

Nightingale Hammerson

Annual Report and Consolidated Accounts

30 September 2019

Charity Registration Number
207316

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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
President	Harvey Rosenblatt
Vice President	Patricia Beecham
Corporate trustee	Nightingale Hammerson Trustee Company Limited
Directors of the corporate trustee	
Chairman	Melvin Lawson
Honorary Treasurers	David Tyler (retired 31 December 2018) David Winton John Reizenstein
Other directors	Keith Barnett Jo Black (appointed April 2020) Susan Grant Colin Green Emma Kane Jacqueline Morris Harvey Rosenblatt Eli Shahmoon Rosalind Taylor (appointed June 2019)

Chairman's Report



Welcome to Nightingale Hammerson's annual report and accounts for 2019. Whilst at present there is focus on the extraordinary challenges of Covid-19 and its impact, our 2019 year was eventful in many positive ways, as well as being my fourth as Chair of an organisation that remains passionate about and committed to outstanding care of older people in the Jewish Community.

Much of our focus has been on continuing the standards of care excellence recognised by the Care Quality Commission's 'Outstanding' rating at our 2018 inspection and you can read more about our innovative approach to care on a day to day basis in our Report of the Directors of the Corporate Trustee.

During the financial year we continued to deliver outstanding care and deal with the challenges of funding and nurse recruitment at our Nightingale House site. At the same time, years of planning and work are starting to come to fruition as we move into the final phase of the redevelopment of Hammerson House. With the fabric of the new building substantially complete, our talented teams are working on fitting out the building and finalising the operational planning details. Everyone involved looks forward to the opening of this wonderful home in 2021.

At our Nightingale site, rated 'Outstanding' by the Care Quality Commission at our last inspection, we continue to innovate to meet the challenge of residents coming to us later in life and with more complex care needs than ever before. Resident numbers are lower than in previous years and teams throughout the organisation continue to respond to ensure the best use of our resources.

Part of our ethos has always been to share our best practice with those around us (and to learn from them too), so that not only our own Community but older people everywhere can benefit from our outstanding level of care. To this end, we have brought all of our learning and development, nursing placements and research together under the umbrella of our brand new Care Home Education Centre and I am delighted to report that we are now accredited to deliver a number of City & Guilds qualifications in Health and Social Care, not only to our own staff but to those of other organisations.

On the financial front, alongside the current developments and challenges, we continue to focus on the need for Nightingale Hammerson to be there to care for generations yet to come and to ensure that financial stability and sustainability remain at the centre of all our plans.

During the year, our Joint Treasurer, David Tyler, retired. I would like to thank David for his great contribution to Nightingale Hammerson over 12 years. John Reizenstein took over as David's successor, and we also welcomed Dr Ros Taylor and Jo Black as Trustees.

Early in 2020 our Fundraising Dinner has raised a record amount, enabling us to go a long way towards filling the gap left by significant shortfalls in public funding. 40% of our residents are funded by either Local Authorities or the NHS and government funding constraints mean that there is an ever increasing gap between the funds received and the cost of care delivery. Without the generosity of our donors, who respond to appeals not only at the Dinner but throughout the year, we would struggle to provide care for many of the most vulnerable members of our Community.

None of this would be possible without our extraordinary band of staff and volunteers; I want to thank them, personally and on behalf of all my fellow Trustees, for their dedication, as well as offering warm thanks to our donors and supporters, whose generosity enables our residents to benefit from the best levels of care and a good quality of life.

Melvin Lawson
Chairman

Report of the Directors of the Corporate Trustee Year to 30 September 2019

The Directors of the Corporate Trustee of Nightingale Hammerson (herein referred to as 'directors'), who act as the Trustee Board of the Charity, present the statutory report and accounts for the year ended 30 September 2019. These accounts have been prepared in accordance with the accounting policies set out on pages 19 to 23 and comply with the charity's governing document, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

NIGHTINGALE HAMMERSON STRUCTURE

Nightingale Hammerson comprises four entities, all ultimately controlled by the directors of Nightingale Hammerson and all included within the consolidated accounts.

- ◆ Nightingale Hammerson, a registered charity, providing residential and nursing home facilities at two London sites, Nightingale House, in Clapham, and Hammerson House, in East Finchley;
- ◆ Chalkford Limited, a company registered in England and Wales, whose business is property construction;
- ◆ Camden Jewish Society, a registered charity and company registered in England and Wales, which until 31 December 2017 provided sheltered accommodation at Belmont Lodge in Bushey, but which is now dormant; and
- ◆ The Friends of Nightingale House, a charitable trust set up to raise funds for the relief of poverty and distress of the needy aged of the Jewish faith, but which is now dormant.

OUR PURPOSE

Nightingale Hammerson exists 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.

Our mission is to provide holistic, quality care, assistance and support in a safe and stimulating environment using dedicated and trained staff and volunteers. We currently do this by the operation of a residential and nursing care home, Nightingale House, in South London, with our second home, Hammerson House, in North London, being closed for redevelopment. Until the end of December 2019 we also operated a sheltered housing facility, Belmont Lodge, in Bushey.

Nightingale House traces 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 and has continued to modernise and expand over the last hundred years and is fully equipped for those with residential, nursing and dementia needs.

Hammerson House was established some 55 years ago thanks to an exceptional gift from Mrs Sue Hammerson CBE, in memory of her late husband Lewis W Hammerson. For many years it was primarily a residential home although offering some nursing beds and sheltered housing; it has been closed for redevelopment since June 2017 and is expected to re-open in 2021 fully equipped for those with residential, nursing and dementia needs.

Belmont Lodge offered supported accommodation in a homely environment, where residents could take meals and enjoy activities together while maintaining their independence. As a result of changing market conditions and demand, Belmont Lodge was closed in December 2019.

OUR PURPOSE (continued)

Statement of 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. The charity is committed to providing the same level of care to all older Jewish people in need, regardless of personal financial status. Almost 40% of residents are in receipt of Local Authority or other government funding and the charity raises funds from its donors and benefactors in order to meet the ever-growing shortfall between government funding and the costs of quality care provision, as well as for major capital projects such as the rebuilding of Hammerson House.

OUR ACHIEVEMENTS IN 2019

Continuing Excellence in Care Provision

During the year we were able to provide top quality care, on a permanent basis, to almost 200 individuals. A further 50 individuals came to us for respite care, allowing their families and carers a much needed break. Following our 2018 recognition by the CQC as 'Outstanding', the highest rating available, we have continued to ensure, through our Relationship Centred Care approach, which puts the connection between our staff, our residents and their families at the heart of all we do, that we provide the best possible care for all those who come to us. During the year, further staff completed training in Dementia Care Mapping, a formal tool which allows us to evaluate and improve the way we engage with those of our residents who live with advanced dementia.

Gold Standard End of Life Care

Residents come to us older and frailer than they once did, meaning that outstanding end of life care is more central to our mission than ever before. Our aim is always to allow, where humanly possible, every resident who wishes to reach the end of their life in their own 'home', rather than in hospital, to do so, and we are proud of the fact that we continue to achieve this for the majority of our residents, with more than 85% of those who passed away in 2019 doing so at Nightingale House. We continue to hold the highest accreditation possible (Platinum standard) under the Gold Standard Framework for End of Life Care.

Improving Lives through Therapy

We continue to celebrate the fact that we are, to the best of our knowledge, the only care home with a full onsite therapy team, allowing us to provide much needed physio and occupational therapy to all our residents. Implementation of a new Falls Prevention strategy has reduced falls by ten percent and residents are being encouraged to engage more with their walking aids via the Funky Frame project, a national initiative aimed at reducing falls. During the year, reflecting the fact that many of our residents are older and frailer, we have transferred much of our occupational therapy work onto the households, to better serve those who find it difficult to come to the therapy suite, and a team of twelve staff from different departments help deliver a newly developed 'OT toolkit' across the Home. Meanwhile, for those residents who are more mobile, an exercise station within the therapy suite lets them pedal whilst watching the streets of London, Paris or Tel Aviv go by.

Investment, Innovation and Inspiration in Activities

We continue to be immensely proud of our seven day a week Activities programme, which the CQC described as "*person centred and innovative, enabling people to lead active and fulfilling lives.*" Every resident, regardless of their mobility, cognitive awareness or tastes, has the opportunity to engage in a range of activities, whether keeping up old hobbies, exploring new skills or sharing experiences. Some of our highlights in the year include:

- ◆ Volunteer led groups for pursuits as diverse as Bridge, French conversation, Poetry and Gardening, among others, where anything from 6 to 25 residents come together on a regular basis to keep up a common interest.
- ◆ A busy schedule in our Activity Hub, where groups for silk painting, screen printing, pottery and similar crafts meet on a weekly basis, with an average of 8 to 10 residents attending each. Cookery sessions three times a week bring in a similar number of participants.
- ◆ Keeping our residents' Jewish heritage alive in their activities with a monthly coffee morning for Holocaust Survivors and a fortnightly one with the League of Jewish Women (often drawing up to 16 residents).
- ◆ External outings, whether to places of interest or simply to the shops, have allowed more than 40 percent of our residents to spend time outside of the Home.
- ◆ Weekly musical engagement sessions, attended by up to 40 residents.
- ◆ The extension of our playlist programme, taking music to 20 residents who for various reasons can feel socially isolated.

As well as the myriad of organised activities, we place a huge importance on spontaneous engagement, where all staff across the organisation take time to stop and spend a few minutes with residents in the course of their day to day work. On our main residential household, one staff member each day starts up a spontaneous activity for six to eight residents – it could be a quiz, games, a film session, a current affairs discussion or even an ice cream party!

Connection across the Generations

In a converted maintenance bungalow in the Nightingale House garden, the children of the Nightingale branch of Wimbledon's Apples & Honey Nursery learn and play a stone's throw from the House. As part of their Early Years Curriculum, they join residents for a myriad of activities, whether it be coming onto a household for an exercise session or Shabbat celebration, participating in a music or reading group or attending a Breakfast Club. During the year more than fifty percent of our residents engaged with the children through these or similar activities, with all benefitting hugely from these intergenerational activities and the resulting friendships, helping to combat loneliness for the residents and enable the children to share experiences with another generation in a safe environment.

Working in Partnership

The lives of our residents would be less rich without the generosity of partners who bring another dimension of engagement into the Home, with a particular mention for:

- ◆ *Live Music Now* – a composer-in-residence programme which allowed 15 residents and 8 children to work on a music programme over a ten-week period.
- ◆ *Ben Uri Gallery* – who continue to support us with creative arts programmes touching the lives of thirteen residents who live with dementia.
- ◆ *Greenwich University* – an art therapy placement which allowed 18 residents, all living with dementia, to share in art therapy sessions over a forty-week period.
- ◆ *University College London and Kings College London* – just two of the universities for whom we provide nurse placements and with whom we share research.

Hammerson House

Since April 2017, our North London Home, Hammerson House, has been closed for redevelopment. It has been an exciting year of watching the new building take shape, with the superstructure now complete and both outer façade and internal structure well under way. Once completed, it will be home to 116 residents, who will enjoy the world class care we deliver at Nightingale House in a purpose built environment developed with their needs in mind. Shared spaces are designed to create a vibrant and welcoming environment for residents, visitors, volunteers and staff, while landscaped surroundings and sheltered winter gardens will allow everyone to enjoy fresh air and sunshine.

Technology

A pilot of our first paperless care planning system was successfully completed on our main nursing dementia household, introducing both real-time recording and electronic care records for the forty residents there. The system has been enthusiastically adopted by staff, who enjoy spending less time on paperwork and more time delivering first-class care. With our reliance on technology increasing, we this year appointed our first professional Head of IT and have commenced work on building the infrastructure to support our future. Across the organisation, meanwhile, our *More Impactful Training* project, which aims to reach all staff with a range of e-training, has been received with enthusiasm, with 85% of staff actively engaging.

OUR PLANS

We can only achieve our long term goal of continuing to provide high quality care in a sustainable manner if we commit to continuous innovation and improvement. Supported by our five year business plan, our priorities for the next three years are as follows:

Adapting to a Changing Environment

Ongoing developments in medical care mean that many people are living longer than ever before and, as a result, developing more complex care needs, both in body and in mind. We continue to take in and care for residents whom other homes have turned away as “too challenging” and to look at how we can care for those whose only other options are hospitals or institutions.

Training the Next Generation of Carers

Our long-held plans to extend our training programme and become an official teaching centre were finally realised in January 2020 when we were accredited by City & Guilds to deliver certificated courses. This milestone is the final piece in the puzzle for our new Care Home Education Centre, the first of its kind in the country, which will this year begin to provide Level 2 and 3 Care Certificates, with Level 5 Diploma courses to follow. This will not only allow us to develop and retain our own staff but also to offer the courses to the staff of other homes and hospitals.

Technology and Innovation

The appointment of our first dedicated Head of IT means that we are now well placed to tackle the legacy infrastructure difficulties we have faced and the first part of this is now well underway, with a full replacement of PCs and laptops completed and the introduction of a new security suite. Work has now begun on the replacement of the underlying infrastructure. This work continues to be supported by a band of experienced volunteers.

On the care front, the implementation of the paperless care system across the rest of the organisation, which has been delayed by infrastructure works, is due to be rolled out in the coming months and full testing will begin on the acoustic monitoring system which has just been installed on one household. The aim is that this will revolutionise night-time care by allowing residents to be monitored without being continually disturbed and will give early warning signs of night movements and allow rapid response to actual or potential incidents.

Our Estate

We are always looking to ensure we make the best use of our assets and our Nightingale House site is no exception. Our Estates Committee is reviewing our buildings, assessing renovation works that may need to be done or changes that may benefit us, and will develop our first ten year Estate Strategy. It is intended that part of this will be a purpose-designed facility for our new Care Home Education Centre.

Covid-19

Since the year end the organisation has had to manage the extraordinary challenges brought about by the Covid-19 pandemic. A set of new challenges is expected as the tight lockdown at Nightingale House is gradually lifted. The pandemic raises the level of uncertainty against which organisations have to plan, however the directors believe that our existing plans, as mentioned above, remain appropriate and realisable.

FUNDRAISING PERFORMANCE

Fundraising for our Charitable Objectives

With ever more complex care needs, the impact of government initiatives such as the National Living Wage and rising inflation, the need for fundraising to support the day to day operation of our homes has never been greater. Local Authorities and the NHS, who fund almost 40% of our residents, are operating under ever-tightening budget constraints and in order to provide the same level of care to all we have to raise in the region of £2.5m per annum from fundraising and investments. This amount will only increase as the differentials between pay rates and inflation on the one hand and government funding increases (which are often nil and rarely more than 1.5%) on the other continue year on year.

Our donors and benefactors have continued to give generously, with £1.3m being raised in the year for operating purposes and a further £10.7m was either received or formally pledged in respect of the Hammerson House building project. In addition, we received some very generous legacy gifts, bringing our legacy total to £0.9m, of which £0.6m was given for our new Care Home Education Centre.

We have moved to a new relationship-driven fundraising strategy and successfully exceeded its target for the year. This relationship-based strategy will extend to every aspect of our fundraising efforts over the coming months, with small events designed to allow personal connection with donors. The publicity within the community surrounding the new Hammerson House development has created a natural opportunity for us to raise awareness of what makes Nightingale Hammerson special and to that end we are reviewing our brand, advertising and fundraising materials.

Fundraising Practice

Our supporters are at the heart of our ability to fulfil our mission and, following continued scrutiny of fundraising practices across the sector, we have reviewed our systems to ensure that formal consent is gained, where required, from all those whom we wish to contact for fundraising purposes.

We aim to achieve best practice in the way we communicate with donors and other supporters, taking care with both the tone of our communications and the accuracy of data to minimise the pressures on supporters. Nightingale Hammerson is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. We apply best practice to protect supporters' data and never sell data, never swap data, and ensure that supporters' and donors' communication preferences can be changed at any time. We manage our own fundraising activities and do not employ the services of professional fundraisers. We undertake to react to and investigate any complaints regarding our fundraising activities and to learn from them and improve our service. During 2019, we received no complaints about our fundraising activities.

OUR PEOPLE

Our Trustees

Further information on our Trustees can be found in the Structure, Governance & Management section of this report.

Our Staff

Our staff continue to be our biggest asset, with approximately 350 people being employed in the running of our homes and the care of our residents – 250 of them on the front line. As part of our commitment to person-centred care, staff across the organisation continue to demonstrate our values of Dignity, Integrity, Respect, Excellence, Compassion and Teamwork.

Staff not involved in front line operations are encouraged to give time each week to help with activities and meals, with our successful Meals Matters programme, where volunteers help less able residents at mealtimes, a popular choice.

We invest not only in our care staff but in those who work in the background to make it possible for the frontline staff to deliver outstanding care, and one of our proud moments in the year was when our Maintenance Manager became a qualified Refrigeration and Air Conditioning / Heat Pump Engineer, the only woman in her class to do so. By allowing us to manage more of our heating and cooling systems directly, this training directly helps us to provide a more comfortable environment for our residents.

Recruitment continues to be a challenge, as it is across the Healthcare sector, but our regular recruitment fairs have allowed us to maintain a full complement of healthcare assistants, allowing the use of costly agency staff to be minimised.

Staff wellbeing remains high on our agenda and we have continued to work with our Staff Forum, where representatives from all departments working together to bring about changes in working environments. Building on last year's success, a second staff Health & Wellbeing day was held in the summer and regular yoga and boxercise classes introduced. 2019 ended on a high note with more than a hundred staff dancing the night away at our second Celebration of Achievement Evening, at which around 50 staff received awards for their contribution to our residents and the home.

On the financial front, we continue to meet our commitment to the National Living Wage and to maintain fair pay increments for those currently earning above that level, to ensure that enhanced skills continue to be recognised appropriately.

Since the year end the importance of protecting the welfare of our staff has become even more self-evident in the light of Covid-19. A range of special actions have been taken to protect staff from the risk of the virus and to recognise their extraordinary contribution and dedication in very challenging circumstances.

Our Volunteers

Supporting our staff are an army of 150 volunteers, who gave 7,360 hours of their time over the course of the last nine months of the year (when our Volunteer Development Manager installed a monitoring system). Even

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based on National Minimum Living Wage this would cost the Charity £66k to pay for, in reality much more, and without it many of the activities which improve the quality of life of our residents would simply not be viable. To give some statistics, among other things:

- ◆ 25 Activity Lead volunteers have led 400 sessions, providing 3,350 resident hours of engagement
- ◆ 21 Meals matters volunteers helped residents who struggle to eat unaided
- ◆ 22 people have formally befriended a total of 47 residents, providing one on one company and support
- ◆ 18 volunteers kept our in-house shop running, letting residents make small purchases independently
- ◆ 6 people supported our Religious Co-ordinator in meeting the religious and spiritual needs of residents

FINANCIAL REVIEW

Overview of Group

	2019 £m	2018 £m
Income from care provision	10.8	10.8
Cost of care provision	(13.5)	(13.2)
Other operating income	0.2	0.1
Operating deficit	(2.5)	(2.3)
Fundraising net income-operating	1.1	2.7
Investment net income	0.6	0.5
Depreciation	(1.0)	(1.1)
Deficit before investment gains and capital fundraising	(1.8)	(0.2)
Capital fundraising income received	6.6	0.3
Capital fundraising income pledged	4.7	0.7
Investment gains	0.8	1.5
Pension scheme actuarial (losses)/ gains	(0.5)	0.7
Net income	9.8	3.0

The deficit on operating income for the year was £2.5m (2018: £2.3m). Fundraising (excluding capital fundraising for Hammerson House) contributed a further £1.1m of net income (2018: £2.7m) and net investment income constituted £0.6m (2018: £0.5m), whilst depreciation totalled £1.0m (2018: £1.1m) giving a deficit before investment gains and capital fundraising of £1.8m (2018: deficit of £0.2m). Our equity portfolio continued to perform strongly in the year, resulting in investment gains of £0.8m (2018: £1.5m), whilst changes in actuarial valuation assumptions created actuarial losses of £0.5m (2018: gains of £0.7m) in the defined benefit pension scheme. Fundraising for the Hammerson House project generated £10.7m (2018: 1.0m) and a further £0.6m was given for Nightingale House capital works, resulting in a reported net income for the year of £9.8m (2018: £3.0m). The reported net income excluding the capital donations received for the Hammerson House building project stands at a deficit of £0.9m (2018: surplus £2.0m).

Income from care provision remains steady, despite a slight fall in occupancy over the year and the fact that the increase in the percentage of privately funded residents reported last year has partly reversed, reducing the average income per resident. As in previous years, we were able to achieve an increase in private funding fees but there were minimal increases in government and Local Authority funding rates in the year, resulting in an increased funding shortfall on these residents.

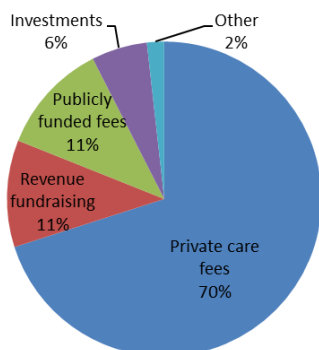
The cost of care provision has also been held steady as a result of continued focus on efficient operation and despite the ongoing impact of the National Minimum Living Wage and the increasingly complex care needs of our residents.

We continue to use the income from our investment portfolio to support the deficit on operating income caused by public funding shortfalls and the income generated in this way is slightly ahead of last year. Core fundraising

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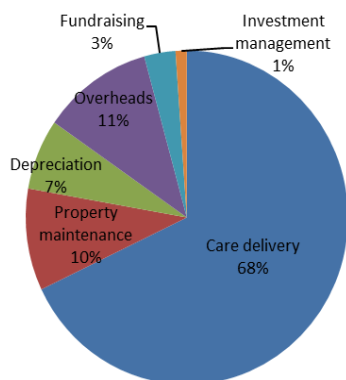
activities contributed less than last year, largely because of the biennial dinner held in 2018 but also due to a restructure of the fundraising function and development of a new strategy which limited some activities for part of the year.

Where our income came from



Although almost 40% of our residents are funded by either Local Authorities or the NHS Care Commissioning Group, government funding accounts for only 13% of our income from care delivery. On average public funding covers only 50% of the cost of looking after a resident, with the shortfall being made up by fundraising and investment income. With the reduction in our investment portfolio as part of funding the building of the new Hammerson House, we need to raise more funds in order to continue to support these residents.

Where the money was spent



Of our direct care delivery costs across the group, 82% relates to staff (2018: 81%), with 12% (2018: 13%) being spent on catering. Property maintenance and repair, including domestic and laundry services, rose slightly to £1.4m (2018: £1.3m), reflecting ongoing catch-up maintenance works from legacy issues. Support costs remained steady at £1.8m (2018: £1.8m), of which £1.1m relates to staff costs (2018: £1.0m). Also included in support costs are £0.2m of insurance (2018: £0.2m).

Capital

During the year, the group spent a total of £12.2m on capital projects, of which £12m was in respect of the Hammerson House redevelopment project, the remainder being the ongoing upgrade of lifts and fire doors, the replacement of all PCs to meet infrastructure requirements and small improvement projects around the Home.

Financial Position

Net assets of the group at 30 September 2019 totalled £85.9m (2018: £75.9m). Of this amount, £13.6m is tied up in tangible fixed assets (land and buildings used to house residents and equipment essential to the continuing provision of high quality care and therefore not realisable) and a further £15.4m in assets under construction, being the partly built Hammerson House. The investment portfolio amounted to £25.3m, with a further £27m held in cash/short term deposits, including funds set aside for the Hammerson House project. Within debtors an amount of £4.7m represents donations pledged towards that project.

The cash/short term deposits, together with the above pledges, are reflected in the designated reserves of the group amounting to £17.1m for Hammerson House, £8.5m for the Nightingale House campus and £3.5m for maintenance, taking into account the high level of cost in maintaining and refurbishing buildings to the standard expected by our residents. The reserve for Hammerson House is on the basis that some further fundraising will take place during 2020.

Aside from these designated and our restricted reserves, free reserves now stand at £17.7m (2018: £22.4m). Whilst the level of free reserves is somewhat below that required by the organisation's reserves policy, which requires there to be in the region of £20m of free reserves once the new Hammerson House is up and running, the directors consider this position to be acceptable in the short term given the challenges associated with Covid-19. The directors believe free reserves to be adequate and aim to increase them over time in line with the policy. With the substantial investment portfolio and sums held in cash/short term deposits, the group continues to have a healthy balance sheet,

During the period since the year end the Covid-19 outbreak spread worldwide and caused extensive disruptions to businesses as well as economic activities globally including the UK. Care homes have been at the front line of the pandemic and Nightingale Hammerson has had to meet extraordinary challenges to its operations.

The trustees acknowledge and recognise the potential impact of the pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. As well as the personal risk to the health of its residents and staff, income may be lower than planned due to lower resident numbers and the cancellation of fundraising events, and costs may be higher than planned due to additional spending on protection equipment and additional health and safety measures. However, it is not anticipated that the overall financial position of the charity will be adversely affected or its financial solvency threatened.

Reserves Policy and Management

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 with and respond to unforeseen emergencies whilst specific action plans are implemented. For the purposes of assessing the adequacy of reserves, the directors have taken into account the expenditure expected for twelve months' operation at Hammerson House when it re-opens as well as for its current operations. As detailed above, free reserves stand at £17.7m, which the directors believe to be adequate.

Investment Policy and Performance

It has previously been 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, a policy which has delivered stable returns in the past. During the year, the directors reviewed the Investment Policy, with the stated financial objective of maintaining at least the real value of the investment assets whilst generating a stable and sustainable return to support the charity's operating activities. The policy continues to be one of diversification, seeking to produce a reasonable level of return within an acceptable level of risk. The directors adopt a long term investment time horizon and a total return approach, and can tolerate fluctuations in capital value so long as the charity is able to meet its anticipated financial requirements from these funds through either income or liquid capital assets.

As part of the associated review of investment strategy, during the year the Investment Sub-Committee reviewed its investment manager relationships and carried out a tender exercise to determine the best investment firms

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to manage the Charity's investment assets. The funds were allocated equally to the two selected managers, both of whom were given a fully discretionary portfolio mandate, within the terms of the Charity's Investment Policy.

The directors continue to hold a material cash balance towards the charity's planned capital projects, notably Hammerson House, and require that 75% of assets held by the investment managers are realisable within three months, 100% within twelve months. Given the prevailing economic and market backdrop, 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 ensuring that the Charity's investments are managed in a prudent manner, and have given particular attention to this in the light of the market volatility and economic uncertainties arising from Covid-19.

Subsidiaries and Related Parties

Nightingale Hammerson has two subsidiary entities to assist it in acting in accordance with its objectives: Chalkford Limited, a wholly owned subsidiary which manages the charity's building projects; and Camden Jewish Society, which operated Belmont Lodge and is now dormant. Details of transactions with both parties are set out in Note 19 to the accounts.

Donations were received in the year from various directors and organisations in which Trustees hold office. In addition, 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. Details of these relationships and the relevant donations and benefits are also contained in Note 19.

Going Concern

The directors have considered the disruption caused by the Covid-19 pandemic to the group and charity's day-to-day operations and future plans. The organisation has continued to meet the very significant operational challenges which the pandemic has brought. Whilst uncertainties about operating conditions remain, the financial position of the group and charity remains healthy. Some adverse impact on revenues and costs are expected, however the directors consider it to be appropriate for the group and charity to continue to prepare its accounts on the going concern basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

Nightingale Hammerson is a registered charity under the Charities Act 2011 (Charity Registration Number: 207316) and is governed under a Scheme made by the Charity Commission on 30 March 2012. The charity has a sole corporate Trustee, Nightingale Hammerson Trustee Company Limited, a company registered in England and Wales and limited by guarantee (Company number: 07990530).

The group comprises the charity, a wholly owned subsidiary, Chalkford Limited, a company registered in England and Wales (Company number: 01001396) and, via a Deed of Collaboration, Camden Jewish Society, a registered charity (Charity registration number: 268164) and company registered in England and Wales and limited by guarantee (Company number: 01179914).

Trustees

The directors of the Corporate Trustee act as the Trustee Board of the charity and are as set out on page 1 of this report. Brief biographies of each director can be on page 52. The Trustee Board meets formally five times a year and in between meetings directors engage with the charity, its volunteers and staff in many and varied ways, such as providing guidance on projects, raising funds, serving formally on Committees or supporting new initiatives.

Directors are appointed via proposal to the Nominations Committee, which gives ongoing consideration to the range of skills and experience valuable to the Board, aiming to match skills to our strategic goals and business plan needs. Board responsibilities and delegated authorities are set out in the Terms of Reference of both the Board and the Committees which support it. The Board operates a Conflicts of Interest policy, whereby conflicts of interest declarations are completed annually and verbal declarations made at the start of each formal meeting.

Report of the Directors of the Corporate Trustee Year to 30 September 2019

Directors serve for a term of five years (although some directors appointed on incorporation may serve for up to seven) and may be reappointed for a further period or periods which may not exceed five years in aggregate. During the year the Directors amended the Articles of Association to allow for longer periods of overall service in exceptional circumstances where to do otherwise would be detrimental to the operation of the Charity. No director received any remuneration or expenses from the group or charity during the year.

Committees

Certain responsibilities of the Board are delegated to Committees, which act to provide counsel, expertise and support to both the Board and the Executive. A minimum of two directors serve on each Committee and the Chairman is an ex-officio member of all Committees.

The Nominations Committee oversees governance matters, including appointment and re-appointment of directors.

The Finance Committee, which includes two Treasurers, meets quarterly and oversees all financial matters including maintenance of the Financial Risk Register, budget approval and delegation of authorities to the Executive.

The Care Quality Improvement Board oversees all care-related matters and works closely with the Director of Care to ensure that all regulatory requirements are met and care standards adhered to. 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.

The Audit and Risk Committee (non-Financial) meets three times a year and is responsible for the maintenance of the Operational Risk Register and ensuring that the Board are apprised of key risks to the organisation at any time.

The Estates Committee oversee all major capital projects, with budgetary oversight from the Treasurers. The Investment Committee oversees the investment portfolio and provides instruction to the Investment Managers in line with the charity's investment policy. It is currently chaired by Dean Lush, Executive Vice Chairman of Rothschild Wealth Management, and comprises four directors of the charity.

Executive Team

Day to day running of the charity is delegated to the Executive Team, which comprises six directors:

- Chief Executive
- Director of Care Services
- Director of Human Resources & Volunteering
- Director of Operations
- Director of Finance & ICT
- Director of Fundraising & Marketing

Approach to Remuneration

Executive remuneration is set with reference to current market conditions to ensure that the charity continues to recruit and retain high calibre staff. All remuneration, including annual pay reviews, is overseen by the Finance Committee.

No director of the corporate trustee received any remuneration or expenses from the group or charity during the year (2018 - £nil).

Employment Policy

We strive to be an equal opportunities employer and apply objective criteria to assess merit. We aim 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 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.

Volunteers are coordinated by the Volunteer Development Manager, with recruitment, management and supervision policies in place.

PRINCIPAL RISKS AND UNCERTAINTIES

General Risk Management

Operational Risk Management is overseen by the Audit & Risk Committee, which continues 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 whilst Financial and Investment risk are overseen by the respective Committees.

Key risks and how we are managing them

Pandemic/Covid-19

Since the year end the organisation has had to manage the significant risks arising from the Covid-19 pandemic. Multiple aspects of our operations have been changed to ensure the best possible protection against the health and safety risks for our residents and staff. Expertise was sought externally and from the Trustees. With visits stopped due to the lockdown, new ways of communication between residents and their relatives were introduced. Looking forward, we are also focused on managing the risks arising as the lockdown is gradually lifted.

Fire

With a large number of frail and often immobile residents on site twenty-four hours a day, managing fire risk is a key priority for us. Detailed fire risk assessments are carried out at all levels and fire safety and evacuation training is mandatory across the organisation. Fire compartments exist throughout the building, allowing all residents to be evacuated horizontally to a place of safety and each resident has a Personal Emergency Evacuation Plan in place which takes into account their particular needs. Fire alarms are tested weekly, with fire panels identifying the location of any fire and the newer parts of the Nightingale House site are fitted with sprinkler systems. Ongoing improvement and maintenance work is carried out across the site and there are periodical exercises carried out involving emergency services and local authority health workers to ensure adequate plans are in place in case of an emergency.

Health and Safety

Health and safety of residents, staff, volunteers and visitors continues to be a risk priority for us and we are committed to maintaining our excellent track record in this area. Three Health and Safety sub-committees, reporting in turn to the Principal Health and Safety Committee, are responsible for Property, Care and Administrative areas, ensuring regular risk assessments are carried out and remedial action taken where needed. Code-operated doors protect all residents from areas which may be hazardous, such as open staircases, whilst areas of high risk such as laundry and kitchen areas are only accessible by authorised staff. All staff receive health and safety training specific to their areas of responsibility.

Clinical

On the clinical front, the Care Governance Board oversees a robust accidents, incidents and complaints procedure and key statistics on such matters as medication, falls and pressure sores are closely monitored and investigated.

Financial

A detailed financial risk register is maintained and is overseen by the Finance Committee. Falling levels, in real terms, of government funding create a significant risk for the organisation and the Committee continues to review ways to improve our resilience to this political exposure and thus ensure sustainability. We are also reliant on fundraising to support our operational deficit and we continue to consider other income streams whilst taking steps to boost donations with the restructuring of our fundraising operations.

Investments

A significant proportion of our reserves are held in equity portfolios and thus exposed to the risks of that market. The portfolio is managed by experienced investment managers and performance is closely monitored by the Investment Committee.

Technology

As the organisation becomes more reliant on technology, the risk arises that an ageing infrastructure is inadequate to support it in a stable and secure manner. A programme of improvements and replacements is underway to address this risk, under the oversight of the Technology & Innovation Advisory Board.

Brexit

The charity has assessed the risks associated with Brexit and will continue to do so as more information becomes available. The key vulnerability will be to price increases and there are plans in place to mitigate these where possible. Whilst we have some staff from EU countries, and are actively supporting them with residency applications, the numbers are relatively small; however, a risk remains that restrictions on movement may worsen the overall nurse shortage crisis.

STATEMENT OF 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 income and expenditure 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- ◆ 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 relevant Charity (Accounts and Reports) Regulations 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.



Director

Date of approval: 6 July 2020

Independent auditor's report to the Directors of the Corporate Trustee of Nightingale Hammerson

Opinion

We have audited the accounts of Nightingale Hammerson (the 'parent charity') and of Nightingale Hammerson and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the group and parent charity statement of financial activities, the group and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the group's and of the parent charity's affairs as at 30 September 2019 and of their income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors of the corporate trustee are responsible for the other information. The other information comprises the information included in the Annual Report and Consolidated Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities 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.

Responsibilities of directors of the corporate trustee

As explained more fully in the statement of directors' responsibilities, the directors of the corporate trustee are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors of the corporate trustee determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors of the corporate trustee are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the corporate trustee either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

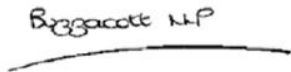
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Auditor's responsibilities for the audit of the accounts (continued)

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

Use of this report

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.

A handwritten signature in dark ink that reads "Buzzacott LLP". Below the signature is a horizontal line.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

24 July 2020

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 2019

	Notes	Unrestricted funds			2019 Total funds £'000	2018 Total funds £'000
		General and non charitable trading funds £'000	Designated funds £'000	Restricted funds £'000		
Income from:						
Donations and legacies	1					
Revenue purposes		1,413	—	198	1,611	3,378
Capital purposes		—	—	11,311	11,311	958
Investments and short term deposits	2	697	—	68	765	697
Charitable activities						
Provision of residential and nursing care	3	10,815	—	—	10,815	10,776
Other sources		236	—	—	236	94
Total income		13,161	—	11,577	24,738	15,903
Expenditure on:						
Raising funds						
Generating donations and legacies	4	467	—	3	470	631
Investment management costs		169	—	—	169	168
Expenditure of UK trading subsidiary		5	—	—	5	23
Charitable activities						
Provision of residential and nursing care	5	13,208	315	833	14,356	14,348
Total expenditure		13,849	315	836	15,000	15,170
Net (expenditure) income for the year before transfers and gains (losses) on investments		(688)	(315)	10,741	9,738	733
Transfers between funds		(4,841)	12,089	(7,248)	—	—
Gains (losses) on investments						
Realised (losses) gains on disposal of listed investments	13	(243)	—	—	(243)	60
Unrealised gains on listed investments	13	1,130	—	—	1,130	1,567
		887	—	—	887	1,627
FX movements on currency swaps		(83)	—	—	(83)	(82)
Net (expenditure) income for the year	9	(4,725)	11,774	3,493	10,542	2,278
Other recognised gains and losses						
Actuarial (losses) gains on pension scheme	18	(547)	—	—	(547)	687
Net movement in funds		(5,272)	11,774	3,493	9,995	2,965
Balances brought forward at 1 October 2018		24,172	36,301	15,465	75,938	72,973
Balances carried forward at 30 September 2019		18,900	48,075	18,958	85,933	75,938

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

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

Charity statement of financial activities Year to 30 September 2019

		Unrestricted funds			2019	2018
		General	Designated	Restricted	Total	Total
	Notes	fund	funds	funds	funds	funds
		£'000	£'000	£'000	£'000	£'000
Income from:						
Donations and legacies	1					
Revenue purposes		1,964	—	198	2,162	3,412
Capital purposes		—	—	11,311	11,311	958
Investments and short term deposits	2	702	—	68	770	701
Charitable activities						
Provision of residential and nursing care	3	10,815	—	—	10,815	10,757
Funds acquired from subsidiary	20	—	—	—	—	1,120
Other sources		276	—	—	276	136
Total income		13,757	—	11,577	25,334	17,084
Expenditure on:						
Raising funds						
Generating donations and legacies	4	467	—	3	470	631
Investment management costs		169	—	—	169	168
Charitable activities						
Provision of residential and nursing care	5	13,208	338	833	14,379	14,327
Total expenditure		13,844	338	836	15,018	15,126
Net (expenditure) income for the year before transfers and gains (losses) on investments		(87)	(338)	10,741	10,316	1,958
Transfers between funds		(6,375)	13,623	(7,248)	—	—
Gains (losses) on investments						
Realised (losses) gains on disposal of investments	13	(243)	—	—	(243)	60
Unrealised gains on listed investments	13	1,130	—	—	1,130	1,567
		887	—	—	887	1,627
FX movements on currency swaps		(83)	—	—	(83)	(82)
Net (expenditure) income for the year	9	(5,658)	13,285	3,493	11,120	3,503
Other recognised gains and losses						
Actuarial (losses) gains on pension scheme	18	(547)	—	—	(547)	687
Net movement in funds		(6,205)	13,285	3,493	10,573	4,190
Balances brought forward at 1 October 2018		25,103	35,815	15,476	76,394	72,204
Balances carried forward at 30 September 2019		18,898	49,100	18,969	86,967	76,394

All the figures included in the above statement of financial activities derive from continuing activities of the charity.

Balance sheets 30 September 2019

	Notes	2019		2018	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Tangible assets	12	29,057	30,094	17,855	18,314
Investments	13	25,288	25,289	24,800	24,801
		54,345	55,383	42,655	43,115
Current assets					
Debtors	14	6,966	7,343	2,220	2,472
Short term deposits		21,426	21,426	21,142	21,142
Cash at bank and in hand		5,591	4,896	10,918	10,446
		33,983	33,665	34,280	34,060
Liabilities					
Creditors: amounts falling due within one year	15	(3,570)	(3,256)	(2,737)	(2,521)
Net current assets		30,413	30,409	31,543	31,539
Total assets less current liabilities		84,758	85,792	74,198	74,654
Pension scheme asset	18	1,175	1,175	1,740	1,740
Total net assets		85,933	86,967	75,938	76,394
The funds of the charity:					
Charitable funds					
Restricted funds	16	18,958	18,969	15,465	15,476
Unrestricted funds					
Designated funds	16				
Hammerson House building fund		17,117	17,117	22,500	22,500
Nightingale House building fund		8,500	8,500	8,500	8,500
Maintenance fund		3,500	3,500	3,500	3,500
		29,117	29,117	34,500	34,500
Tangible fixed assets fund		18,958	19,983	1,801	1,315
General fund		17,725	17,723	22,432	23,363
Pension reserve		1,175	1,175	1,740	1,740
		18,900	18,898	24,172	25,103
	17	85,933	86,967	75,938	76,394

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



Director of the corporate trustee

Approved on: 6 July 2020

Consolidated statement of cash flows Year to 30 September 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(2,111)	1,761
Cash flows from investing activities:			
Investment income		758	776
Income from capital fundraising		7,228	(958)
Purchase of tangible fixed assets		(11,317)	(1,859)
Proceeds from the disposal of investments		6,164	12,744
Purchase of investments		(2,365)	(2,876)
Reclassification of cash as investments		(1,475)	—
Net cash provided by investing activities		1,007	7,827
Change in cash and cash equivalents in the year		(3,118)	9,588
Cash and cash equivalents at 1 October 2018	B	32,060	22,472
Cash and cash equivalents at 30 September 2019	B	28,942	32,060

Notes to the consolidated statement of cash flows for the year to 30 September 2019

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2019 £'000	2018 £'000
Net movement in funds (as per the statement of financial activities)	9,995	2,965
Adjustments for:		
Depreciation charge	1,003	1,065
Income from capital fundraising	(11,311)	958
Gains on listed investments	(887)	(1,627)
Investment income	(765)	(697)
Decrease (increase) in value of pension asset	565	(714)
Increase in debtors	(665)	(301)
(Increase) decrease in creditors	(55)	112
Net cash (used in) provided by operating activities	(2,111)	1,761

B Analysis of cash and cash equivalents

	2019 £'000	2018 £'000
Cash at bank and in hand	5,591	10,918
Short term deposits	21,426	21,142
Cash held with investment managers	1,925	—
Total cash and cash equivalents	28,942	32,060

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 30 September 2019 with comparative information given in respect to the year to 30 September 2018.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

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 had the purpose of raising funds on behalf of Nightingale Hammerson.
- ◆ Camden Jewish Society, a charitable company limited by guarantee whose sole activity, until 31 December 2017, was the provision of sheltered accommodation and which is now dormant.

Intra-group transactions are eliminated in full.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the directors of the corporate trustee and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ assessing the probability of the receipt of legacy income;
- ◆ estimating accrued expenditure;
- ◆ determining the apportionment of expenditure between governance and support costs and between support costs and the various categories of expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;

Critical accounting estimates and areas of judgement (continued)

- ◆ determining the impairment provision required in respect of property to be demolished and contents therein;
- ◆ estimating the market value of investment property;
- ◆ assessing the recoverability of outstanding debtors for residential and care home fees;
- ◆ assessing the appropriateness of the assumptions made by the actuary in arriving at the actuarial valuation of the charity's defined benefit pension scheme; and
- ◆ determining the value of designated funds set aside at the year end.

In addition to the above, the full impact following the recent emergence of the global Covid-19 pandemic is still unknown. Therefore, it is not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, suppliers and the wider economy. Estimates have been used in respect to future income and expenditure flows to assess the impact of the pandemic on the group's and charity's financial position and hence on going concern.

Assessment of going concern

The directors of the corporate trustee have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors of the corporate trustee have made this assessment in respect to a period of one year from the date of approval of these accounts.

The directors have considered the disruption caused by the Covid-19 pandemic to the group and charity's day-to-day operations and future plans. The organisation has met the very significant operational challenges which the pandemic has brought. Whilst uncertainties about operating conditions remain and some adverse impacts on revenues and costs are expected, the financial position of the group and charity remains healthy.

Therefore, the directors of the corporate trustee have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity and/or the group to continue as a going concern. The directors of the corporate trustee are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 30 September 2020, the most significant areas that affect the carrying value of the assets held by the charity and/or group are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the report of the directors of the corporate trustee for more information).

Income recognition

Income is recognised in the period in which the group and/or charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, income from fundraising events, income from investments and interest from short term bank deposits, fees for the provision of residential and nursing care and income from other sources.

Donations are recognised when the charity and/or group has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amounts are only accrued once formal pledge agreements are in place; if no such agreements exist the donations are recognised on receipt. In the event that a donation is subject to conditions that require a level of performance before the charity and/or group is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and/or group and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity and/or group is entitled to the legacy, the amount can be reasonably estimated, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity and/or group.

Entitlement is taken as the earlier of the date on which either: the charity and/or group is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity and/or group that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured or estimated reliably and the charity and/or group has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity and/or group, or the charity and/or group is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity and/or group.

Investment income is recognised once the dividend or similar income has been declared and notification has been received of the amount due.

Interest on funds held on short term deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Interest on fixed interest, fixed term deposits is recognised evenly across the deposit term,

Fees for residential and nursing care are recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. They are measured at the fair value of the consideration received or receivable based on agreements with residents and funding agencies, excluding any relevant value added tax.

Income from other sources is measured at fair value and on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings as described in note 6. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes: the salaries, direct costs and overheads associated with generating donated income and legacies; the fees paid to investment managers in connection with maintaining the portfolio of listed investments; and the expenditure of the charity's trading subsidiary in the UK.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of charitable activities i.e. the provision of holistic quality care to older Jewish people. This includes expenditure on residential and nursing care, the depreciation of those assets used for care purposes; and expenditure on the provision of sheltered accommodation.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity and/or group it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity and/or group (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the allocation basis as described in note 6 to these accounts.

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 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 or on freehold land.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Properties held for investment are included in the accounts at their estimated current market value as determined by the directors of the corporate trustee after consultation with their professional property advisers.

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

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment. Cash held by investment managers as part of their management strategy is included in fixed asset investments.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

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 tangible fixed assets fund represents the net book value of the tangible fixed assets used for the support of the work of the charity and/or group.

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

Since February 2014, all eligible members of staff (not already contributing to an eligible scheme) have been 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.

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.

1 Income from: Donations and legacies

	General fund £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Group				
Donations				
Revenue donations	1,129	198	1,327	2,514
Hammerson House capital fund	—	10,711	10,711	958
Legacies				
Revenue legacies	284	—	284	—
Capital funds	—	600	600	864
2019 Total funds	1,413	11,509	12,922	4,336
2018 Total funds	3,072	1,264	4,336	

	General fund £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Charity				
Donations				
Revenue donations	1,680	198	1,878	2,548
Hammerson House capital fund	—	10,711	10,711	958
Legacies				
Revenue legacies	284	—	284	—
Capital funds	—	600	600	864
2019 Total funds	1,964	11,509	13,473	4,370
2018 Total funds	3,106	1,264	4,370	

2 Income from: Investments and short term deposits

	General fund £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Group				
Income from listed investments				
UK corporate loan stock	187	48	235	290
Foreign loan stock	91	20	111	96
Equities	160	—	160	196
	438	68	506	582
Rental income	8	—	8	8
Interest receivable	251	—	251	107
2019 Total funds	697	68	765	697
2018 Total funds	656	41	697	

	General fund £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Charity				
Income from listed investments				
UK corporate loan stock	187	48	235	290
Foreign loan stock	91	20	111	96
Equities	160	—	160	196
	438	68	506	582
Rental income	8	—	8	8
Interest receivable	256	—	256	111
2019 Total funds	702	68	770	701
2018 Total funds	660	41	701	

3 Income from: Provision of residential and nursing care

Group	General fund	
	2019 Total £'000	2018 Total £'000
Total: Maintenance contributions receivable	10,815	10,776

Charity	General fund	
	2019 Total £'000	2018 Total £'000
Total: Maintenance contributions receivable	10,815	10,757

4 Expenditure on: Generating donations and legacies

Group and charity	General fund £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Staff costs	291	—	291	195
Fundraising, legacy and appeal expenses	91	3	94	322
Support costs (note 6)	85	—	85	114
2019 Total funds	467	3	470	631
2018 Total funds	631	—	631	

5 Expenditure on: Provision of residential and nursing care

Group	General fund £'000	Designated funds £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Staff costs	8,327	—	57	8,384	8,307
Catering and food	1,231	—	—	1,231	1,332
Premises day to day costs	1,401	—	6	1,407	1,268
Medical, care and welfare costs	509	—	63	572	538
Support costs (note 6)	1,740	—	19	1,759	1,838
Depreciation (note 12)	—	315	688	1,003	1,065
2019 Total funds	13,208	315	833	14,356	14,348
2018 Total funds	13,106	227	1,015	14,348	

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	2019 Total funds £'000	2018 Total funds £'000
Staff costs	8,327	—	57	8,384	8,285
Catering and food	1,231	—	—	1,231	1,330
Premises day to day costs	1,401	—	6	1,407	1,256
Medical, care and welfare costs	509	—	63	572	537
Support costs (note 6)	1,740	—	19	1,759	1,835
Depreciation (note 12)	—	338	688	1,026	1,084
2019 Total funds	13,208	338	833	14,379	14,327
2018 Total funds	13,066	248	1,013	14,327	

6 Support costs

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

Group and charity	Generating donations and legacies £'000	Provision of residential and nursing care £'000	Total £'000	Basis of apportionment
Staff costs	20	1,067	1,087	Time apportioned
Premises costs	15	59	74	Floor space
Office costs	49	595	644	Pro rata expenditure
Governance costs	1	38	39	Pro rata expenditure
2019 Total – Group and charity	85	1,759	1,844	
2018 Total – Group	114	1,838	1,952	
2018 Total – Charity	114	1,835	1,949	

Staff costs include staff salaries as detailed in note 10 and other related costs such as recruitment and training costs.

7 UK trading subsidiary

Nightingale Hammerson owns the entire called up ordinary share capital of Chalkford Limited, a property construction company (Company Registration Number 01001396).

A summary of the trading results of Chalkford Limited for the year ended 30 September 2019 and the year ended 30 September 2018 are given below.

	2019 £'000	2018 £'000
Turnover	12,621	2,146
Cost of sales	(12,020)	(2,042)
Administrative expenses	(45)	(65)
Operating profit	556	39
Interest payable	(5)	(5)
Profit before Gift Aid	551	34
Amount donated to Nightingale Hammerson	(551)	(34)
Retained profit	—	—

At 30 September 2019, Chalkford Limited had retained profits of £nil (2018 – £nil) and called up share capital of £1k (2018 - £1k). The results and the balance sheet figures have been consolidated on a line by line basis within the accounts of Nightingale Hammerson.

8 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.

With effect from midnight on 31 December 2017, in accordance with a legal transfer of undertakings, the assets, liabilities and activities of Camden Jewish Society were transferred to Nightingale Hammerson Trustee Company Limited (Company number: 7990530) as trustee of Nightingale Hammerson (Charity number: 207316) (note 20). Camden Jewish Society was dormant from this date.

A summary of the results of Camden Jewish Society for the year to 30 September 2019 and the year ended 30 September 2018 are given below.

8 Camden Jewish Society (continued)

	2019 £'000	2018 £'000
Income from:		
Interest receivable	—	—
Charitable activities	—	14
Total income	—	14
Expenditure on:		
Charitable activities	—	(44)
Total expenditure before transfer of assets and liabilities	—	(44)
Transfer of assets and liabilities to Nightingale Hammerson (note 20)	—	(1,120)
Total expenditure	—	(1,164)
Net expenditure and net movement in funds	—	(1,150)

At 30 September 2019, Camden Jewish Society had retained funds of £nil (2018: £nil). The results for the year 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 2019.

9 Net (expenditure) income for the year

This is stated after charging:

Group	2019 Total funds £'000	2018 Total funds £'000
Staff costs (note 10)	9,722	9,539
Auditor's remuneration		
Audit services - charity and consolidation	33	33
Other services	8	11
Depreciation (note 12)	1,003	1,065
Charity	2019 Total funds £'000	2018 Total funds £'000
Staff costs (note 10)	9,722	9,516
Auditor's remuneration		
Audit services - charity and consolidation	30	30
Other services	8	11
Depreciation (note 12)	1,026	1,084

10 Staff costs

Group	2019 £'000	2018 £'000
Wages and salaries	7,925	7,852
Social security costs	689	645
Other pension costs	209	172
	8,823	8,669
Payments to agency staff	789	849
Redundancy costs	45	21
Past pension service costs	65	—
	9,722	9,539

Charity	2019 £'000	2018 £'000
Wages and salaries	7,925	7,826
Social security costs	689	648
Other pension costs	209	172
	8,823	8,646
Payments to agency staff	789	849
Redundancy costs	45	21
Past pension service costs	65	—
	9,722	9,516

Of payments to agency staff, £442k (2018: £405k) represents payments in respect of one to one care provision, in respect of which separate fees are payable.

The past pension service costs relate to an estimate of the GMP equalisation impact, as calculated by the scheme actuaries.

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	2019	2018
£60,000 – £70,000	2	1
£70,001 – £80,000	2	2
£80,001 – £90,000	1	1
£100,001 – £110,000	1	2
£110,001 – £120,000	1	—

Of those employees who earned £60,000 or more during the year (as defined above), employer contributions totalling £36,280 were made to defined contribution schemes in respect of seven of them (2018 – £36,767 in respect of six). No contributions were made to defined benefit schemes (2018 - £nil).

The total remuneration, including benefits, employers pension contributions and employers national insurance contributions, paid to key management personnel in the year was £647k (2018 - £676k).

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

Group and charity	2019	2018
Generating donations and legacies	6	5
Provision of residential and nursing care services	338	349
	344	354

10 Staff costs (continued)

No director of the corporate trustee received any remuneration or expenses from the group or charity during the year (2018 - £nil).

The nature of the charity's activities means that from time to time relatives of the directors of the corporate trustee or staff are cared for by the charity and/or group. One director of the corporate trustee had a relative cared for by the charity or group during the year but had no involvement in setting fees.

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 £10m (2018 - £10m) and the total premium paid in respect of such insurance was £8k (2018 - £8k).

11 Taxation

Nightingale Hammerson and Camden Jewish Society are registered charities and therefore are not liable to income tax or capital gains tax on income or gains derived from their charitable activities, as they fall within the various exemptions available to registered charities.

Chalkford Limited donates any taxable profits to Nightingale Hammerson via a Gift Aid compliant deed of covenant each year.

12 Tangible fixed assets

Group	Freehold property £'000	Assets under construction £'000	Plant £'000	Furniture, equipment and motor vehicles £'000	Total £'000
Cost					
At 1 October 2018	48,373	3,383	1,376	1,915	55,047
Additions	64	12,022	48	71	12,205
Disposals	(2,793)	—	(82)	(201)	(3,076)
At 30 September 2019	<u>45,644</u>	<u>15,405</u>	<u>1,342</u>	<u>1,785</u>	<u>64,176</u>
Depreciation					
At 1 October 2018	35,324	—	463	1,405	37,192
Depreciation charge for year	794	—	122	87	1,003
Disposals	(2,793)	—	(82)	(201)	(3,076)
At 30 September 2019	<u>33,325</u>	<u>—</u>	<u>503</u>	<u>1,291</u>	<u>35,119</u>
Net book values					
At 30 September 2019	<u>12,319</u>	<u>15,405</u>	<u>839</u>	<u>494</u>	<u>29,057</u>
At 30 September 2018	<u>13,049</u>	<u>3,383</u>	<u>913</u>	<u>510</u>	<u>17,855</u>

Disposals include fully depreciated items which have this year been eliminated from the asset register, following a detailed review of assets remaining in use which took into account subsequent works done to the building.

12 Tangible fixed assets (continued)

Charity	Freehold property £'000	Assets under construction £'000	Plant £'000	Furniture, equipment and motor vehicles £'000	Total £'000
Cost					
At 1 October 2018	48,723	3,456	1,437	1,956	55,572
Additions	64	12,623	48	71	12,806
Disposals	(2,793)	—	(82)	(201)	(3,076)
At 30 September 2019	<u>45,994</u>	<u>16,079</u>	<u>1,403</u>	<u>1,826</u>	<u>65,302</u>
Depreciation					
At 1 October 2018	35,342	—	483	1,433	37,258
Depreciation charge for year	800	—	128	98	1,026
Disposals	(2,793)	—	(82)	(201)	(3,076)
At 30 September 2019	<u>33,349</u>	<u>—</u>	<u>529</u>	<u>1,330</u>	<u>35,208</u>
Net book values					
At 30 September 2019	<u>12,645</u>	<u>16,079</u>	<u>874</u>	<u>496</u>	<u>30,094</u>
At 30 September 2018	<u>13,381</u>	<u>3,456</u>	<u>954</u>	<u>523</u>	<u>18,314</u>

Assets under construction comprises the major development of Hammerson House (see financial commitments below). No value has been attributable to the leasehold land of the Hammerson House site as lease covenants require its use as a residential care facility.

Financial commitments

In December 2016 the directors of Nightingale Hammerson approved plans for a major development of the accommodation and facilities at Hammerson House, involving closing the home and demolishing the buildings. The estimated cost of this development is £41.9m. The design and build of the new Hammerson House has been contracted to Chalkford Limited. In September 2018 a contract was signed between Chalkford Limited and the main contractor for the project for the sum of £36.2 million. As at 30 September 2019, a total of £14.7m of costs had been incurred in respect of this contract (2018 - £1.4m), with £21.5m (2018 - £34.8m) of costs committed but not yet incurred. A further £5.7 million (2018 - £2m) had been authorised but not yet contracted. At 30 September 2019, neither the group or the charity had any further financial commitments that had been authorised but not contracted for or contracted for but which had not been provided for (2018 – £nil).

13 Fixed asset investments

Group	Investment property £'000	Listed investments £'000	2019 Total £'000
Market value at 1 October 2018	300	24,500	24,800
Additions at cost	—	2,365	2,365
Disposals at book value (proceeds: £6,164k; loss of £243k)	—	(6,407)	(6,407)
Holdings reclassified from cash at bank	—	1,475	1,475
Net unrealised investment gains	—	1,130	1,130
	<u>300</u>	<u>23,063</u>	<u>23,363</u>
Cash awaiting investment	—	1,925	1,925
Market value at 30 September 2019	<u>300</u>	<u>24,988</u>	<u>25,288</u>
 Cost of investments at 30 September 2019	<u>238</u>	<u>17,651</u>	<u>17,889</u>

13 Fixed asset investments (continued)

Charity	Shares in subsidiary companies £'000	Investment property £'000	Listed investments £'000	2019 Total £'000
Market value at 1 October 2018	1	300	24,500	24,801
Additions at cost	—	—	2,365	2,365
Disposals at book value (proceeds: £6,164k; loss of £243k)	—	—	(6,407)	(6,407)
Holdings reclassified from cash at bank	—	—	1,475	1,475
Net unrealised investment gains	—	—	1,130	1,130
	1	300	23,063	23,364
Cash awaiting investment	—	—	1,925	1,925
Market value at 30 September 2019	1	300	24,988	25,289
Cost of investments at 30 September 2019	1	238	17,651	17,890

Listed investments

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

Listed investments held at 30 September 2019 comprised the following:

Group and charity	%	2019 Total £'000	2018 Total £'000
UK corporate loan stock	24	5,446	8,515
Foreign loan stock	6	1,408	809
Equities	56	12,970	13,717
Unit funds	8	1,764	1,459
Cash instalments	6	1,475	—
	100	23,063	24,500

At 30 September 2019 the following investment holdings had a material value when compared to the market value of the total portfolio of listed investments as at that date.

Group and charity	%	2019 Total £'000
Goldman Sachs sterling liquid reserves class R shares	7.6	1,762

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. The directors of the corporate trustee have valued the property based upon information publicly available relating to similar properties in the same location.

Subsidiary undertakings

At 30 September 2019 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

14 Debtors

	2019		2018	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Maintenance contributions	549	549	783	783
Amount due from subsidiary undertakings (note 19)	—	951	—	434
Legacies receivable	743	743	100	100
Donations pledged	4,683	4,683	750	750
Other accrued income	166	166	159	159
Other debtors	725	151	351	169
Prepayments	100	100	77	77
	6,966	7,343	2,220	2,472

15 Creditors: amounts falling due within one year

	2019		2018	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Amounts held on behalf of residents	494	494	588	588
Maintenance contributions in advance	214	214	119	119
Expense creditors	324	324	430	430
Capital creditors	1,650	—	683	—
Social security and other taxation	180	191	180	195
Other creditors	426	429	347	347
Accruals	282	284	390	315
Amount due to subsidiary undertakings (note 19)	—	1,320	—	527
	3,570	3,256	2,737	2,521

16 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 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 30 September 2019 £'000
Nightingale House Fixed Assets Fund	10,753	—	(657)	—	10,096
Nightingale House Capital Fund	—	600	—	—	600
Hammerson House Capital Fund	1,152	10,779	—	(7,248)	4,683
Weinberg Funds	3,188	—	—	—	3,188
Donations Special Purpose – fixed assets	85	—	(6)	—	79
Janet and Howard Bloch funds	174	60	—	—	234
Nursery Fund	28	1	(25)	—	4
Intergenerational Fund	17	50	(30)	—	37
Other restricted funds	68	87	(118)	—	37
	15,465	11,577	(836)	(7,248)	18,958

16 Charitable funds (continued)**Restricted funds** (continued)

Charity	At 1 October 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 30 September 2019 £'000
Nightingale House Fixed Assets Fund	10,766	—	(657)	—	10,109
Nightingale House Capital Fund	—	600	—	—	600
Hammerson House Capital Fund	1,152	10,779	—	(7,248)	4,683
Weinberg Funds	3,188	—	—	—	3,188
Donations Special Purpose – fixed assets	85	—	(6)	—	79
Janet and Howard Bloch funds	174	60	—	—	234
Nursery Fund	28	1	(25)	—	4
Intergenerational Fund	17	50	(30)	—	37
Other restricted funds	66	87	(118)	—	35
	15,476	11,577	(836)	(7,248)	18,969

Nightingale House Fixed Assets Fund (previously Building Fund)

This fund comprises the net book value of buildings and equipment used for the operation of Nightingale House, purchased with restricted funds. Each year the depreciation on these assets is charged to the fund.

Nightingale House Capital Fund

This fund comprises monies donated specifically towards the construction and development of new building projects on the site of Nightingale House which are as yet unspent.

Hammerson House Capital Fund (previously Hammerson House Building Fund)

This fund comprise donations received specifically for the redevelopment of Hammerson House and as yet unspent.

Weinberg Funds

These funds were donated by The Harry and Jeanette Weinberg Fund and are held for the purpose of substantially upgrading the charity's care homes for the elderly at both Nightingale House and Hammerson House.

Donations special purpose

These funds comprise donations received towards a specific purpose.

Janet and Howard Bloch funds

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

Nursery Fund

These funds comprise the proportion of the construction costs of the Apples & Honey Nursery building that have been funded by Apples & Honey. Depreciation on the nursery building is charged to the fund each year.

16 Charitable funds (continued)**Restricted funds** (continued)*Intergenerational Fund*

This comprises monies received specifically for operation of the Intergenerational programme.

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 2018 £'000	New designations and transfers £'000	Utilised/ released £'000	At 30 September 2019 £'000
Hammerson House building fund	22,500	—	(5,383)	17,117
Nightingale House building fund	8,500	—	—	8,500
Maintenance fund	3,500	—	—	3,500
	34,500	—	(5,383)	29,117
Hammerson House tangible fixed assets fund	—	15,405	—	15,405
Nightingale House tangible fixed assets fund	1,801	2,067	(315)	3,553
	1,801	17,472	(315)	18,958
Total	36,301	17,472	(5,698)	48,075

Charity	At 1 October 2018 £'000	New designations and transfers £'000	Utilised/ released £'000	At 30 September 2019 £'000
Hammerson House building fund	22,500	—	(5,383)	17,117
Nightingale House building fund	8,500	—	—	8,500
Maintenance fund	3,500	—	—	3,500
	34,500	—	(5,383)	29,117
Hammerson House tangible fixed assets fund	—	16,079	—	16,079
Nightingale House tangible fixed assets fund	1,315	2,927	(338)	3,904
	1,315	19,006	(338)	19,983
Total	35,815	19,006	(5,721)	49,100

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 House Fixed Assets Fund

This fund currently comprises the value of work-in-progress on the Hammerson House building and equipment. Once the building is complete, depreciation on these assets will be charged to the fund.

16 Charitable funds (continued)*Nightingale House Fixed Assets Fund (previously Building Fund)*

The tangible fixed assets fund comprises the net book value of the charity's tangible fixed assets on the Nightingale House site (excluding those accounted for in the Nightingale House Fixed Assets Restricted 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.

17 Analysis of net assets between funds

Group	General and non- charitable trading funds £'000	Designated funds £'000	Restricted funds £'000	Total 2019 £'000
Fund balances at 30 September 2019 are represented by:				
Tangible fixed assets	—	25,525	3,532	29,057
Investments	17,975	6,175	1,138	25,288
Current assets	3,320	16,375	14,288	33,983
Current liabilities	(3,570)	—	—	(3,570)
Pension scheme asset	1,175	—	—	1,175
Total net assets	18,900	48,075	18,958	85,933

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	Total 2019 £'000
Fund balances at 30 September 2019 are represented by:				
Tangible fixed assets	—	26,550	3,544	30,094
Investments	17,976	6,175	1,138	25,289
Current assets	3,003	16,375	14,287	33,665
Current liabilities	(3,256)	—	—	(3,256)
Pension scheme asset	1,175	—	—	1,175
Total net assets	18,898	49,100	18,969	86,967

	Total 2019 £'000
Group and Charity at 30 September 2019	
Accumulated gains on listed investments	5,412
Accumulated gains on property	62
Total	5,474
Reconciliation of movements in unrealised gains (losses)	
Unrealised gains at 1 October 2018	6,257
Less: cumulative unreleased gains released on disposals	(1,913)
Add: Net unrealised gains on listed investments	1,130
Accumulated unrealised gains at 30 September 2019	5,474

18 Pension commitments

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

The defined benefit scheme is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 March 2017 and updated to 30 September 2019 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

This most recent actuarial valuation showed a surplus of £350,000. As there are no active members accruing benefits within the scheme, no further contributions are payable. The employer meets all expenses of the scheme and levies to the Pension Protection Fund, other than investment management charges which are borne by the scheme.

Present values of defined benefit obligation, fair value of assets and defined benefit asset	2019 £'000	2018 £'000
Fair value of plan assets	5,136	5,198
Present value of defined benefit obligation	(3,961)	(3,458)
Defined benefit asset at 30 September	1,175	1,740

Reconciliation of opening and closing balances of the defined benefit obligation	2019 £'000	2018 £'000
Defined benefit obligation at start of period	3,458	3,825
Interest expense	92	98
Actuarial losses (gains)	462	(353)
Benefits paid and expenses	(116)	(112)
Past service costs	65	—
Defined benefit obligation at end of period	3,961	3,458

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited Vs Lloyds Bank plc and others was published on 26 October 2018 and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods for equalisation.

The trustees of the scheme will need to obtain legal advice covering the impact of the ruling on this scheme before deciding with the employer on the method to adopt. The legal advice will need to consider (amongst other things) the appropriate GMP equalisation solution, whether there should be a time limit on the obligation to make back-payments to members (the "look-back" period) and the treatment of former members (members who have died without a spouse and members who have transferred out, for example).

The benefit obligations have been adjusted assuming the following:

- The minimum allowable method will be applied to past and future benefit payments
- There will be no limit on the 'look-back' period for rectification
- No allowance for members who no longer have GMP liabilities within the scheme (members we have died without a spouse and members who have transferred out, for example).

The allowance has been estimated based on average impacts for schemes with similar service periods and benefit structures.

18 Pension commitments (continued)

Reconciliation of opening and closing balances of the fair value of plan assets	2019 £'000	2018 £'000
Fair value of plan assets at start of period	5,198	4,851
Interest income	139	125
Actuarial (losses) gains	(85)	334
Benefits paid and expenses	(116)	(112)
Fair value of plan assets at end of period	5,136	5,198

The actual return on the plan assets over the period ended 30 September 2019 was £54,000 (2018 - £45,900).

Defined benefit costs recognised in Statement of Financial Activities	2019 £'000	2018 £'000
Past service cost arising from GMP equalisation	65	—
Defined benefit costs recognised in Statement of Financial Activities	65	—

Defined benefit costs recognised in other comprehensive income	At 30 September 2019 £'000	At 30 September 2018 £'000
Loss (gain) on plan assets (excluding amounts included in net interest cost)	(85)	334
Experience (loss) gain arising on plan liabilities	(6)	279
(Loss) gain resulting from changes in the demographic and financial assumptions underlying the present value of plan liabilities	(456)	74
Total gain recognised in other comprehensive income	(547)	687

Assets	At 30 September 2019 £'000	At 30 September 2018 £'000
UK Equities	992	1,876
Overseas Equities	1,614	2,275
Corporate Bonds	2,285	935
Government Bonds	226	92
Cash / Other	19	20
Total Assets	5,136	5,198

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Assumptions	At 30 September 2019 %	At 30 September 2018 %
Discount Rate	1.80	2.70
Inflation (RPI)	3.20	3.30
Salary growth		
Allowance for revaluation of deferred pensions of RPI or 5% if less	3.20	3.30
Allowance for revaluation of deferred pensions of RPI or 2.5% if less	2.50	2.50
Allowance for pension in payment increases of RPI or 5% if less	3.10	3.10
Allowance for pension in payment increases of RPI or 2.5% if less	2.10	2.10
Allowance for commutation of pension for cash at retirement	25% of capitalised value of member's pension commuted for cash	25% of capitalised value of member's pension commuted for cash

18 Pension commitments (continued)

The mortality assumptions adopted at 30 September 2018 imply the following life expectancies at retirement age 65:

	2019	2018
Retiring today / current pensioners		
Males	21.6	21.8
Females	23.5	23.7
Retiring in 20 years / future pensioners		
Males	22.6	22.8
Females	24.7	24.9

The best estimate of contributions to be paid by the employer to the scheme for the period commencing 1 October 2019 is £nil. Any expenses of the scheme, other than investment management costs, are expected to be met directly by the employer or reimbursed by the employer if paid by the scheme.

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 £209k (2018 - £172k).

19 Related party transactions

Chalkford Limited

Chalkford Limited is a wholly owned subsidiary of Nightingale House.

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

Chalkford Limited made charitable contributions of £551,239 to Nightingale Hammerson during the year to 30 September 2019 (2018 - £34,466).

At 30 September 2019 Chalkford Limited owed Nightingale Hammerson £400,000 (2018 – £400,000) in accordance with a loan facility and a further £551,239 (2018 - £34,466) being charitable contributions payable to Nightingale Hammerson in respect to the year ended 30 September 2019.

At 30 September 2019, Nightingale Hammerson owed Chalkford Limited £1,319,899 (2018 – £527,191) under a contract for the construction of property.

Camden Jewish Society

Camden Jewish Society was amalgamated into Nightingale Hammerson under a deed of collaboration on 1 May 2015 and remains as such. One director of Nightingale Hammerson Trustee Company Limited, Colin Green, is also a director of Camden Jewish Society.

With effect from midnight on 31 December 2017, the activities, assets and liabilities of Camden Jewish Society were transferred to Nightingale Hammerson Trustee Company (note 20). The charity was dormant from this date.

19 Related party transactions (continued)

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 2019, Nightingale Hammerson received a donation, under Gift Aid, of £9,605 (2018 - £13,226) from Bantent Limited.

Trustees donations

During the year the charity received donations totalling £101,075 from 9 of the charity's Trustees and organisations to which they are connected (2018 - £117,018 from 10 trustees and connected organisations). In addition, £214,150 (2018 - £232,600) was received from the Vice President and organisations to which she is connected.

20 Funds acquired from subsidiary undertaking

With effect from midnight on 31 December 2017, the activities, assets and liabilities of Camden Jewish Society (Charity Registration Number 268164; Company Registration Number 01179914, England and Wales) were transferred to Nightingale Hammerson Trustee Company, as Trustee of Nightingale Hammerson.

The net assets and liabilities transferred to Nightingale Hammerson comprised:

	2018 £'000
Tangible fixed assets	749
Debtors	—
Cash at bank	491
Creditors: Amounts falling due within one year	(120)
	<u>1,120</u>

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

Consolidated statement of financial activities Year to 30 September 2018

		Unrestricted funds			
		General and non charitable trading funds £'000	Designated funds £'000	Restricted funds £'000	2018 Total funds £'000
	Notes				
Income from:					
Donations and legacies	1	3,072	—	1,264	4,336
Investments and short term deposits	2	656	—	41	697
Charitable activities					
Provision of residential and nursing care	3	10,776	—	—	10,776
Other sources		94	—	—	94
Total income		14,598	—	1,305	15,903
Expenditure on:					
Raising funds					
Generating donations and legacies	4	631	—	—	631
Investment management costs		168	—	—	168
Expenditure of UK trading subsidiary		23	—	—	23
Charitable activities					
Provision of residential and nursing care	5	13,106	227	1,015	14,348
Total expenditure		13,928	227	1,015	15,170
Net income (expenditure) for the year before transfers and gains (losses) on investments		670	(227)	290	733
Transfers between funds		(3,992)	4,089	(97)	—
Gains (losses) on investments					
Realised gains (losses) on disposal of listed investments	13	67	—	(7)	60
Unrealised gains (losses) on listed investments	13	1,602	—	(35)	1,567
FX movements on currency swaps		(82)	—	—	(82)
		1,669	—	(42)	1,627
Net (expenditure) income for the year	9	(1,735)	3,862	151	2,278
Other recognised gains and losses					
Actuarial gains on pension scheme	18	687	—	—	687
Net movement in funds		(1,048)	3,862	151	2,965
Balances brought forward at 1 October 2017		25,220	32,439	15,314	72,973
Balances carried forward at 30 September 2018		24,172	36,301	15,465	75,938

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

Charity statement of financial activities Year to 30 September 2018

		Unrestricted funds			2018 Total funds £'000
	Notes	General fund £'000	Designated funds £'000	Restricted funds £'000	
Income from:					
Donations and legacies	1	3,106	—	1,264	4,370
Investments and short term deposits	2	660	—	41	701
Charitable activities					
Provision of residential and nursing care	3	10,757	—	—	10,757
Funds acquired from subsidiary	20	1,120	—	—	1,120
Other sources		136	—	—	136
Total income		15,779	—	1,305	17,084
Expenditure on:					
Raising funds					
Generating donations and legacies	4	631	—	—	631
Investment management costs*		168	—	—	168
Charitable activities					
Provision of residential and nursing care	5	13,066	248	1,013	14,327
Total expenditure		13,865	248	1,013	15,126
Net income (expenditure) for the year before transfers and gains (losses) on investments					
		1,914	(248)	292	1,958
Transfers between funds					
		(3,992)	4,089	(97)	—
Gains (losses) on investments					
Realised gains (losses) on disposal of investments	13	67	—	(7)	60
Unrealised gains (losses) on listed investments	13	1,602	—	(35)	1,567
FX movements on currency swaps		(82)	—	—	(82)
		1,669	—	(42)	1,627
Net (expenditure) income for the year	9	(491)	3,841	153	3,503
Other recognised gains and losses					
Actuarial gains on pension scheme	18	687	—	—	687
Net movement in funds		196	3,841	153	4,190
Balances brought forward at 1 October 2017					
		24,907	31,974	15,323	72,204
Balances carried forward at 30 September 2018					
		25,103	35,815	15,476	76,394

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

1 Income from: Donations and legacies

Group	General fund £'000	Restricted funds £'000	2018 Total funds £'000
Donations			
Hammerson House capital fund	—	958	958
Other	2,303	211	2,514
Legacies	769	95	864
2018 Total funds	3,072	1,264	4,336

Charity	General fund £'000	Restricted funds £'000	2018 Total funds £'000
Donations			
Hammerson House capital fund	—	958	958
Other	2,337	211	2,548
Legacies	769	95	864
2018 Total funds	3,106	1,264	4,370

2 Income from: Investments and short term deposits

Group	General fund £'000	Designated fund £'000	Restricted funds £'000	2018 Total funds £'000
Income from listed investments				
UK corporate loan stock	257	—	33	290
Foreign loan stock	88	—	8	96
Equities	196	—	—	196
	541	—	41	582
Rental income	8	—	—	8
Interest receivable	107	—	—	107
2018 Total funds	656	—	41	697

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	2018 Total funds £'000
Income from listed investments				
UK corporate loan stock	257	—	33	290
Foreign loan stock	88	—	8	96
Equities	196	—	—	196
	541	—	41	582
Rental income	8	—	—	8
Interest receivable	111	—	—	111
2018 Total funds	660	—	41	701

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

5 Expenditure on: Provision of residential and nursing care

Group	General fund £'000	Designated funds £'000	Restricted funds £'000	2018 Total funds £'000
Staff costs	8,223	—	84	8,307
Catering and food	1,332	—	—	1,332
Premises day to day costs	1,246	—	22	1,268
Medical, care and welfare costs	476	—	62	538
Support costs (note 6)	1,829	—	9	1,838
Depreciation (note 12)	—	227	838	1,065
2018 Total funds	13,106	227	1,015	14,348

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	2018 Total funds £'000
Staff costs	8,201	—	84	8,285
Catering and food	1,330	—	—	1,330
Premises day to day costs	1,234	—	22	1,256
Medical, care and welfare costs	475	—	62	537
Support costs (note 6)	1,826	—	9	1,835
Depreciation (note 12)	—	248	836	1,084
2018 Total funds	13,066	248	1,013	14,327

6 Support costs

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

Group	Generating donations and legacies £'000	Provision of residential and nursing care £'000	Total £'000	Basis of apportionment
Staff costs	21	1,016	1,037	Time apportioned
Premises costs	13	53	66	Floor space
Office costs	7	338	345	Pro rata expenditure
Other costs	72	377	449	Pro rata expenditure
Governance costs	1	54	55	Pro rata expenditure
2018 Total	114	1,838	1,952	

Charity	Generating donations and legacies £'000	Provision of residential and nursing care £'000	Total £'000	Basis of apportionment
Staff costs	21	1,016	1,037	Time apportioned
Premises costs	13	53	66	Floor space
Office costs	7	338	345	Pro rata expenditure
Other costs	72	374	446	Pro rata expenditure
Governance costs	1	54	55	Pro rata expenditure
2018 Total	114	1,835	1,949	

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

13 Fixed asset investments

Group	Investment property £'000	Listed investments £'000	2018 Total £'000
Market value at 1 October 2017	300	32,741	33,041
Additions at cost	—	8,217	8,217
Disposals at book value (proceeds: £12,744k; gain of £60k)	—	(12,684)	(12,684)
Holdings reclassified as cash at bank	—	(5,341)	(5,341)
Net unrealised investment gains	—	1,567	1,567
Market value at 30 September 2018	300	24,500	24,800
Cost of investments at 30 September 2018	238	18,305	18,543

Charity	Shares in subsidiary companies £'000	Investment property £'000	Listed investments £'000	2018 Total £'000
Market value at 1 October 2017	1	300	32,741	33,042
Additions at cost	—	—	8,217	8,217
Disposals at book value (proceeds: £12,744k; gain of £60k)	—	—	(12,684)	(12,684)
Holdings reclassified as cash at bank	—	—	(5,341)	(5,341)
Net unrealised investment gains	—	—	1,567	1,567
Market value at 30 September 2018	1	300	24,500	24,801
Cost of investments at 30 September 2018	1	238	18,305	18,544

Listed investments

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

Listed investments held at 30 September 2018 comprised the following:

Group and charity	%	Total £'000
UK corporate loan stock	35	8,515
Foreign loan stock	3	809
Equities	56	13,717
Unit funds	6	1,459
	100	24,500

At 30 September 2018 the following investment holdings had a material value when compared to the market value of the total portfolio of listed investments as at that date.

Group and charity	%	Total £'000
Goldman Sachs High Yield Floating Rate Portfolio (LUX) R	7.7	1,896

The Goldman Sachs High Yield Floating Rate Portfolio comprises a diversified spread of high yield bonds.

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS**13 Fixed asset investments** (continued)

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. The directors of the corporate trustee have valued the property based upon information publicly available relating to similar properties in the same location.

Subsidiary undertakings

At 30 September 2018 Nightingale Hammerson owned the entire called up share capital of the following company:

<i>Company</i>	<i>Country of incorporation</i>	<i>Principal activity during the year</i>
Chalkford Limited	England	Property development

16 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 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 30 September 2018 £'000
Nightingale House Fixed Asset Fund	11,475	16	(738)	—	10,753
Hammerson House Capital Fund	104	1,048	—	—	1,152
Weinberg Funds	3,199	31	—	(42)	3,188
Donations Special Purpose – fixed assets	41	50	(6)	—	85
Donations Special Purpose – other	167	69	(189)	—	47
Janet and Howard Bloch funds	174	—	—	—	174
Nursery Fund	142	16	(33)	(97)	28
Activities Fund	—	4	(4)	—	—
Intergenerational Fund	—	50	(33)	—	17
Other restricted funds	12	21	(12)	—	21
	15,314	1,305	(1,015)	(139)	15,465

Charity	At 1 October 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 30 September 2018 £'000
Nightingale House Fixed Asset Fund	11,486	16	(736)	—	10,766
Hammerson House Capital Fund	104	1,048	—	—	1,152
Weinberg Funds	3,199	31	—	(42)	3,188
Donations Special Purpose – fixed assets	41	50	(6)	—	85
Donations Special Purpose – other	165	69	(189)	—	45
Janet and Howard Bloch funds	174	—	—	—	174
Nursery Fund	142	16	(33)	(97)	28
Activities Fund	—	4	(4)	—	—
Intergenerational Fund	—	50	(33)	—	17
Other restricted funds	12	21	(12)	—	21
	15,323	1,305	(1,013)	(139)	15,476

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

16 Charitable funds (continued)

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 2017 £'000	New designations and transfers £'000	Utilised/ released £'000	At 30 September 2018 £'000
Hammerson House building fund	20,339	2,161	—	22,500
Nightingale House building fund	7,627	873	—	8,500
Maintenance fund	2,542	958	—	3,500
	30,508	3,992	—	34,500
Tangible fixed assets fund	1,931	97	(227)	1,801
Total	32,439	4,089	(227)	36,301

Charity	At 1 October 2017 £'000	New designations and transfers £'000	Utilised/ released £'000	At 30 September 2018 £'000
Hammerson House building fund	20,339	2,161	—	22,500
Nightingale House building fund	7,627	873	—	8,500
Maintenance fund	2,542	958	—	3,500
	30,508	3,992	—	34,500
Tangible fixed assets fund	1,466	97	(248)	1,315
Total	31,974	4,089	(248)	35,815

17 Analysis of net assets between funds

Group	General and non- charitable trading funds £'000	Designated funds £'000	Restricted funds £'000	Total 2018 £'000
Fund balances at 30 September 2018 are represented by:				
Tangible fixed assets	—	7,039	10,816	17,855
Investments	21,752	1,500	1,548	24,800
Current assets	3,417	27,762	3,101	34,280
Current liabilities	(2,737)	—	—	(2,737)
Pension scheme asset	1,740	—	—	1,740
Total net assets	24,172	36,301	15,465	75,938

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	Total 2018 £'000
Fund balances at 30 September 2018 are represented by:				
Tangible fixed assets	—	7,484	10,830	18,314
Investments	21,753	1,500	1,548	24,801
Current assets	4,131	26,831	3,098	34,060
Current liabilities	(2,521)	—	—	(2,521)
Pension scheme asset	1,740	—	—	1,740
Total net assets	25,103	35,815	15,476	76,394

APPENDIX: COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

17 Analysis of net assets between funds (continued)

	Total 2018 £'000
Group and Charity at 30 September 2018	
Accumulated gains on listed investments	6,195
Accumulated gains on property	62
Total	6,257
Reconciliation of movements in unrealised gains (losses)	
Unrealised gains at 1 October 2017	8,357
Less: cumulative unreleased gains released on disposals	(3,667)
Add: Net unrealised gains on listed investments	1,567
Accumulated unrealised gains at 30 September 2018	6,257

Trustee Biographies

Melvin Lawson - Chairman

Melvin is an investor in technology and property. He was a 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. He served as Chairman of Nightingale Hammerson from November 2007 until December 2016.

John Reizenstein – Honorary Treasurer

John joined the Board of Nightingale Hammerson in 2018. He is also Chair of Farm Africa, a member of the Board of Beazley plc (specialist insurers) and a member of the Panel on Takeovers and Mergers. John has had a long career in finance, most recently as Chief Financial Officer of Direct Line Insurance Group plc, from which he retired in 2018.

David Winton – Honorary Treasurer

David is director of a group of property companies. He served as Treasurer of the Western Marble Arch Synagogue from 1988 to 2002 and Vice President from 2002 to 2006 when he was elected Honorary Life President. He was appointed a Director and Treasurer of Nightingale Hammerson in 2002 and served as Deputy Chairman from 2008 until December 2015.

Keith Barnett

Keith is a partner and Head of Real Estate at City law firm, Taylor Wessing LLP. Prior to that he founded and ran the real estate department of Andersen Legal. Active in the Jewish Community, he has chaired the Hampstead Garden Suburb Synagogue and spent five years as a Trustee and Vice-President of the United Synagogue. He is currently a Trustee of the Chief Rabbinate Trust and past Governor of Immanuel College. He brings extensive property, legal and community knowledge to the Board.

Joanne Black

Joanne is a director of the Regatta Group where she holds a variety of key roles. This includes heading up an extensive Social Responsibility program. She is particularly proud of the Regatta school for disabled children and the women's health education program that she runs in Bangladesh. Alongside this role she is Vice Chair of the Outdoor Industry Association.

Susan Grant

Susan is passionate about the care of older people and the quality of care in care homes. She has held several leading roles on Charity Boards working in the field of Older People's well-being. She joined the Board of Nightingale Hammerson in 2009 and in that time has chaired Care Quality Improvement Board, Relationship Centred Care, Co-chaired three Campaign Dinners and has been involved in the development of Hammerson House. Susan founded and chaired Six Point Foundation which was a spend-out charity supporting survivors and refugees of the holocaust living in financially difficult circumstances in the UK. During her time as Vice Chair of Jewish Care she sat on the Board of the Claims Conference for material reparation. Susan has more than 25 years' experience in working in the field of older peoples' well-being and during that time sat on a housing association where she assisted with the closure of several care homes and moved residents into more suitable accommodation. Susan has chaired the welfare arm of the European Council of Jewish Communities and chaired two Synagogue Welfare Boards.

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.

Emma Kane

Emma is the Chief Executive of Newgate Communications and has 30 years' experience in corporate and financial communications and Deputy Group CEO of its global parent company, SEC Newgate S.p.A. She is Chair of Target Ovarian Cancer and Chair of the Barbican Centre Trust, also sitting on the City of London's Barbican Centre Board.

Jacqueline Morris

Dr Jackie Morris is a retired Consultant Geriatrician. She worked at St Mary's, the Royal Free and University College Hospital London. She has had a long standing interest in the care of older people in care homes and is delighted to be working with Nightingale as a trustee. She has a particular interest in the health care of frail older people and older people with dementia.

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.

Dr Ros Taylor MBE DL

Ros has been a doctor for 40 years, working in palliative care for the last 30. She was CEO at a Hertfordshire Hospice for 18 years until 2015, leading on care and strategy, responsible for a rebuild of the hospice. She then became Clinical Director at Hospice UK, a national charity supporting palliative care, alongside a role as senior palliative physician at the Royal Marsden Hospital in London. She was awarded an MBE for services to hospice care in 2014. She brings expertise in care of the frail, older person, together with experience of health care strategy.

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