London Borough of Barnet in which its two homes are situated.

Key policies

Risk management

In 2015 a newly formed Audit & Risk Committee took over risk management from the Governance Group, meeting three times a year and headed by Colin Green, a director of the charity, continuing to keep under review the risk register, ensuring all key risks are identified and mitigated.

Clinical risk assessment continues to be overseen by the Care Governance Board chaired by Stephanie Brada, a director of the charity. These meetings are attended by other directors as well as a number of clinical professionals and GPs. Clinical standards and practice are regulated by the Care Quality Commission.

Investment risk is managed by the Investment Committee, which until 31 December 2015 was chaired by Peter Green, a director of the charity. Since January 2016 it has been chaired by Dean Lush, Executive Vice Chairman of Rothschild Wealth Management, and the Committee comprises a number of directors of the charity.

Employment policy

Nightingale Hammerson strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure the individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress. During the year, further training took place on equality and diversity.

Nightingale Hammerson's workforce is multicultural and diverse, with staff representation from over 25 countries.

Volunteers

Volunteers are coordinated by the Volunteers Support & Development Manager. Recruitment, management and supervision policies are in place.

The directors are immensely grateful for the invaluable contribution of over 200 volunteers during the year who between them gave many hours volunteering.

The contribution of volunteers is an invaluable one and adds another dimension to the level of care on offer to Nightingale Hammerson's residents.

By order of the directors:



Director

Date of approval: 18TH APRIL 2016

Independent auditor's report 30 September 2015

Independent auditor's report to the directors of the corporate trustee of Nightingale Hammerson

We have audited the accounts of Nightingale Hammerson for the year ended 30 September 2015, which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the directors of the corporate trustee, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the directors of the corporate trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the directors of the corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors of the corporate trustee and auditor

As explained more fully in the statement of responsibilities of the directors of the corporate trustee set out in the report of the directors of the corporate trustee, the directors of the corporate trustee are responsible for the preparation of accounts which give a true and fair view.

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 responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors of the corporate trustee; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the report of the directors of the corporate trustee to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 30 September 2015

Opinion on the accounts

In our opinion the accounts:

- ◆ give a true and fair view of the state of the group's and of the charity's affairs as at 30 September 2015 and of the group's and charity'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.

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 report of the directors of the corporate trustee is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

24 May 2016

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities Year to 30 September 2015

| | Notes | Unrestricted funds | | | 2015 Total funds £'000 | 2014 Total funds £'000 |
|--|-------|---|------------------------------|------------------------------|---------------------------------|---------------------------------|
| | | General fund and non charitable trading funds £'000 | Designated funds £'000 | Restricted funds £'000 | | |
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| . Voluntary income | 1 | 2,066 | — | 507 | 2,573 | 3,987 |
| . Investment income | 2 | 1,154 | — | 111 | 1,265 | 1,377 |
| Incoming resources from charitable activities | | | | | | |
| . Provision of residential and nursing care | 3 | 11,646 | — | — | 11,646 | 11,108 |
| Other incoming resources | | 151 | — | — | 151 | 177 |
| Total incoming resources | | 15,017 | — | 618 | 15,635 | 16,649 |
| Resources expended | | | | | | |
| Cost of generating funds | | | | | | |
| . Costs of generating voluntary income | 4 | 355 | — | — | 355 | 383 |
| . Investment management costs | | 208 | — | — | 208 | 216 |
| . Expenditure of UK trading subsidiary | | 9 | — | — | 9 | 4 |
| Charitable activities | | | | | | |
| . Provision of residential and nursing care | 5 | 13,358 | 338 | 1,000 | 14,696 | 14,261 |
| Governance costs | 6 | 252 | — | — | 252 | 112 |
| Total resources expended | | 14,182 | 338 | 1,000 | 15,520 | 14,976 |
| Net incoming (outgoing) resources for the year before transfers | 10 | 835 | (338) | (382) | 115 | 1,673 |
| Transfers between funds | | (10,371) | 10,371 | — | — | — |
| Net incoming (outgoing) resources for the year | | (9,536) | 10,033 | (382) | 115 | 1,673 |
| Other gains and losses | | | | | | |
| . Realised (losses) gains on disposal of listed investments | | (419) | — | — | (419) | 112 |
| . Realised gains on disposal of investment property | | — | — | — | — | 3,129 |
| . Unrealised gains on listed investments | 14 | 1,279 | — | — | 1,279 | 1,522 |
| . Exchange losses on investments | 14 | (121) | — | — | (121) | (45) |
| . Actuarial (losses) gains on pension scheme | 19 | (144) | — | — | (144) | 37 |
| | | 595 | — | — | 595 | 4,755 |
| Funds introduced from amalgamation of Camden Jewish Society | 21 | 1,344 | — | — | 1,344 | — |
| Net movement in funds | | (7,597) | 10,033 | (382) | 2,054 | 6,428 |
| Balances brought forward at 1 October 2014 | | 25,865 | 27,998 | 16,327 | 70,190 | 63,762 |
| Balances carried forward at 30 September 2015 | | 18,268 | 38,031 | 15,945 | 72,244 | 70,190 |

The consolidated statement of financial activities includes the results of Nightingale Hammerson, The Friends of Nightingale House, Chalkford Limited and Camden Jewish Society.

Charity statement of financial activities Year to 30 September 2015

| | | Unrestricted funds | | | 2015 | 2014 |
|--|-------|--------------------|---------------|---------------|---------------|---------------|
| | | General | Designated | Restricted | Total | Total |
| | Notes | fund | funds | funds | funds | funds |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | 1 | 2,073 | — | 507 | 2,580 | 4,370 |
| Investment income | 2 | 1,152 | — | 111 | 1,263 | 1,383 |
| Incoming resources from charitable activities | | | | | | |
| Provision of residential and nursing care | 3 | 11,594 | — | — | 11,594 | 11,108 |
| Other incoming resources | | 165 | — | — | 165 | 193 |
| Total incoming resources | | 14,984 | — | 618 | 15,602 | 17,054 |
| Resources expended | | | | | | |
| Cost of generating funds | | | | | | |
| Cost of generating voluntary income | 4 | 355 | — | — | 355 | 383 |
| Investment management costs | | 208 | — | — | 208 | 216 |
| Charitable activities | | | | | | |
| Provision of residential and nursing care | 5 | 13,277 | 330 | 1,000 | 14,607 | 14,266 |
| Governance | 6 | 210 | — | — | 210 | 112 |
| Total resources expended | | 14,050 | 330 | 1,000 | 15,380 | 14,977 |
| Net incoming (outgoing) resources for the year before transfers | 10 | 934 | (330) | (382) | 222 | 2,077 |
| Transfers between funds | | (9,652) | 9,652 | — | — | — |
| Net incoming (outgoing) resources for the year | | (8,718) | 9,322 | (382) | 222 | 2,077 |
| Other gains and losses | | | | | | |
| Realised (losses) gains on disposal of investments | | (419) | — | — | (419) | 112 |
| Realised gains on disposal of investment property | | — | — | — | — | 3,129 |
| Unrealised gains on listed investments | 14 | 1,279 | — | — | 1,279 | 1,522 |
| Exchange losses on investments | 14 | (121) | — | — | (121) | (45) |
| Actuarial (losses) gains on pension scheme | 19 | (144) | — | — | (144) | 37 |
| | | 595 | — | — | 595 | 4,755 |
| Net movement in funds | | (8,123) | 9,322 | (382) | 817 | 6,832 |
| Balances brought forward at 1 October 2014 | | 25,867 | 28,401 | 16,326 | 70,594 | 63,762 |
| Balances carried forward at 30 September 2015 | | 17,744 | 37,723 | 15,944 | 71,411 | 70,594 |

Historical cost net movement in funds Year to 30 September 2015

| Historical cost net movement in funds – group | 2015 £'000 | 2014 £'000 |
|--|-----------------------|-----------------------|
| Net movement in funds (page 20) | 2,054 | 6,428 |
| Actuarial loss (gains) on pension scheme | 144 | (37) |
| Unrealised gains on listed investments | (1,279) | (1,522) |
| Difference between historical cost realised gains on listed investments and actual realised gains calculated on the revalued amounts | 1,112 | 3,935 |
| Unrealised exchange losses on investments | 56 | 80 |
| Historical cost net movement in funds | 2,087 | 8,884 |

| Historical cost net movement in funds – charity | 2015 £'000 | 2014 £'000 |
|--|-----------------------|-----------------------|
| Net movement in funds (page 21) | 817 | 6,832 |
| Actuarial loss (gains) on pension scheme | 144 | (37) |
| Unrealised gains on listed investments | (1,279) | (1,522) |
| Difference between historical cost realised gains on listed investments and actual realised gains calculated on the revalued amounts | 1,112 | 3,935 |
| Unrealised exchange losses on investments | 56 | 80 |
| Historical cost net movement in funds | 850 | 9,288 |


Continuing activities

All the figures included in the statements of financial activities derive from continuing activities of the charity and its subsidiaries.

Balance sheets 30 September 2015

| | Notes | 2015 | | 2014 | |
|---|-------|----------------|------------------|----------------|------------------|
| | | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| Fixed assets | | | | | |
| Tangible assets | 13 | 20,820 | 20,510 | 21,036 | 21,439 |
| Investments | 14 | 39,318 | 39,319 | 38,135 | 38,136 |
| | | 60,138 | 59,829 | 59,171 | 59,575 |
| Current assets | | | | | |
| Debtors | 15 | 2,222 | 2,627 | 1,735 | 2,518 |
| Short term deposits | | 6,468 | 6,010 | 5,004 | 5,004 |
| Cash at bank and in hand | | 5,471 | 5,204 | 6,322 | 6,151 |
| | | 14,161 | 13,841 | 13,061 | 13,673 |
| Creditors: amounts falling due within one year | 16 | (2,663) | (2,867) | (2,774) | (3,386) |
| Net current assets | | 11,498 | 10,974 | 10,287 | 10,287 |
| Total assets less current liabilities | | 71,636 | 70,803 | 69,458 | 69,862 |
| Pension scheme asset | 19 | 608 | 608 | 732 | 732 |
| Total net assets | | 72,244 | 71,411 | 70,190 | 70,594 |
| Represented by: | | | | | |
| Funds and reserves | | | | | |
| Charitable funds | | | | | |
| Income funds | | | | | |
| .. Restricted funds | 17 | 15,945 | 15,944 | 16,327 | 16,326 |
| .. Unrestricted funds | | | | | |
| ... Designated funds | 17 | | | | |
| ... Hammerson House building fund | | 20,000 | 20,000 | 17,000 | 17,000 |
| ... Nightingale House building fund | | 7,500 | 7,500 | 3,000 | 3,000 |
| ... Maintenance fund | | 2,500 | 2,500 | — | — |
| ... Hammerson lease fund | | 2,451 | 2,451 | 2,558 | 2,558 |
| ... Tangible fixed assets fund | | 5,580 | 5,272 | 5,440 | 5,843 |
| | | 38,031 | 37,723 | 27,998 | 28,401 |
| .. General fund | | 17,660 | 17,136 | 25,133 | 25,135 |
| ... Pension reserve | | 608 | 608 | 732 | 732 |
| | | 18,268 | 17,744 | 25,865 | 25,867 |
| Non charitable trading funds | 8 | — | — | — | — |
| | 18 | 72,244 | 71,411 | 70,190 | 70,594 |

Approved by the directors of the corporate trustee
and signed on their behalf by:



Director of the corporate trustee

Approved on: 18th APRIL 2016

Consolidated cash flow statement Year to 30 September 2015

| | Notes | 2015 £'000 | 2014 £'000 |
|---|-------|---------------|---------------|
| Net cash (outflow) inflow from operating activities | A | (522) | — |
| Returns on investments and servicing | B | 1,265 | 1,377 |
| Capital expenditure and financial investment | B | (1,214) | (557) |
| Resources acquired | C | 1,084 | — |
| | D | 613 | 3,414 |
| Management of liquid resources | B | (1,464) | (1,288) |
| (Decrease) increase in cash | D | (851) | 2,126 |

Notes to the cash flow statement for the year to 30 September 2015.

A Adjustment of net incoming resources before transfers to net cash (outflow) inflow from operating activities

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Net incoming resources before transfers | 115 | 1,673 |
| Interest receivable | (105) | (69) |
| Investment income and rent receivable | (1,160) | (1,308) |
| Exchange losses on investments | (121) | (45) |
| Pension costs less contributions payable | (20) | (52) |
| Depreciation charge | 1,282 | 954 |
| (Increase) decrease in debtors | (487) | 1,446 |
| Debtors acquired from Camden Jewish Society (note 21) | 5 | — |
| Increase (decrease) in creditors | 470 | (5) |
| Creditors acquired from Camden Jewish Society (note 21) | (501) | — |
| Net cash (outflow) inflow from operating activities | (522) | 2,594 |

B Gross cash flows

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Returns on investments and servicing of finance | | |
| Interest received | 105 | 69 |
| Investment income and rent received | 1,160 | 1,308 |
| | 1,265 | 1,377 |
| Capital expenditure and financial investment | | |
| Payments to acquire tangible fixed assets | 891 | (4,793) |
| Payments to acquire listed and property investments | (10,094) | (17,385) |
| Receipts from the disposal of listed and property investments | 9,771 | 21,621 |
| | (1,214) | (557) |
| Management of liquid resources | | |
| Increase in short term deposits | (1,464) | (1,288) |

Consolidated cash flow statement Year to 30 September 2015

C Resources acquired

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Introduction of cash on amalgamation of Camden Jewish Society (see note 21) | 1,084 | — |

D Analysis of changes in net funds

| | At 1 October 2014 £'000 | Cash flows £'000 | At 30 September 2015 £'000 |
|--------------------------|----------------------------------|------------------------|-------------------------------------|
| Short term deposits | 5,004 | 1,464 | 6,468 |
| Cash at bank and in hand | 6,322 | (851) | 5,471 |
| | 11,326 | 613 | 11,939 |

E Reconciliation of net cash flow to movement in net funds

| | £'000 |
|--------------------------------|--------|
| Change in net funds | 613 |
| Net funds at 1 October 2014 | 11,326 |
| Net funds at 30 September 2015 | 11,939 |

Principal accounting policies 30 September 2015

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the requirements of the Charities Act 2011. Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in the preparation of these accounts.

Basis of consolidation

The statement of financial activities and balance sheet consolidate the accounts of the charity and its group undertakings (listed below) made up to the balance sheet date.

- ◆ Chalkford Limited, a UK trading subsidiary which is a property construction company.
- ◆ Friends of Nightingale House, a charitable trust no longer operational but having the purpose of raising funds primarily on behalf of Nightingale Hammerson.
- ◆ Camden Jewish Society, a charitable company limited by guarantee whose sole activity is the provision of sheltered accommodation. Since 30 April 2015, Nightingale Hammerson has had management and voting control of Camden Jewish Society.
- ◆ Intra-group transactions are eliminated in full.

Incoming resources

Incoming resources are recognised in the period in which the charity and/or its group undertakings are entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity and/or its group undertakings have to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Legacies are included in the statement of financial activities when the charity is advised by the personal representative of an estate that payment will be made or property transferred imminently and the amount involved can be quantified.

Fees and other charges are accounted for on a receivable basis.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a) The cost of generating funds includes the salaries, direct costs and overheads associated with generating donated income and legacies; the fees paid to investment brokers in connection with maintaining the portfolio of listed investments; the costs of the commercial letting of investment property; and the expenditure of the charity's trading subsidiaries in the UK.

Principal accounting policies 30 September 2015

Resources expended and the basis of apportioning costs (continued)

b) The costs of charitable activities comprise:

- i) expenditure on residential and nursing care, and the depreciation of those assets used for care purposes; and
 - ii) the expenditure on the provision of sheltered accommodation.
- c) Governance costs comprise those costs attributable directly to the legal procedures associated with compliance with statutory requirements.

The majority of costs are directly attributable to specific activities and any support costs have been apportioned between the above categories as described in note 7.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling using the average rates of exchange ruling during the relevant financial period.

Tangible fixed assets

All items of furniture, fittings and equipment with a value in excess of £10,000 and which have an expected useful life exceeding one year are capitalised and depreciated.

Depreciation is charged at the following annual rates in order to write off each asset over its estimated useful life:

- | | |
|-----------------------------------|------------------|
| ♦ Freehold and leasehold property | 2% to 4% on cost |
| ♦ Plant | 10% on cost |
| ♦ Fixtures and fittings | 25% on cost |
| ♦ Motor vehicles | 25% on cost |

Depreciation is not charged on buildings under construction and on freehold land.

Investments

Listed investments

Listed investments are included in the accounts at their market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

Investment properties

Investment properties are included in the accounts at cost and then revalued at least every five years to market value with realised and unrealised gains (or losses) being credited (or debited) to the statement of financial activities in the year in which they arise.

UK subsidiary undertakings

Investments in UK subsidiary undertakings are included in the accounts at cost with provision being made for any permanent diminution in value.

Principal accounting policies 30 September 2015

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the directors.

The designated funds are monies or assets set aside out of general funds and designated for specific purposes by the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Non-charitable trading funds consist of the retained assets of activities conducted through non-charitable trading subsidiaries.

Pension contributions

The charity contributes to a defined benefits pension scheme (which is closed to new members) providing benefits based on final pensionable salary. The assets of the scheme are held and managed separately from those of the charity. Pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities in recognised gains and losses for the period.

Contributions to the Home's defined contributions scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

In February 2014, all eligible members of staff (not already contributing to an eligible scheme) were required to be auto-enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of financial activities in the year in which they are payable.

Liquid resources

Liquid resources comprise monies held on short term deposit with banks registered in the United Kingdom.

Notes to the accounts Year to 30 September 2015

1 Donations and legacies

| Group | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|-----------|-----------------------|---------------------------|------------------------------|------------------------------|
| Donations | 1,622 | 507 | 2,129 | 2,571 |
| Legacies | 444 | — | 444 | 1,416 |
| | <u>2,066</u> | <u>507</u> | <u>2,573</u> | <u>3,987</u> |

| Charity | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|-----------|-----------------------|---------------------------|------------------------------|------------------------------|
| Donations | 1,629 | 507 | 2,136 | 2,954 |
| Legacies | 444 | — | 444 | 1,416 |
| | <u>2,073</u> | <u>507</u> | <u>2,580</u> | <u>4,370</u> |

2 Investment income and interest receivable

| Group | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|--------------------------------|-----------------------|---------------------------|------------------------------|------------------------------|
| Income from listed investments | | | | |
| . UK corporate loan stock | 514 | 55 | 569 | 625 |
| . Property funds | 36 | 4 | 40 | 38 |
| . Foreign loan stock | 90 | 10 | 100 | 49 |
| . Equities | 392 | 42 | 434 | 465 |
| . Unit funds | 5 | — | 5 | 35 |
| | <u>1,037</u> | <u>111</u> | <u>1,148</u> | <u>1,212</u> |
| Rental income | 8 | — | 8 | 96 |
| Interest receivable | 109 | — | 109 | 69 |
| | <u>1,154</u> | <u>111</u> | <u>1,265</u> | <u>1,377</u> |

| Charity | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|--------------------------------|-----------------------|---------------------------|------------------------------|------------------------------|
| Income from listed investments | | | | |
| . UK corporate loan stock | 514 | 55 | 569 | 625 |
| . Property funds | 36 | 4 | 40 | 38 |
| . Foreign loan stock | 90 | 10 | 100 | 49 |
| . Equities | 392 | 42 | 434 | 465 |
| . Unit funds | 5 | — | 5 | 35 |
| | <u>1,037</u> | <u>111</u> | <u>1,148</u> | <u>1,212</u> |
| Rental income | 8 | — | 8 | 96 |
| Interest receivable | 107 | — | 107 | 75 |
| | <u>1,152</u> | <u>111</u> | <u>1,263</u> | <u>1,383</u> |

Notes to the accounts Year to 30 September 2015

3 Incoming resources from the provision of residential and nursing care

| | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---|-----------------------|---------------------------|------------------------------|------------------------------|
| Group | | | | |
| Maintenance contributions receivable | 11,093 | — | 11,093 | 11,108 |
| Provision of 'step down' accommodation to St George's Hospital Healthcare NHS Trust | 553 | — | 553 | — |
| | 11,646 | — | 11,646 | 11,108 |
| Charity | | | | |
| Maintenance contributions receivable | 11,041 | — | 11,041 | 11,108 |
| Provision of 'step down' accommodation to St George's Hospital Healthcare NHS Trust | 553 | — | 553 | — |
| | 11,594 | — | 11,594 | 11,108 |

4 Costs of generating voluntary income

| | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---|-----------------------|---------------------------|------------------------------|------------------------------|
| Group and charity | | | | |
| Staff costs | 186 | — | 186 | 174 |
| Fundraising, legacy and appeal expenses | 77 | — | 77 | 65 |
| Publications | 11 | — | 11 | 5 |
| Support costs (note 7) | 81 | — | 81 | 139 |
| | 355 | — | 355 | 383 |

5 Charitable activities – Provision of residential and nursing care

| | General fund £'000 | Designated funds £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---------------------------------|-----------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Group | | | | | |
| Staff costs | 7,836 | — | 42 | 7,878 | 8,029 |
| Catering and food | 1,786 | — | — | 1,786 | 1,791 |
| Premises day to day costs | 1,656 | — | — | 1,656 | 1,677 |
| Medical, care and welfare costs | 430 | — | 12 | 442 | 401 |
| Support costs (note 7) | 1,650 | — | 2 | 1,652 | 1,409 |
| Depreciation (note 12) | — | 338 | 944 | 1,282 | 954 |
| | 13,358 | 338 | 1,000 | 14,696 | 14,261 |

| | General fund £'000 | Designated funds £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---------------------------------|-----------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Charity | | | | | |
| Staff costs | 7,796 | — | 42 | 7,838 | 8,029 |
| Catering and food | 1,779 | — | — | 1,779 | 1,791 |
| Premises day to day costs | 1,628 | — | — | 1,628 | 1,677 |
| Medical, care and welfare costs | 430 | — | 12 | 442 | 401 |
| Support costs (note 7) | 1,644 | — | 2 | 1,646 | 1,409 |
| Depreciation (note 12) | — | 330 | 944 | 1,274 | 959 |
| | 13,277 | 330 | 1,000 | 14,607 | 14,266 |

Notes to the accounts Year to 30 September 2015

6 Governance costs

| Group | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---|-----------------------|---------------------------|------------------------------|------------------------------|
| Support costs (note 7) | 63 | — | 63 | 61 |
| Auditor's remuneration | 36 | — | 36 | 40 |
| Other advisory fees | 44 | — | 44 | 11 |
| Costs relating to amalgamation with Camden Jewish Society | 109 | — | 109 | — |
| | 252 | — | 252 | 112 |

| Charity | General fund £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---|-----------------------|---------------------------|------------------------------|------------------------------|
| Support costs (note 7) | 63 | — | 63 | 61 |
| Auditor's remuneration | 36 | — | 36 | 40 |
| Other advisory fees | 44 | — | 44 | 11 |
| Costs relating to amalgamation with Camden Jewish Society | 67 | — | 67 | — |
| | 210 | — | 210 | 112 |

7 Support costs

The support costs, and the basis of their allocation, were as follows:-

| Group | Costs of generating voluntary income £'000 | Provision of residential and nursing care £'000 | Governance costs £'000 | Total £'000 | Basis of apportionment |
|---------------------|---|--|---------------------------|----------------|------------------------|
| Staff costs | 68 | 999 | 56 | 1,123 | Time apportioned |
| Premises costs | 1 | 84 | 2 | 87 | Floor space |
| Office costs | 5 | 232 | 2 | 239 | Pro rata expenditure |
| Other costs | 7 | 337 | 3 | 347 | Pro rata expenditure |
| 2015 Total | 81 | 1,652 | 63 | 1,796 | |
| 2014 Total £'000 | 139 | 1,409 | 61 | 1,609 | |

| Charity | Costs of generating voluntary income £'000 | Provision of residential and nursing care £'000 | Governance costs £'000 | Total £'000 | Basis of apportionment |
|---------------------|---|--|---------------------------|----------------|------------------------|
| Staff costs | 68 | 994 | 56 | 1,118 | Time apportioned |
| Premises costs | 1 | 83 | 2 | 86 | Floor space |
| Office costs | 5 | 231 | 2 | 238 | Pro rata expenditure |
| Other costs | 7 | 338 | 3 | 348 | Pro rata expenditure |
| 2015 Total | 81 | 1,646 | 63 | 1,790 | |
| 2014 Total £'000 | 139 | 1,409 | 61 | 1,609 | |

Staff costs include staff salaries as detailed in note 11 and other related costs such as recruitment and training costs. Other costs include legal and professional fees, marketing and finance costs.

Notes to the accounts Year to 30 September 2015

7 Support costs (continued)

Following a review by management of the staff cost allocations in relation to the prior year, it was deemed more appropriate that £766,000 charged directly to charitable activities in the accounts for the year ended 30 September 2014 be allocated to support costs given that they related to administrative staff costs. As a result, the comparative figures in the accounts have been restated to reflect the revised analysis.

8 UK trading subsidiary

Nightingale Hammerson owns the entire called up ordinary share capital of Chalkford Limited, a property construction company.

A summary of the trading results of Chalkford Limited for the year ended 30 September 2015 are given below.

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Chalkford Limited | | |
| Turnover | 247 | 5,022 |
| Cost of sales | (212) | (4,614) |
| Administrative expenses | (23) | (19) |
| Operating profit | 12 | 389 |
| Interest payable | (6) | (6) |
| Profit before Gift Aid | 6 | 383 |
| Amount donated to Nightingale Hammerson | (6) | (383) |
| Retained profit | — | — |

At 30 September 2015, Chalkford Limited had retained losses of £1,000 (2014 – £1,000) and called up share capital of £1,000 (2014 – £1,000). The results and the balance sheet figures have been consolidated on a line by line basis within the accounts of Nightingale Hammerson.

9 Camden Jewish Society

Since 30 April 2015, Nightingale Hammerson has had management and voting control over Camden Jewish Society, a registered charity (Charity Registration Number 268164) and company limited by guarantee (Company Registration Number 01179914, England and Wales), whose sole activity is the provision of sheltered accommodation.

Camden Jewish Society has prepared accounts for the six month period to 30 September 2015, the results of which are given below.

| | 6 months to 30 September 2015 £'000 |
|---------------------------------|---|
| Incoming resources | |
| Interest receivable | 8 |
| Charitable activities | 53 |
| Total incoming resources | 61 |
| Resources expended | |
| Charitable activities | (92) |
| Governance costs | (40) |
| Total resources expended | (132) |
| Net movement in funds | (71) |

Notes to the accounts Year to 30 September 2015

9 Camden Jewish Society (continued)

At 30 September 2015, Camden Jewish Society had retained funds of £1,273,000. The results for the six month period and the balance sheet figures have been consolidated on a line by line basis within the accounts of Nightingale Hammerson for the year ended 30 September 2015.

10 Net incoming (outgoing) resources for the year before transfers

This is stated after charging:

| Group | General fund £'000 | Designated funds £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---|-----------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Staff costs (note 11) | 9,071 | — | 1 | 9,072 | 8,904 |
| Auditor's remuneration | | | | | |
| . Audit service - charity and consolidation | 42 | — | — | 42 | 37 |
| . Other services | 17 | — | — | 17 | 7 |
| Depreciation (note 13) | — | 338 | 944 | 1,282 | 954 |

| Charity | General fund £'000 | Designated funds £'000 | Restricted funds £'000 | 2015 Total funds £'000 | 2014 Total funds £'000 |
|---|-----------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Staff costs (note 11) | 9,027 | — | 1 | 9,028 | 8,904 |
| Auditor's remuneration | | | | | |
| . Audit service - charity and consolidation | 36 | — | — | 36 | 33 |
| . Other services | 17 | — | — | 17 | 7 |
| Depreciation (note 13) | — | 330 | 944 | 1,274 | 959 |

11 Staff costs

| Group | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Staff costs during the year were as follows: | | |
| Wages and salaries | 7,699 | 7,804 |
| Social security costs | 647 | 656 |
| Other pension costs | 212 | 203 |
| | 8,558 | 8,663 |
| Payments to agency staff | 510 | 166 |
| Redundancy costs | 4 | 75 |
| | 9,072 | 8,904 |

Notes to the accounts Year to 30 September 2015

11 Staff costs (continued)

| Charity | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Staff costs during the year were as follows: | | |
| Wages and salaries | 7,659 | 7,804 |
| Social security costs | 643 | 656 |
| Other pension costs | 212 | 203 |
| | 8,514 | 8,663 |
| Payments to agency staff | 510 | 166 |
| Redundancy costs | 4 | 75 |
| | 9,028 | 8,904 |

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer's pension contributions) during the year was as follows:

| Group and charity | 2015 | 2014 |
|---------------------|------|------|
| £70,001 – £80,000 | 1 | 2 |
| £80,001 – £90,000 | 1 | 2 |
| £90,001 – £100,000 | 1 | — |
| £100,001 – £110,000 | 1 | — |
| £120,001 – £130,000 | — | 1 |

Of those employees who earned £60,000 or more during the year (as defined above), employer contributions totalling £26,900 were made to defined contribution schemes in respect to four of them (2014 – £26,033 in respect to four). Contributions were made to a defined benefit scheme in respect to one of them (2014 – one).

The average number of employees, excluding agency staff, analysed by function, was:

| Group and charity | 2015 | 2014 |
|---------------------------------------|------------|------------|
| Generating funds | 5 | 5 |
| Residential and nursing care services | 385 | 386 |
| Governance | 1 | 1 |
| | 391 | 392 |

No director received any remuneration or expenses from the group or charity during the year (2014 – £nil).

The nature of the charity's activities means that from time to time relatives of the directors or staff are cared for by the charity. One director had a relative cared for at Nightingale Home during the year. She had no direct input in setting fees and related charges for her relative.

Indemnity insurance

During the year, the charity purchased insurance to protect the group from loss arising from any wrongful or dishonest act of any director or employee and to indemnify any director or employee against the consequence of any wrongful act on their part. The total cover provided by such insurance was £5,000,000 (2014 – £5,000,000) and the total premium paid in respect of such insurance was £5,088 (2014 – £7,950).

Notes to the accounts Year to 30 September 2015

12 Taxation

Nightingale Hammerson is a registered charity and therefore is not liable to income tax or capital gains tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Chalkford Limited donates any taxable profits to Nightingale Hammerson via Gift Aid each year.

13 Tangible fixed assets

| Group | Freehold property £'000 | Long leasehold properties £'000 | Assets under construction £'000 | Plant £'000 | Furniture, equipment and motor vehicles £'000 | Total £'000 |
|---|----------------------------|------------------------------------|------------------------------------|----------------|--|----------------|
| Cost | | | | | | |
| At 1 October 2014 | 45,534 | 5,917 | 555 | 1,552 | 2,106 | 55,664 |
| Additions | — | — | 264 | 41 | 5 | 310 |
| Reclassification | — | 567 | (567) | — | — | — |
| Amalgamation of Camden Jewish Society (note 21) | 851 | — | — | — | 98 | 949 |
| Disposals | — | — | — | — | (62) | (62) |
| At 30 September 2015 | 46,385 | 6,484 | 252 | 1,593 | 2,147 | 56,861 |
| Depreciation | | | | | | |
| At 1 October 2014 | 32,343 | 1,135 | — | 159 | 991 | 34,628 |
| Charge for year | 766 | 274 | — | 18 | 224 | 1,282 |
| Amalgamation of Camden Jewish Society (note 21) | 97 | — | — | — | 96 | 193 |
| Disposals | — | — | — | — | (62) | (62) |
| At 30 September 2015 | 33,206 | 1,409 | — | 177 | 1,249 | 36,041 |
| Net book values | | | | | | |
| At 30 September 2015 | 13,179 | 5,075 | 252 | 1,416 | 898 | 20,820 |
| At 30 September 2014 | 13,191 | 4,782 | 555 | 1,393 | 1,115 | 21,036 |

| Charity | Freehold property £'000 | Long leasehold properties £'000 | Assets under construction £'000 | Plant £'000 | Furniture, equipment and motor vehicles £'000 | Total £'000 |
|------------------------|----------------------------|------------------------------------|------------------------------------|----------------|--|----------------|
| Cost | | | | | | |
| At 1 October 2014 | 45,719 | 6,017 | 579 | 1,613 | 2,144 | 56,072 |
| Additions | — | — | 298 | 42 | 5 | 345 |
| Reclassification | — | 613 | (613) | — | — | — |
| At 30 September 2015 | 45,719 | 6,630 | 264 | 1,655 | 2,149 | 56,417 |
| Depreciation | | | | | | |
| At 1 October 2014 | 32,344 | 1,135 | — | 161 | 993 | 34,633 |
| Charge for year | 760 | 274 | — | 18 | 222 | 1,274 |
| At 30 September 2015 | 33,104 | 1,409 | — | 179 | 1,215 | 35,907 |
| Net book values | | | | | | |
| At 30 September 2015 | 12,615 | 5,221 | 264 | 1,476 | 934 | 20,510 |
| At 30 September 2014 | 13,375 | 4,882 | 579 | 1,452 | 1,151 | 21,439 |

13 Tangible fixed assets (continued)

Capital commitments

(a) Contracted but not provided for

At 30 September 2015 the charity had no capital commitments that had been contracted for but which had not been provided for (2014 – £nil).

(b) Authorised but not contracted for

As explained under future plans within the report of the directors of the corporate trustee, in December 2015 the directors approved plans for major development of the accommodation and facilities at Hammerson House, involving closing the home and demolishing the existing buildings, with an expected cost in the region of £36.0 million. The development is currently subject to planning permission being obtained.

There were no contracted commitments at 30 September 2015 in relation to this project (2014 – £nil).

14 Fixed asset investments

| Group | Investment property £'000 | Listed investments £'000 | National Savings Certificates £'000 | 2015 Total £'000 |
|---|---------------------------------|--------------------------------|--|------------------------|
| Market value at 1 October 2014 | 238 | 37,885 | 12 | 38,135 |
| Additions at cost | — | 10,094 | — | 10,094 |
| Disposals at book value (proceeds: £9,771k; losses of £419k) | — | (10,178) | (12) | (10,190) |
| Net unrealised investment gains | — | 1,279 | — | 1,279 |
| Market value at 30 September 2015 | 238 | 39,080 | — | 39,318 |
| Cost of investments at 30 September 2015 | 238 | 33,172 | — | 33,410 |

| Charity | Shares in subsidiary companies £'000 | Investment property £'000 | Listed investments £'000 | National Savings Certificates £'000 | 2015 Total £'000 |
|--|---|---------------------------------|--------------------------------|--|------------------------|
| Market value at 1 October 2014 | 1 | 238 | 37,885 | 12 | 38,136 |
| Additions at cost | — | — | 10,094 | — | 10,094 |
| Disposals at book value (proceeds: £9,771k; losses of £419k) | — | — | (10,178) | (12) | (10,190) |
| Net unrealised investment gains | — | — | 1,279 | — | 1,279 |
| Market value at 30 September 2015 | 1 | 238 | 39,080 | — | 39,319 |
| Cost of investments at 30 September 2015 | 1 | 238 | 33,172 | — | 33,411 |

Notes to the accounts Year to 30 September 2015

14 Fixed asset investments (continued)

Listed investments

All listed investments are dealt in on a recognised stock exchange.

Listed investments held at 30 September 2015 comprised the following:

| Group and charity | % | Total £'000 |
|-------------------------|-----|----------------|
| UK corporate loan stock | 31 | 11,976 |
| Property funds | 2 | 803 |
| Foreign loan stock | 6 | 2,238 |
| Equities | 56 | 21,993 |
| Unit funds | 5 | 2,070 |
| | 100 | 39,080 |

At 30 September 2015 there were no investment holdings that had a material value when compared to the market value of the total portfolio of listed investments as at that date.

Investment property

Investment property comprises of a long leasehold flat in a property situated in North London purchased by the charity during the year ended 30 September 2014. There has been no material change in the value of the property since its purchase.

Subsidiary undertakings

At 30 September 2015 Nightingale Hammerson owned the entire called up share capital of the following company:

| Company | Country of incorporation | Principal activity during the year |
|-------------------|--------------------------|------------------------------------|
| Chalkford Limited | England | Property development |

15 Debtors

| | 2015 | | 2014 | |
|--|----------------|------------------|----------------|------------------|
| | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| Maintenance contributions | 1,152 | 1,152 | 1,116 | 1,116 |
| Amount due from subsidiary undertakings (note 20) | — | 405 | — | 783 |
| Accrued income | 409 | 409 | 371 | 371 |
| Other debtors | 374 | 374 | 160 | 160 |
| Prepayments | 287 | 287 | 88 | 88 |
| | 2,222 | 2,627 | 1,735 | 2,518 |

Notes to the accounts Year to 30 September 2015

16 Creditors: amounts falling due within one year

| | 2015 | | 2014 | |
|--|----------------|------------------|----------------|------------------|
| | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| Amounts held on behalf of residents | 548 | 548 | 463 | 463 |
| Maintenance contributions in advance | 513 | 512 | 519 | 519 |
| Expense creditors | 507 | 414 | 349 | 170 |
| Social security and other taxation | 486 | 192 | 357 | 196 |
| Other creditors | 161 | 18 | 66 | 66 |
| Accruals | 448 | 294 | 1,020 | 266 |
| Amount due to subsidiary undertakings (note 20) | — | 889 | — | 1,706 |
| | 2,663 | 2,867 | 2,774 | 3,386 |

17 Charitable funds

Restricted funds

The income funds of the group and charity include restricted funds comprising the following balances of donations and grants held on trusts to be applied for specific purposes:

| Group | At 1 October 2014 £'000 | Incoming resources £'000 | Resources expended, gains, losses and transfers £'000 | At 30 September 2015 £'000 |
|--|----------------------------------|--------------------------------|--|-------------------------------------|
| Building Fund | 13,260 | 409 | (931) | 12,738 |
| Weinberg Funds | 2,723 | 111 | — | 2,834 |
| Donations Special Purpose – fixed assets | 63 | — | (13) | 50 |
| Donations Special Purpose – other | 86 | 95 | (48) | 133 |
| Janet and Howard Bloch funds | 167 | — | (3) | 164 |
| Amenities Fund | 2 | 2 | (3) | 1 |
| Six Point Foundation | — | 1 | (1) | — |
| Gannett Foundation | 1 | — | — | 1 |
| Lightman Donation | 2 | — | — | 2 |
| West London Synagogue | 4 | — | — | 4 |
| Gail Levy – Staff Amenity Fund | 1 | — | — | 1 |
| Activities Fund | 9 | — | (1) | 8 |
| Salinger and Kirby | 9 | — | — | 9 |
| | 16,327 | 618 | (1,000) | 15,945 |

17 Charitable funds (continued)

Restricted funds (continued)

| Charity | At 1 October 2014 £'000 | Incoming resources £'000 | Resources expended, gains, losses and transfers £'000 | At 30 September 2015 £'000 |
|--|----------------------------------|--------------------------------|--|-------------------------------------|
| Building Fund | 13,259 | 409 | (931) | 12,737 |
| Weinberg Funds | 2,723 | 111 | — | 2,834 |
| Donations Special Purpose – fixed assets | 63 | — | (13) | 50 |
| Donations Special Purpose – other | 86 | 95 | (48) | 133 |
| Janet and Howard Bloch funds | 167 | — | (3) | 164 |
| Amenities Fund | 2 | 2 | (3) | 1 |
| Six Point Foundation | — | 1 | (1) | — |
| Gannett Foundation | 1 | — | — | 1 |
| Lightman Donation | 2 | — | — | 2 |
| West London Synagogue | 4 | — | — | 4 |
| Gail Levy – Staff Amenity Fund | 1 | — | — | 1 |
| Activities Fund | 9 | — | (1) | 8 |
| Salinger and Kirby | 9 | — | — | 9 |
| | 16,326 | 618 | (1,000) | 15,944 |

Building Fund

These building funds comprise:

- ◆ Monies donated specifically towards the construction and development of new building projects on the site of Nightingale House;
- ◆ The net book value of buildings comprising restricted property assets. Each year the depreciation on such buildings is charged to the fund.

Weinberg Funds

Prior to the year ended 30 September 2014, the Weinberg Funds were previously treated as permanent endowment funds – to be held by the charity indefinitely.

During the year to 30 September 2011, permission was granted by the donor of The Harry and Jeanette Weinberg Fund for the directors to release funds from The Weinberg (Nightingale) Funds (both endowment and designated) to be utilised towards the costs of constructing the Wohl Wing, a unit specifically for residents with Dementia. The release of the funds was subject to certain conditions which capped the amount that could be utilised.

17 Charitable funds (continued)

During the year to 30 September 2014, The Harry and Jeanette Weinberg Foundation Inc (the Foundation) generously granted permission for the total balance on both The Harry and Jeanette Weinberg Fund and The Weinberg (Nightingale) Fund totalling £2.723 million to be released and applied towards the project to upgrade substantially the charity's care homes for the elderly at both Nightingale House and Hammerson House. This permission was granted subject to the Foundation receiving specific reporting on the use of the funds and the charity naming a floor within the newly refurbished wing of Nightingale House in honour of the Foundation's founders.

Consequently, during the year ended 30 September 2014, the balances on these funds were transferred to and are now shown within restricted funds. The directors remain very grateful for the Foundation's continuing support.

Donations special purpose

These funds comprise of donations received towards a specific purpose.

Janet and Howard Bloch funds

These funds comprise monies to be used to provide additional services for the residents, specifically in terms of activities, and the provision of training.

Designated funds

The income funds of the group and charity include the following designated funds which have been set aside for major capital projects:

| Group | At 1 October 2014 £'000 | New designations £'000 | Utilised / released £'000 | At 30 September 2015 £'000 |
|---------------------------------|----------------------------------|------------------------------|---------------------------------|-------------------------------------|
| Hammerson House building fund | 17,000 | 3,000 | — | 20,000 |
| Nightingale House building fund | 3,000 | 4,500 | — | 7,500 |
| Maintenance fund | — | 2,500 | — | 2,500 |
| Hammerson lease fund | 2,558 | — | (107) | 2,451 |
| Tangible fixed assets fund | 5,440 | 1,064 | (924) | 5,580 |
| | 27,998 | 11,064 | (1,031) | 38,031 |

| Charity | At 1 October 2014 £'000 | New designations £'000 | Utilised / released £'000 | At 30 September 2015 £'000 |
|---------------------------------|----------------------------------|------------------------------|---------------------------------|-------------------------------------|
| Hammerson House building fund | 17,000 | 3,000 | — | 20,000 |
| Nightingale House building fund | 3,000 | 4,500 | — | 7,500 |
| Maintenance fund | — | 2,500 | — | 2,500 |
| Hammerson lease fund | 2,558 | — | (107) | 2,451 |
| Tangible fixed assets fund | 5,843 | 345 | (916) | 5,272 |
| | 28,401 | 10,345 | (1,023) | 37,723 |

Notes to the accounts Year to 30 September 2015

17 Charitable funds (continued)

Hammerson House building fund

This comprises monies set aside by the directors to provide funds for the redevelopment of Hammerson House.

Nightingale House building fund

This comprises monies set aside by the directors to provide funds for redevelopment at Nightingale House.

Maintenance fund

This comprises monies set aside by the directors to provide funds for the ongoing building maintenance of our homes.

Hammerson lease fund

The Hammerson lease fund comprises the net book value of the charity's original leasehold tangible fixed assets.

Tangible fixed assets fund

The tangible fixed assets fund comprises the net book value of the charity's tangible fixed assets (excluding those comprising part of restricted Building Fund New Projects and the Hammerson lease fund). A decision was made by the directors to separate this fund from the general fund in recognition of the fact that the tangible fixed assets are used in the day to day work of the charity and group and hence the fund value would not be easily realisable if needed to meet future contingencies.

18 Analysis of net assets between funds

| Group | General and non- charitable trading funds £'000 | Designated funds £'000 | Restricted funds £'000 | Total 2015 £'000 |
|--|--|------------------------------|------------------------------|------------------------|
| Fund balances at 30 September 2015 are represented by: | | | | |
| Tangible fixed assets | — | 8,031 | 12,789 | 20,820 |
| Investments | 6,484 | 30,000 | 2,834 | 39,318 |
| Current assets | 13,839 | — | 322 | 14,161 |
| Creditors | (2,663) | — | — | (2,663) |
| Pension scheme asset | 608 | — | — | 608 |
| Total net assets | 18,268 | 38,031 | 15,945 | 72,244 |
| Accumulated unrealised gains included: | | | | |
| On listed investments | 5,044 | 864 | — | 5,908 |
| Reconciliation of movements in accumulated unrealised gains | | | | |
| Unrealised gains at 1 October 2014 | 4,877 | 864 | — | 5,741 |
| Less: in respect of disposals in year | (1,112) | — | — | (1,112) |
| Add: Net unrealised gains on listed investments in year | 1,279 | — | — | 1,279 |
| Accumulated unrealised gains at 30 September 2015 | 5,044 | 864 | — | 5,908 |

18 Analysis of net assets between funds (continued)

| Charity | General fund £'000 | Designated funds £'000 | Restricted funds £'000 | Total 2015 £'000 |
|---|--------------------------|------------------------------|------------------------------|------------------------|
| Fund balances at 30 September 2015 are represented by: | | | | |
| Tangible fixed assets | — | 7,723 | 12,787 | 20,510 |
| Investments | 6,485 | 30,000 | 2,834 | 39,319 |
| Current assets | 13,518 | — | 323 | 13,841 |
| Creditors | (2,867) | — | — | (2,867) |
| Pension scheme asset | 608 | — | — | 608 |
| Total net assets | 17,744 | 37,723 | 15,944 | 71,411 |
| Accumulated unrealised gains included: | | | | |
| On listed investments | 5,044 | 864 | — | 5,908 |
| Reconciliation of movements in unrealised gains | | | | |
| Unrealised gains at 1 October 2014 | 4,877 | 864 | — | 5,741 |
| Less: in respect of disposals in year | (1,112) | — | — | (1,112) |
| Add: Net unrealised gains on listed investments in year | 1,279 | — | — | 1,279 |
| Accumulated unrealised gains at 30 September 2015 | 5,044 | 864 | — | 5,908 |

19 Pension commitments

Nightingale Hammerson operates a defined benefit scheme for certain employees, providing benefits based on final pensionable pay. It also contributes to personal pension plans available for most other employees.

The assets of the defined benefit scheme are held separately from those of the Home, being invested with Scottish Equitable plc. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations, using the current unit method with a 20 year control period.

Notes to the accounts Year to 30 September 2015

19 Pension commitments (continued)

A full actuarial valuation is being carried out at 31 March 2014 and the results of this valuation have been updated to 30 September 2015 by a qualified independent actuary. The major assumptions used by the actuary were:

| | 2015 % | 2014 % |
|--|-----------|-----------|
| Rate of increase in salaries | | |
| . In respect of benefits accrued prior to 1 April 2007 | 2.9 | 3.1 |
| . In respect of benefits accrued on or after 1 April 2007 | n/a | 3.0 |
| Rate of increase in pension payments | | |
| . For members in active service on or after 1 December 2003: | | |
| .. In respect of service before 6 April 2006 | 2.8 | 3.0 |
| .. In respect of service on or after 6 April 2006 | 2.0 | 2.1 |
| . For members who left the scheme prior to 1 December 2003 | 5.0 | 5.0 |
| Future rate of increase in pensions in deferment | n/a | 3.1 |
| Discount rate | 3.6 | 3.8 |
| Inflation assumptions | 2.9 | 3.1 |

The scheme assets are invested in insurance policies. The analysis of the underlying investments in these policies is shown below:

| | Long-term rate of return Expected 2015 % | Value at 30 September 2015 £'000 | Long-term rate of return expected 2014 % | Value at 30 September 2014 £'000 |
|-----------------------------------|---|--|---|--|
| Equities | 6.0 | 2,187 | 6.4 | 2,507 |
| Bonds | 2.8 | 986 | 3.3 | 1,187 |
| Gilts | 2.0 | 93 | 2.4 | 123 |
| Property | 6.0 | 39 | — | — |
| Other | 0.5 | 710 | 0.5 | 627 |
| | | 4,015 | | 4,444 |
| Present value of scheme liability | | (3,407) | | (3,712) |
| Scheme surplus | | 608 | | 732 |

19 Pension commitments (continued)

The current mortality assumptions include sufficient allowance for the future improvements in mortality rates. The assumed life expectation on retirement age 65 are:

| | 2015 | 2014 |
|---|------|------|
| Retiring today / current pensioners | | |
| Males | 22.1 | 22.1 |
| Females | 24.1 | 24.0 |
| Retiring in 20 years / future pensioners | | |
| Males | 23.4 | 23.4 |
| Females | 25.6 | 25.5 |

The actuaries have advised the directors that the value of the scheme's liabilities (and resulting deficit) disclosed above should not be taken as an indication of the results of a valuation which would normally be carried out for funding purposes. The valuation assumptions made for the purposes of FRS 17 are not necessarily appropriate for the purposes of a long term funding valuation.

The pension scheme is closed to new members, and as such, under the projected unit method the current service cost will increase as the members of the scheme approach retirement. The agreed contribution rates until 31 March 2009 were 36.6% in total and from 1 April 2009 were 24.8% in total to September 2009. Throughout the year employees contributed 8% with employers currently contributing 30.8%.

The total pension cost in respect of the defined benefit scheme for the year was £20,000 (2014 - £51,759).

Analysis of the amount charged to statement of financial activities (group and charity)

| | 2015 £'000 | 2014 £'000 |
|----------------------|---------------|---------------|
| Current service cost | 31 | 44 |

Analysis of net return of pension scheme (group and charity)

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Expected return on pension scheme assets | 153 | 182 |
| Interest on pension liabilities | (132) | (152) |
| Net return on the scheme | 21 | 30 |

Amounts recognised as other gains and losses (group and charity)

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Actual return less expected return on pension scheme assets | (110) | 72 |
| Experience (losses) gains arising on the scheme liabilities | (3) | 141 |
| Changes in financial and demographic assumptions underlying the scheme liabilities | (31) | (176) |
| Actuarial (loss) gain recognised | (144) | 37 |

19 Pension commitments (continued)

Movement in surplus during the year

| | 2015 £'000 | 2014 £'000 |
|--------------------------|---------------|---------------|
| Surplus at 1 October | 732 | 643 |
| Current service cost | (31) | (44) |
| Contributions | 30 | 66 |
| Net return on the scheme | 21 | 30 |
| Actuarial (loss) gain | (144) | 37 |
| Surplus at 30 September | 608 | 732 |

History of experience gains and losses

| | 2015 £'000 | 2014 £'000 | 2013 £'000 | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|---------------|---------------|---------------|
| Difference between the expected and actual return on assets | (110) | 72 | 268 | (248) | (137) |
| - % of scheme assets | (2.7) | 1.6 | 6.4 | (7.4) | (3.9) |
| Experience gains and losses | (3) | 141 | (52) | (65) | 9 |
| -% of scheme liabilities | — | 3.8 | (1.5) | (2.0) | 0.3 |
| Total actuarial (loss) gain | (144) | 37 | 157 | (646) | 190 |
| -% of scheme liabilities | (4.2) | 1.0 | 4.4 | (19.5) | 6.8 |

Personal pension plans and auto enrolment schemes

The total pension costs in respect to personal pension plans and auto enrolment schemes for the year was £158,568 (2014 - £172,788).

20 Related party transactions

Chalkford Limited

Chalkford Limited became a wholly owned subsidiary of Nightingale House on 2 March 2004 and continues as a wholly owned subsidiary of Nightingale Hammerson post merger.

Three directors of Nightingale Hammerson Trustee Company Limited, Harvey Rosenblatt, David Winton and Timothy Angel OBE, are also the directors of Chalkford Limited.

Chalkford Limited made charitable contributions of £6,302 to Nightingale Hammerson during the year to 30 September 2015 (2014 - £382,792).

At 30 September 2015 Chalkford Limited owed Nightingale Hammerson £400,000 (2014 – £400,000) in accordance with a loan facility and a further £6,302 (2014 - £382,792) being charitable contributions payable to Nightingale Hammerson in respect to the year ended 30 September 2015.

At 30 September 2015, Nightingale Hammerson owed Chalkford Limited £889,154 (2014 – £1,705,769) under a contract for the construction of property.

20 Related party transactions (continued)

Six Point Foundation

Susan Grant who is a director of the Corporate Trustee of Nightingale Hammerson is also a trustee of the Six Point Foundation.

During the year ended 30 September 2015, Nightingale Hammerson received donations from the Six Point Foundation of £9,852 (2014 – £12,257).

The Israel Lazarus Charitable Trust

David Winton, who is a director of the Corporate Trustee of Nightingale Hammerson and Gerald Lipton MBE, who is the President of Nightingale Hammerson, are also trustees of The Israel Lazarus Charitable Trust.

During the year ended 30 September 2015, Nightingale Hammerson received donations from The Israel Lazarus Charitable Trust of £25,000 (2014 – £25,000).

Bantent Limited

Melvin Lawson, is a sole director of Bantent Limited and also a director of the Corporate Trustee of Nightingale Hammerson. Nightingale Hammerson holds 17% of the allotted share capital of Bantent Limited. In the year ended 30 September 2015, Nightingale Hammerson received £18,870 (2014: £13,532) of dividend income from Bantent Limited.

21 Funds introduced from amalgamation of the Camden Jewish Society

With effect from midnight on 30 April 2015, in accordance with a legal Deed of Collaboration, the activities, assets and liabilities in respect to the operation of Camden Jewish Society (Charity Registration Number 268164; Company Registration Number 01179914, England and Wales) came under the control of Nightingale Hammerson.

The net assets and liabilities introduced as a result of amalgamating the Camden Jewish Society within Nightingale Hammerson comprised:

| | £'000 |
|--|--------------|
| Tangible fixed assets (Cost £949,000, depreciation £193,000) | 756 |
| Debtors | 5 |
| Cash at bank | 1,084 |
| Creditors: Amounts falling due within one year | (501) |
| | <u>1,344</u> |

22 Post balance sheet events

In December 2015 the directors approved final plans for redevelopment of Hammerson House, involving the demolition of existing buildings, and made the decision that, in order to do so safely, Hammerson House would need to be closed for the duration of the works. Communication of the closure began in January 2016. It is envisaged that the redevelopment will cost in the region of £36 million. There was no contractual commitment at 30 September 2015 in relation to this cost.