



# **Annual Report and Consolidated Accounts**

**30 SEPTEMBER 2020**

**CHARITY REGISTRATION NUMBER 207316**

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## REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Registered name</b>	Nightingale Hammerson
<b>Registered charity number</b>	207316 governed by a scheme made by the Charity Commission on 30 March 2012
<b>Principal office</b>	105 Nightingale Lane London SW12 8NB
<b>Telephone</b>	020 8673 3495
<b>Facsimile</b>	020 8675 2258
<b>Website</b>	<a href="http://www.nightingalehammerson.org">www.nightingalehammerson.org</a>
<b>Life Patron</b>	Dame Vivien Duffield DBE
<b>President</b>	Harvey Rosenblatt
<b>Vice President</b>	Patricia Beecham
<b>Corporate trustee</b>	Nightingale Hammerson Trustee Company Limited
<b>Directors of the corporate trustee</b>	
<b>Chairman</b>	Melvin Lawson
<b>Honorary Treasurers</b>	David Winton John Reizenstein
<b>Other directors</b>	Carolyn Balcombe (appointed 24 September 2020) Colin Green Daniel Dayan (appointed 24 September 2020) Eli Shahmoon (retired 18 February 2021) Emma Kane (retired 1 October 2020) Harvey Rosenblatt Jacqueline Morris Joanne Black Keith Barnett Rosalind Taylor Susan Grant

## PROFESSIONAL ADVISORS

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Principal bankers** National Westminster Bank plc  
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London  
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**Investment managers** Veritas Investment Management LLP  
90 Long Acre  
London  
WC2E 9RA

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**Solicitors** Bircham Dyson Bell LLP  
50 Broadway  
London  
SW1H 0BL

## CHAIRMAN'S REPORT



The past year has been one of the most challenging times in our charity's 180-year history. From the outset, the Coronavirus pandemic changed the way we all lived at Nightingale House. The safety of each resident and staff team member from the spread of the virus became an immediate priority.

We introduced a great number of measures to control the virus transmission and everyone's well-being was the primary focus of our commitment to care. Alongside our enforced new way of living, resources were hugely stretched and staff teams were challenged in a way that many could never have been prepared.

I could not be more proud of the commitment and dedication of our staff and volunteers, who found themselves in the most difficult of circumstance. We have emerged stronger and more determined to continue to deliver quality care. Our staff teams and volunteers responded exceptionally well to the very many challenges of the pandemic; each team member gave a great personal sacrifice to ensure our residents were safe and cared for.

To support residents' well-being throughout the lockdowns in line with government guidelines, we developed a comprehensive communications framework. This enabled residents to keep in regular contact with their families. New initiatives were also put in place to boost mental well-being. These included our engagement programmes such as HD broadcasts of musical concerts and dance, as well as clubs such as bridge or gardening taking place on zoom. With the support of smart technologies, we also kept in virtual touch with the youthful positivity of our intergenerational programme - Apples and Honey nursery.

The safety and well-being of staff were also paramount to us. Throughout the year, extra precautionary measures were put in place, including the use of Personal Protective Equipment (PPE). We implemented a robust weekly testing and reporting culture. We also limited staff from working in multiple households. Our Director of Care worked in collaboration with Public Health England to seize early opportunities for vaccinations for both our residents and staff.

I wish to express my immense gratitude to staff and volunteers throughout the organisation for their tireless response to the challenges of coronavirus and the great personal sacrifices made in ensuring that our residents continue to receive the support they need.

Not only have we shown extraordinary agility, creativity and adaptability in the face of the pandemic, we have continued to work hard to see the completion of our new, modern and innovative care home - Hammerson House. Offering a vibrant living environment and a therapeutic care approach to 116 people, Hammerson House is now open to new residents.

## **CHAIRMAN'S REPORT (continued)**

Combined with Nightingale House, we now offer 'home from home' care beds to over 250 residents, which is around 30% of the care beds needed for the Jewish Community in the London area. I would like to take this opportunity to offer my sincere thanks to everyone involved for their hard work, particularly over the past few weeks and months leading to the opening. Everyone has worked tirelessly and with great dedication to ensure that Hammerson House is ready to greet its new residents.

We could not have survived the financial pressures of the pandemic or completed the development of Hammerson House without the immense support of our donors and supporters. Due to the reduction in resident numbers and the increased funding gap between self-funded residents and those funded by the Local Authority or NHS, our operational income fell by 8%. In addition, our care support costs increased due to the purchasing of PPE, investment in technologies to facilitate remote working and virtual engagements and putting in place the many infection control measures.

Although we were able to mitigate some of these adverse financial impacts by reducing our overheads and maximising the use of the government COVID grant and the Job Retention Scheme, our operational deficit at the end of the year was £3.5m. Through the generous donations of our supporters, we were able to raise £1.8m in revenue fundraising activities (excluding legacies) and £0.8m through the Jewish Homes Emergency Appeal.

It is clear that the support of our donors has been a lifesaver to us during this challenging time and our charity will always be deeply grateful for their generosity. We are not out of the crisis yet, however. We continue to rely on their support so we can maintain our commitment to serving older people in the Jewish Community.

I would also like to offer my thanks to Eli Shahmoon and Emma Kane, both of whom retired from the trustee Board during the year, for their contributions to Nightingale Hammerson. We welcome Carolyn Balcombe and Daniel Dayan as trustees.

As the country begins to ease its lockdown measures, our priority is to make sure Nightingale Hammerson remains the crown jewel in the community, extending the exceptional care we provide.

## REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE

The directors of the corporate trustee of Nightingale Hammerson (herein referred to as ‘directors’ or ‘trustees’), who act as the Trustee Board of the Charity, present the statutory report and accounts for the year ended 30 September 2020. These accounts have been prepared in accordance with the accounting policies set out on pages 32 - 37 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).

### Our Corporate 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 Hampstead Garden Suburb;
- 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 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 also dormant.

### Our Charitable Purpose

Nightingale Hammerson exists to be a leading provider of quality relationship-centred care for older Jewish people. We provide residential, dementia, nursing and palliative care services and treat all our residents with respect and dignity.

Our aim is to provide holistic care and support in a safe and stimulating environment using dedicated and trained staff and volunteers. We do this through the operation of two residential and nursing care homes – Nightingale House, in Clapham, and Hammerson House, in Hampstead Garden Suburb.

Nightingale House traces its origins back to 1840 in the East End of London. It moved to its current site in Clapham in the early 1900s and has continued to modernise and expand. It is fully equipped for those with residential, dementia, nursing and palliative needs. Nightingale House has 6 households, namely:

Households	Dedicated Service	Capacity
Wine	Residential	48
Sherman	Residential Dementia	46
Sampson	Nursing / Palliative Needs	32
Osha	Residential	15
Wohl	Nursing Dementia	40
Ronson	Under review	28

## REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)

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 was closed for redevelopment in 2017 and re-opened in 2021. Hammerson House is now fully redeveloped and equipped to care for those with residential, dementia, nursing and palliative care needs. Hammerson House comprises 6 households, namely:

Households	Dedicated Service	Capacity
Isaac	Residential	20
Edith	Residential	20
Audrey	Residential Dementia	20
Pat	Residential Dementia	20
Wigoder	Nursing Dementia	18
Ronson	Nursing / Palliative Care Needs	18

### Our Vision

Our vision is to be an internationally recognised centre of care, excellence and innovation; jewel in the crown of the Jewish community

### Our Mission

Our mission is to be the leading organisation recognised for providing the best relationship-centred care in the UK and to share what we know.

### Our Values

Our values are Compassion, Respect, Excellence, Dignity, Innovation (Integrity) and Teamwork.

### Our 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. Nightingale Hammerson is committed to providing the same level of care to all older Jewish people in need, regardless of their personal financial status. A substantial proportion 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.

### Our Trustees

The directors of the corporate trustee act as the Trustee Board of the Charity and are as set out on Page 3 with brief autobiographies at the end of this report. The Trustee Board meets formally at least 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. The Nomination Committee aims to match skillset to the charity's overall strategic goals and the terms of reference of the committees of the Board. Our Board's responsibilities and delegated authorities are set out in the Terms of Reference of both the Board and the committees. Our directors serve 3-yearly terms up to a maximum of 10 years (the first year of service is deemed an induction year).

No director received any remuneration or expenses from the charity during the year.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Our 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 Team. 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 review, in-year and year-end financial performance, financial governance and control.

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. Our clinical standards and practices 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 is apprised of principal risks and agreed mitigating actions.

The Estates Committee oversees 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.

The Technology and Innovation Advisory Board serves as an advisory board for technology and communication advancements.

The Hammerson House Opening Committee was set up to lead on discussions relating to the development and re-opening of Hammerson House.

Other committees of the Board include the Care Risk Committee, Education and Development Committee, Fundraising Committee, Relationship-Centred Care Committee, Service & Quality Committee and the Property Group (HH).

### **Our People**

This year, we had an average of 333 staff employed in the running of our home. Approximately 250 of these are on the frontline. As a result of the Coronavirus (C-19) outbreak, both our frontline and office-based teams have had to work in a more flexible way. At the outbreak of the pandemic, office-based teams were deployed to provide support to the frontline team so as to ensure the quality of care is maintained. We saw a decline in our staffing resources due to high sickness absence and the number of staff who had to self-isolate or shield. Not only did the pandemic impact our staffing resources, it also impacted our volunteers. We have had to place more attention on promoting staff well-being and boosting morale during the lockdowns. Counselling services, peer support, and group psychological support were offered and initiatives such as Thankful Thursdays (where all staff received gifts and vouchers from the Board of Trustees) were introduced. The Board of Trustees also seized a number of opportunities to show appreciation to staff for their continued dedication and commitment to our residents' care and safety, throughout what has been an exceptionally difficult year.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Our People (continued)**

Recruitment was also more challenging due to infection control measures put in place and restrictions on movement. To prevent the spread of the virus, we reduced to the bare minimum, the use of agency staff and restricted staff from working across multiple households. Many of our non-frontline staff worked remotely. A rigorous testing regime was put in place and the Department of Health's requirement to daily report suspected cases of C-19 added extra pressure on the Care and HR team. We have had to adapt our recruitment process exploring more technologically driven and web-based recruitments as opposed to holding recruitment fairs. We have also had to hold our annual staff award ceremony virtually, celebrating around 50 staff who received awards for their contributions to the charity's cause during the year. 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 enhanced skills continue to be recognised appropriately.

### **Our Volunteers**

Our workforce is not complete without the amazing support we receive from our volunteers many of whom have been supporting the charity for a number of years. Our volunteers provide support to various aspects of the charity including residents' engagement, Mealtimes Matter, befriending, managing our charitable shop and supporting religious activities. Prior to the pandemic, we receive on average of 7,000 hours of support a year from our volunteers. Volunteers' support this year was, however impacted by the pandemic. In total, we had 136 volunteers who gave 2,793 hours of support.

- 54 volunteers supported the engagement team with 2,214 hours of volunteering to improve residents' mental health during the pandemic
- 27 volunteers supported Mealtimes Matter with 270 volunteered hours to support residents' nourishment
- 9 volunteers supported family visits with 263 volunteered hours to improve mental health and reduce isolation amongst residents
- 46 volunteers offered 46 hours of additional training and supervision.

With restrictions on care home visitations, we adapted the approaches to residents' activities embracing virtual and telephone activities where appropriate. A structured rota and strict infection control protocols were also put in place for permitted visits in keeping with government's infection control measures for care homes.

### **Remuneration of Our Senior Team**

Our Senior Leadership Team (SLT) form the key management personnel of the charity and are responsible for the charity's affairs on a day to day basis. Remuneration is benchmarked and set with reference to current market conditions so to ensure that the charity can recruit and retain high calibre staff. Annual pay reviews are approved by the Finance Committee.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **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.

### **Our Achievements**

#### **1. Enhanced residents' engagement during the lockdown**

The Activities and Engagement Team developed an innovative, flexible and responsive approach to identifying and meeting the needs of the residents during the pandemic. The commitment of the team and the flexibility of volunteers has enabled our activity 'landscape' to be redesigned so that we continue to provide a diverse range of meaningful activities in these challenging times. Our initial priority was to enable residents to sustain their family relationships. By working with the individual households, a comprehensive framework for residents maintaining contact with family was created. We currently have 78 residents who are using Skype, FaceTime and Zoom and other residents receive regular phone calls from our dedicated team of befriending volunteers.

We have also used digital platforms to share birthday celebrations, participate in Synagogue services, share in candle lighting for Chanukah and provide families with the opportunity to respond to their loved ones during end of life care. Fifteen of the residents on Wine Household have benefited from the fortnightly Zoom Poetry Group and interactive garden workshops led by volunteers and a diverse programme of virtual activities was also launched during the Jewish Festivals. In addition, our Religious Co-ordinator led household-based musical sessions on a weekly basis.

During the first three months of lockdown we prepared a weekly self-directed activity handout for the residents of three of our households. This was complemented by a monthly creative resource pack that was prepared by our partners in the Southbank 'Arts by Post' project. The Museum of London and the Jewish Museum also provided us with materials that have been used to develop Jewish Cultural and reminiscence conversations. The purchase of 'smart televisions' and additional tablets have provided us with the opportunity to be able to enjoy the Jewish Film Festival, access Netflix, share in a lecture programme and participate in an interactive tea dance and an 'Old Time Music Hall' performance. We also purchased a short term lease to deploy the use of the 'Magic Table' and 'Jolly Trolley' for supporting the engagement needs of residents living with dementia.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Our Achievements (continued)**

#### **2. Enhanced the quality of lives through excellent care**

During the year we were able to provide quality care to our residents, both permanent and respite. In total, we cared for 167 permanent residents with varying care needs and 25 individuals who came to us for respite care, allowing their families and carers a much needed break. Following our recognition by the CQC as an 'Outstanding' care home, we have continued to ensure our residents and their families remain at the heart of all we do. We adopt a relationship-centred care approach mindful of the connection that exists between our staff, volunteers, residents and their relatives. Our normal ways of operating were challenged this year with the outbreak of the pandemic and the various restrictions put in place to prevent the spread of C-19. We nonetheless adapted our approaches and deployed new ways of achieving positive outcomes for our residents and relatives. As an example, we deployed the Dementia Care Mapping, a qualitative tool that assesses the quality of engagement provided to our residents. With oversight from the Care Quality Improvement Board, we were also able to monitor the standard of care being provided and applied corrective measures to ensure our residents' quality of life was not at risk.

#### **3. Led the way on in-house therapeutic sessions**

We invested £0.83m in residents' medical and welfare costs this year, 50% of which went into providing physiotherapies, occupational therapies and other therapies. To the best of our knowledge, we are one of the very few care homes with a full onsite therapy team, allowing us to provide therapeutic support to all residents over and above our Falls Prevention Strategy. Much of our occupational therapy work was done in the households to better serve those who find it difficult to come to the therapy suite and in keeping with social distancing measures. We successfully rehabilitated residents who came for a short period of time for recovery after hospital admissions.

#### **4. Embraced intergenerational engagements**

The youthful positivity of the children from the Apples and Honey Nursery shone through our conservatory windows. In keeping with prevailing lockdown measures, their programme included virtual Mother and Toddler sessions, a weekly Havdalah and Kaballat Shabbat (both live and via Zoom) and virtual storytelling with the celebrity actress Thelma Ruby. We were also able to deliver a 'Bee Project' and engage a ceramist in delivering a series of 'How To' videos and interactive pottery sessions aimed at enhancing the nursery children's knowledge of bees. The project, which is called 'We can still Bee together' encapsulated our steadfast optimism for the future for all of our Nightingale family.

#### **5. Made quality care count to the end**

We continue to hold the highest accreditation, Platinum, under the Gold Standard Framework for End of Life Care. Our aim is always to allow, where humanly possible, every resident who wishes to reach the end of their life in our home rather than in the hospital to do so. We are proud of the fact that we continue to achieve this for the majority of our residents, with about 90% (circa 80% in England) choosing to spend their final moments at Nightingale House.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Our Achievements (continued)**

#### **6. Made positive impact with technology**

The pandemic has drastically enhanced our use of technology, from the way we interact with one another to the way we work. Since the outbreak, more technological devices have been rolled out to allow flexible working and interconnectivity between different parties, whilst being conscious of information security. We also undertook an in-depth need analysis of our telephone system which had become obsolete.

Having successfully delivered the pilot last year, we went ahead to fully implement a mobile electronic care record system. The digital care system reduces time spent on paperwork allowing us to evidence care interactions as they happen thereby giving our staff more time to spend with our residents.

#### **7. Completion of our new exceptional care home – Hammerson House**

Since April 2017, our North London Home, Hammerson House, has been closed for redevelopment. It was exciting seeing the new building take shape. The superstructure completed in February 2021 and opened its doors to its first residents in May 2021. Hammerson House will be a beautiful home to up to 116 residents, who will enjoy the outstanding care we deliver at Nightingale House in a purpose-built environment developed around their needs. Shared spaces are designed to create a vibrant and welcoming environment for residents, visitors, volunteers and staff.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Our Plans**

We have been providing exceptional care for over 150 years, yet we hear time and time again from members of the Jewish Community that we are the 'Hidden Jewel' in the crown when it comes to care. Nightingale House is the only Jewish Home for older people in the UK to be classified 'Outstanding' by the Care Quality Commission (CQC). We therefore want to build on our strengths and successes whilst improving on our weaknesses. We also want to seek opportunities to intentionally remain the centre of excellent care. Our strategic priorities, as approved by the Board, are as follows:

#### **1. We will extend our exceptional care**

- By completing all aspects of the new Hammerson House building project and opening in Spring 2021
- By placing an exceptional staff and volunteer team at Hammerson House, to deliver care to Nightingale Hammerson's high standards
- By developing a Customer Service Strategy across the organisation

#### **2. We will embed Continuous Improvement & Share Expertise globally**

- By embedding our Care Home Education Centre across both sites
- By following the cycle of 'Plan, Do, Study, Act' in all that we do
- By developing a passionate and inspiring Communications Strategy

#### **3. We will be the exemplar for Relationship-Centred Care (RCC)**

- By developing an education programme for RCC
- By listening and responding to what matters most to the 4 key relationship groups - residents, staff, families & volunteers
- By practicing what we preach every day

#### **4. We will generate the greatest impact for our residents from our resources**

- By setting a fundraising strategy to increase donations (including a legacy campaign)
- By setting a marketing strategy to increase resident numbers
- By exploring new ways to generate income from unused space at Nightingale House

#### **5. We will expand our Innovation programme including the reach of our intergenerational work and use of technology**

- By expanding our intergenerational work to include more age groups and developing an education programme for Intergenerational work
- By working with innovative external partners
- By participating in successful research projects and investing in their implementation in our homes

#### **6. We will be a first class employer**

- By implementing a new people strategy that includes - wellbeing and enhanced staff engagement, pay and reward benchmarking, literacy and technology support, diversity and inclusion
- By striving to achieve Investors in People Gold Award
- By defining career paths for all staff team members including through our own development programme

## REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)

### Financial Review

Despite what has been an unprecedented year, the Statement of Financial Activities shows a net fund movement of £3.5m (2019: £10m) at the end of the financial year. This included net gains (realised and unrealised) of £1.3m (2019: £0.3m), capital fundraising of £2.4m (2019: £11.3m) and C-19 support received through the Jewish Home Emergency Appeal JHEA of £0.8m (2019: £nil). Excluding these non-operational (i.e. net gains on investments, foreign exchange and actuary valuation) and exceptional items (i.e. JHEA appeal and capital fundraising), the underlying result was a deficit of £1.0m (2019: £1.7m deficit), as illustrated in the table below.

	2020 £m	2019 £m
Income from care provision	10.0	10.9
Cost of care provision including depreciation	(14.0)	(14.4)
Government related infection control and furlough grants	0.5	-
Other operating income	0.1	0.1
<b>Operating deficit</b>	<b>(3.4)</b>	<b>(3.4)</b>
Net fundraising income (excluding emergency appeal)	2.1	1.1
Net income from investments	0.3	0.6
<b>(Deficit) before investment gains and capital fundraising</b>	<b>(1.0)</b>	<b>(1.7)</b>
Coronavirus Jewish Homes Emergency Appeal	0.8	-
Capital donations for Hammerson House	2.4	11.3
Net gains	1.3	0.3

Income from care services fell by 8%, from £10.9m to £10m. This was due to a fall in resident numbers, an inability to gain new admissions whilst the home was in lockdown following the outbreak of C-19 and the growing increase in funding gap between self-funded residents and residents funded by the Local Authorities or the NHS through Continuing Health Care (CHC). On average, local authority and CHC funding is 50% less than the standard weekly rates and 44% of residents were in this category in the year.

The cost of care provision also fell by 3%, from £14.4m to £14.0m. As the result of the drop in resident numbers, our catering cost and staffing costs were proportionately lower. Average staff headcount fell from 344 to 333. Our premises cost was also lower than prior year due to a decline in reactive repairs. We however saw an increase in support costs arising mainly from increase in Personal Protective Equipment (PPE), infection control kits and cost of putting in place appropriate social distancing measures to mitigate the spread of the virus in our home.

Keeping abreast with government guidelines, we introduced a number of initiatives to maintain a balance between the health and well-being of our residents and staff and upholding service standards in an infection-controlled environment. We introduced rigorous testing regimes across the organisation, limited staff working across households and significantly reduced our use of agency staff to prevent the spread of the virus across care homes. We trained and redeployed some of our non-frontline staff to support essential services, provided onsite accommodation to key personnel and made available a shuttle service for our Health Care Assistants. We also invested in technology to facilitate remote working for non-essential services.

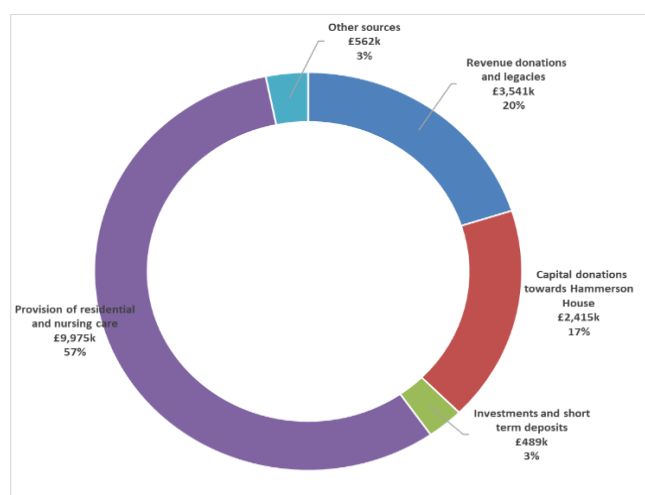
## REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)

### Financial Review (continued)

Like many charities, we received some government support, £0.5m in total, through the infection control grants and the Coronavirus Job Retention Scheme. This grant was used to mitigate some of our increased C-19 overheads as well allow staff who were isolating in line with Government guidance to receive their normal wages. We were also able to recruit additional staff to assist with the testing and reporting regime set out for care homes by PHE. Despite government support, our operating deficit was £3.5m before fundraising income.

We received from our generous supporters, a net fundraising revenue income of £2.1m (2019: £1.1m). We also worked in collaboration with other Jewish care homes, through the Jewish Homes Emergency Appeal, to raise additional donations to mitigate the financial impact of C-19. Our heartfelt appreciation to all our donors; their extraordinary support, during what have been extraordinary times, is greatly appreciated.

### Where our income came from

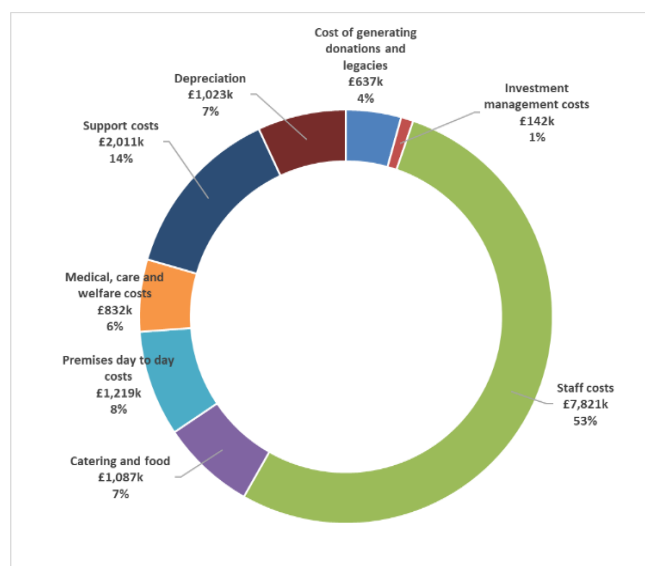


**59%** of our income was from fees charged for the provision of care

**35%** was from voluntary donations (revenue and capital), fundraising activities and events

**6%** was from other sources including investment income and government grants

### Where the money was spent



**53%** of our costs went towards direct staffing

**21%** went towards other direct care costs such as medical, accommodation and catering costs

**14%** was support costs include the cost of PPE and hygiene kits

**4%** was cost of generating voluntary income

**7%** was depreciation and the remaining

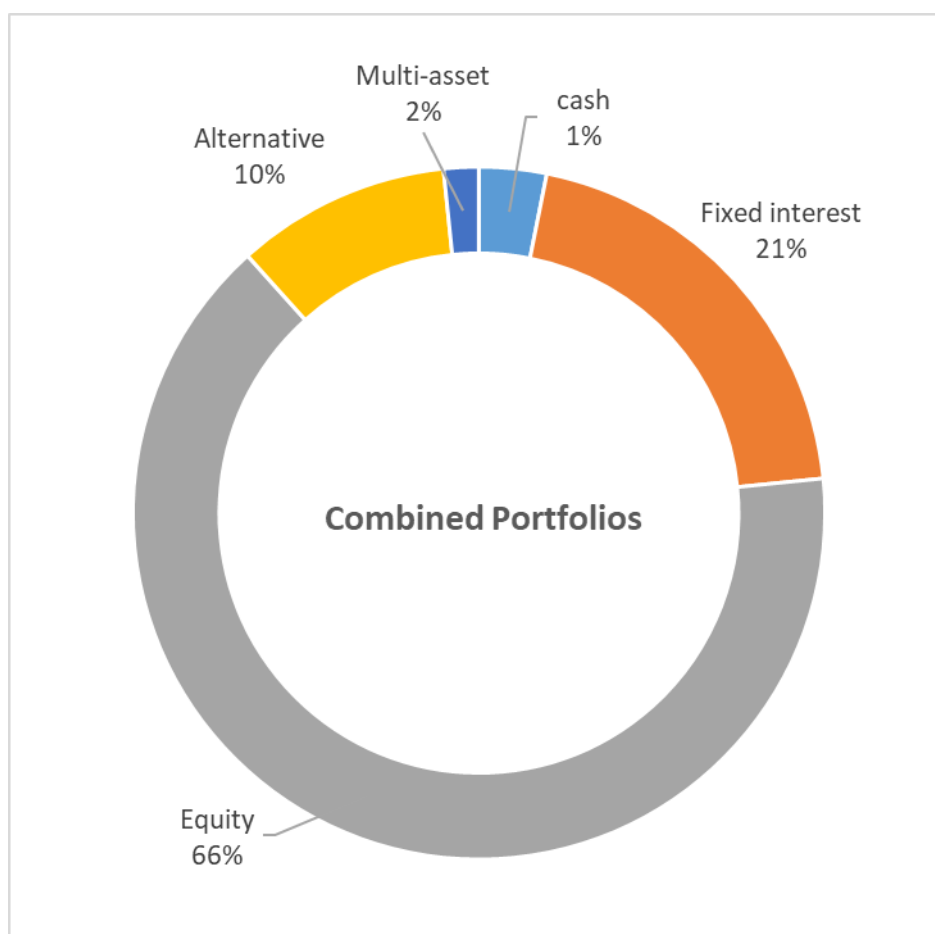
**1%** was investment fees.

## REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)

### Investment Policy and Performance

Last year, the directors reviewed the Investment Policy Statement, with an investment 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 with medium appetite for risk.

As part of the investment diversification strategy, the Board of Trustees appointed two fund managers. The investment fund of the charity were then allocated between the two fund managers, both of whom have discretion to manage the charity's portfolio within the set investment objectives. A combined summary of the assets allocation by each fund manager is illustrated below.



The total investment portfolio as at 30 September 2020 was £24.5m, excluding the directly managed investment property valued at £0.3m (Note 16). Only 1% of the holdings were held in cash, compared to the 12% held in cash last year. The main reason for this being that the charity completed the transfer of its investment assets from Goldman Sachs to Cazenove Capital. This also explains the high value of disposals and additions of investment assets shown in Note 16. Investment income in the year was £0.49m (2019: £0.77m) and net investment gains were £1.32m (2019: £0.80m).

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Reserves**

An important role for our Board of Trustees is to manage the long-term sustainability of the charity. We have therefore set our reserves policy to:

1. ensure we are resilient and have the financial capability to momentarily respond to unforeseen financial difficulties; a pandemic outbreak being a case in point
2. serve as a buffer to ensure the completion of Hammerson House redevelopment. 60% of the capital required for the development of Hammerson House is being funded from the charity's reserves
3. provide resources to fund the operational start-up costs when Hammerson House opens
4. allow investment in the refurbishment of Nightingale House, technology and facilities
5. reassure our funders that we are demonstrating good financial stewardship in the management of the charity's resources
6. reassure the community we serve: staff, residents, relatives, supporters and other stakeholders of our financial capacity and resilience.

We have calculated our free reserves as that part of the charity's unrestricted income funds that is freely available after taking account of the tangible fixed assets, restricted, endowment and designated funds earmarked for specific projects. We have considered that given the nature of the charity's work, the continuing fight against the C-19 pandemic, political uncertainty around social care funding, economic uncertainties, impact on disposable income, stock market volatilities and the growing demand for elderly care, the level of free reserves should be equivalent to at least 12 months' expenditure.

We are also of the opinion that the free reserves should afford the charity the flexibility to cover temporary shortfalls in incoming resources either due to the timing difference in cash flow or inadequate funding. For the purpose of assessing the adequacy of reserves, we have taken into account the 2020/21 operational expenditure expected at Hammerson House (£3m) and the 2020/21 operating expenditure expected at Nightingale House (£15m). Therefore, free reserves as at the end of 2019/20 of £18.1m (2019: £17.7m) are in line with our requirement.

### **Going Concern**

The global outbreak of the C-19 virus pandemic has led to unprecedented uncertainty for all organisations. We have however taken this situation, difficult as it is, as an opportunity to review our strategic focus and business assumptions. An extensive financial modelling exercise was done taking into account the charity's current operations at Nightingale House and growth potential that Hammerson House development brings. The financial forecast was projected over 3 and 10 year periods with some sensitivities applied to stress test the key assumptions. The financial forecasts also included cash flow forecasts which support the ability of the charity to continue to provide its outstanding care services for the foreseeable future. As such, the Board of Trustees is comfortable that the accounts have been prepared on a going concern basis.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Fundraising for our charitable objectives**

With the ever more complex care needs and the impact of government initiatives such as the National Living Wage and the pension reform, the need to fund-raise to support core funding has never been greater. Local authorities and the NHS, who fund a substantial proportion of our residents, are operating under ever-tightening budgetary constraints. In order to provide the same level of care to all residents, we have to raise in the region of £2.5m per annum through fundraising activities and legacies. This amount will only increase as the differential grows between costs of care on the one hand and government funding on the other.

Our donors and benefactors have continued to give generously, with £3.5m raised in the year to support day to day operations and an additional £2.4m received and / or formally pledged in respect of the Hammerson House building project. 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.

Our heartfelt thanks go to all our donors.

### **Our commitment to the Fundraising Code of Practice**

Nightingale Hammerson is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. We aim to achieve best practice in the way we communicate with our donors and other supporters. Our supporters are at the heart of our ability to fulfil our mission. Following continued scrutiny of fundraising practices across the sector, we have reviewed our systems to ensure that formal consent is gained from all those whom we wish to contact for fundraising purposes. By reviewing our processes, we aim to achieve the standards set out in the Fundraising Code of Practice and ensure compliance with the General Data Protection Regulation. We do not employ third party professional fundraisers or commercial organisations to fundraise on our behalf. We also do not take part in any intrusive or high-pressure fundraising activities such as street fundraising, door-to-door fundraising or cold-calling by telephone. We listen to feedback and investigate any complaints regarding our fundraising activities. During 2020, we received no complaints about our fundraising activities.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Principal Risks and Uncertainty**

#### **Our Approach to Risk Management**

Risk is inherent in our operations and the decisions we make in pursuit of our charitable goals. The Board of Trustees is responsible for the nature and extent of the principal risks that we are willing to take. It reviews the principal risks to the organisation and ensures that risks are effectively managed through our governance structure. The Board delegates the detailed review of operational risks to the Audit and Risk Committee. Clinical risk assessments continue to be overseen by the Care Quality and Improvement Board whilst financial and investment risks are overseen by the Finance and Investment Committees, respectively. Looking ahead, a new risk governance structure and a revised approach to risk management will be put in place. The revised approach will ensure all risks (financial, operation and others) with the mitigating actions will be overseen by the Audit and Risk Committee. Our principal risk portfolio will continue to be reviewed by the Board as relating to our strategic priorities. The sub-committees of the Board will also continue to have focus on more in-depth management of our day-to-day responses to risks. Our principal risks with mitigating actions are:

#### **Coronavirus**

The C-19 pandemic is the most significant external risk currently facing the charity - impacting on our residents, staff and volunteers. Multiple aspects of our operations have had to be adapted in keeping with the various government and Public Health England (PHE) guidance on infection control, safety and hygiene, social distancing and lockdown measures. During the lockdowns, we limited visitations, put on hold our intergenerational activities and suspended non-essential outings and activities. The use of PPE became compulsory and we rolled-out a robust C-19 testing regime that included our residents, staff, volunteers and anyone visiting our homes. SLT held, on a weekly basis, C-19 meetings reviewing infection control risk assessments, outcomes from the testing regimes, changes in government guidance and evaluating the effectiveness of the infection measures put in place. Regular updates from the C-19 meetings were also discussed at the Care Risk Committee and the Board. We kept our residents and relatives up to date regularly via the fortnightly Relatives Newsletters and we also held two virtual meetings with the relatives of our residents. We have embraced the opportunity to vaccinate our residents and continue to promote uptake amongst our staff.

#### **Fire**

With a large number of frail and often immobile residents, managing fire risk is a key priority for us. Detailed fire risk assessments are undertaken at all levels across the organisation. This includes monthly fire drills in households, fire safety awareness for all staff, periodic fire risk assessments and ensuring the designated fire marshals have the necessary training. An independent fire risk assessment was undertaken in previous year and our Senior Management Team focused this year on implementing the recommendations. A follow-up audit is planned for the coming year. The fire compartmentation in place provides for residents to be evacuated horizontally to a place of safety and each resident has a Personal Emergency Evacuation Plan which takes into account their particular needs. Fire alarms are tested weekly and periodical exercises carried out involving emergency services and local authority health workers to ensure adequate plans are in place in case of an emergency.

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Principal Risks and Uncertainty (continued)**

#### **Health and Safety**

Our approach to maintaining a good Health and Safety practice at work is very hands-on. We established three core Health and Safety groups to focus each on operations, care and property maintenance. These core groups hold quarterly meetings and provide updates to the Principal Health and Safety Committee which also meets quarterly. Due to the C-19 pandemic, the focus of the core groups and committee was more on mitigating the spread of the virus and ensuring the recommended hygiene practices were adopted across the organisation. 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. Areas of high risk, such as laundry and kitchen, are only accessible by authorised staff. All staff receive health and safety training specific to their areas of responsibility.

#### **Financial**

A detailed financial risk register is maintained and overseen by the Finance Committee. Falling levels, in real terms, of government funding create a significant risk for the charity and the Finance Committee continues to review ways to improve our financial resilience in order to ensure sustainability. The outbreak of the pandemic has also posed additional financial risks with the reduction in resident numbers and the increase in infection control costs. Towards the end of the year, a 3 and 10 year financial model was developed. This was helpful to project the short and longer-term financial sustainability of Nightingale Hammerson. Furthermore, our fundraising and marketing strategy is being revised to ensure the charity can continue to provide its essential services to the elderly within the Jewish community.

#### **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 and 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, we are actively supporting them with residency applications. However, a risk remains that restrictions on movement may worsen the overall shortage of qualified nurses.

## REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)

### Streamlined Energy and Carbon Reporting

Over the past two decades, the effects of climate change have accelerated. Considerable evidence exists proving climate change has been exacerbated by human activities. Changes in lifestyles have altered the chemical composition of the atmosphere, generating a build-up of Greenhouse Gases (GHG) – primarily carbon dioxide, methane, and nitrous oxide levels – raising the average global temperature. We are committed to reducing the energy consumption and carbon impact of our operations and transport activities, recognising this requires significant investment over time.

For the reporting year, the charity's GHG report was prepared in accordance with Part 1 of ISO 14064: 2018. This report measured the carbon footprint of the organisation using the 2020 conversion factors developed by the UK Department for Environment, Food and Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS). These factors were multiplied with the charity's GHG activity data. The scope of emission were categorised as:

- Scope 1: comprises direct emissions associated with the combustion of fuel (natural gas) as well as additional emissions sources such as refrigerants and owned transport (the minivan).
- Scope 2: comprises primarily indirect energy consumption including consumption of purchased electricity.
- Scope 3: relates to other indirect emissions occurring as a consequence of activities not owned or controlled by the charity e.g. service-related travel.

This was our first carbon footprint analysis and as such serves as our base year. Due to the timing of the report and delays with obtaining data from some suppliers, due to the impact of C-19, the margin of uncertainty resulting from data extrapolation was high at around +/- 50%.

The summary of the results for Nightingale House is as follows:

Scope	Activity	Tonnes CO2e
Scope 1	Site Gas	580
	Refrigerants	17
	Van travel	0.2
	Scope 1 total	597.2
Scope 2	Electricity generation	402
	Scope 2 total	402
Scope 3	Electricity transmission and distribution	35
	Scope 3 total	35
Total tonnes of CO2e		1,035
Tonnes of CO2e per employee		3
Tonnes of CO2e per £m turnover		65
Total energy consumption (kWh)*		4,882,296

CO2e = Carbon O2 Emission

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **Streamlined Energy and Carbon Reporting (continued)**

The data shows that site gas accounts for 56% of our carbon footprint. Some of the actions we will be looking to take to reduce our carbon footprint at Nightingale House include:

- Developing an active energy management programme targeting a reduction in site energy consumption year on year. This will include having energy monitoring records and set KPIs.
- Embracing the use of renewable gas and electricity tariffs.
- Promoting energy efficiency awareness amongst staff.
- Reviewing our operating procedures to ensure air-conditioning units are not being emptied and re-filled when not needed.
- Using more LED lighting and maximising natural daylight or artificial lighting when safe to do so.

A number of initiatives to reduce our carbon footprint at Hammerson House were incorporated from the outset, in the design and build of the home

## **REPORT OF THE DIRECTORS OF THE CORPORATE TRUSTEE (CONTINUED)**

### **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).

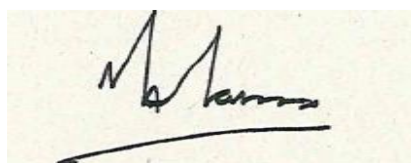
The law applicable to charities in England and Wales requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity, of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's governing document.

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

A handwritten signature in black ink, appearing to be 'M. Hammerson', written over a horizontal line.

Director

Date of approval: 24 June 2021

## **INDEPENDENT AUDITOR'S REPORT**

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 2020 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 2020 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.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **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.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

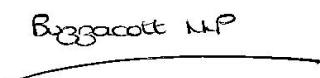
### **Auditor's responsibilities for the audit of the accounts**

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.

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](http://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 black ink that reads "Buzzacott LLP". Below the signature is a horizontal line.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

9 July 2021

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

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 September 2020

		Unrestricted Funds			2020	2019
		General Fund	Designated Fund	Restricted Fund	Total Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000
Note						
<b>Income from:</b>						
Donations and legacies						
Revenue purposes (including Emergency Appeal)	2	3,304	-	238	<b>3,542</b>	1,611
Capital purposes	2	-	-	2,415	<b>2,415</b>	11,311
Investments and short term deposits	3	458	-	31	<b>489</b>	765
Charitable activities						
Provision of residential and nursing care	4	9,975	-	-	<b>9,975</b>	10,815
Government's infection control and furlough grants		156	-	330	<b>486</b>	-
Other sources		76	-	-	<b>76</b>	236
<b>Total Income</b>		<b>13,969</b>	<b>-</b>	<b>3,014</b>	<b>16,983</b>	<b>24,738</b>
<b>Expenditure on:</b>						
Raising funds						
Generating donations and legacies	5	637	-	-	<b>637</b>	470
Investment management costs		142	-	-	<b>142</b>	169
Expenditure of UK trading subsidiary		-	-	-	<b>-</b>	5
Charitable activities						
Provision of residential and nursing care	6	12,619	339	1,035	<b>13,993</b>	14,356
<b>Total expenditure</b>		<b>13,398</b>	<b>339</b>	<b>1,035</b>	<b>14,772</b>	<b>15,000</b>
<b>Net income / (expenditure) for the year before transfers and gains (losses) on investments</b>		<b>571</b>	<b>(339)</b>	<b>1,979</b>	<b>2,211</b>	<b>9,738</b>
Transfers between funds	19	(1,487)	4,926	(3,439)	-	-
Gains (losses) on investments		-	-	-	-	-
Realised (losses) on disposal of investments	16	(322)	-	-	<b>(322)</b>	(243)
Unrealised gains on listed investments	16	1,637	-	-	<b>1,637</b>	1,130
FX movements on currency swaps		-	-	-	<b>-</b>	(83)
<b>Net income (expenditure) for the year</b>		<b>399</b>	<b>4,587</b>	<b>(1,460)</b>	<b>3,526</b>	<b>10,542</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) on pension scheme		(29)	-	-	<b>(29)</b>	(547)
<b>Net movement in funds</b>		<b>370</b>	<b>4,587</b>	<b>(1,460)</b>	<b>3,497</b>	<b>9,995</b>
Funds brought forward at 1 October 2019		18,900	48,075	18,958	<b>85,933</b>	75,938
<b>Funds carried forward 30 September 2020</b>	21	<b>19,270</b>	<b>52,662</b>	<b>17,498</b>	<b>89,430</b>	<b>85,933</b>

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

For the year ended 30 September 2020

		Unrestricted Funds			2020	2019
		General Fund	Designated Fund	Restricted Fund	Total Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>						
Donations and legacies						
Revenue purposes (including Emergency Appeal)	2	4,172	-	238	<b>4,410</b>	2,162
Capital purposes	2	-	-	2,415	<b>2,415</b>	11,311
Investments and short term deposits	3	463	-	31	<b>494</b>	770
Charitable activities						
Provision of residential and nursing care	4	9,975	-	-	<b>9,975</b>	10,815
Government's infection control and furlough grants		156	-	330	<b>486</b>	-
Other sources		116	-	-	<b>116</b>	276
<b>Total Income</b>		<b>14,882</b>	<b>-</b>	<b>3,014</b>	<b>17,896</b>	<b>25,334</b>
<b>Expenditure on:</b>						
Raising funds						
Generating donations and legacies	5	637	-	-	<b>637</b>	470
Investment management costs		142	-	-	<b>142</b>	169
Charitable activities		-	-	-		
Provision of residential and nursing care	6	12,619	339	1,035	<b>13,993</b>	14,379
<b>Total expenditure</b>		<b>13,398</b>	<b>339</b>	<b>1,035</b>	<b>14,772</b>	<b>15,018</b>
Net income /(expenditure) for the year before transfers and gains (losses) on investments		<b>1,484</b>	<b>(339)</b>	<b>1,979</b>	<b>3,124</b>	<b>10,316</b>
Transfers between funds	19	(2,397)	5,836	(3,439)	-	-
Gains (losses) on investments						
Realised (losses) on disposal of investments	16	(322)	-	-	<b>(322)</b>	(243)
Unrealised gains on listed investments	16	1,637	-	-	<b>1,637</b>	1,130
FX movements on currency swaps		-	-	-	-	(83)
<b>Net income (expenditure) for the year</b>		<b>402</b>	<b>5,497</b>	<b>(1,460)</b>	<b>4,439</b>	<b>11,120</b>
<b>Other recognised gains and losses</b>						
Actuarial gains / losses on pension scheme		(29)	-	-	<b>(29)</b>	(547)
<b>Net movement in funds</b>		<b>373</b>	<b>5,497</b>	<b>(1,460)</b>	<b>4,410</b>	<b>10,573</b>
Funds brought forward at 1 October 2019		18,898	49,100	18,969	<b>86,967</b>	76,394
<b>Funds carried forward 30 September 20</b>	21	<b>19,271</b>	<b>54,597</b>	<b>17,509</b>	<b>91,377</b>	<b>86,967</b>

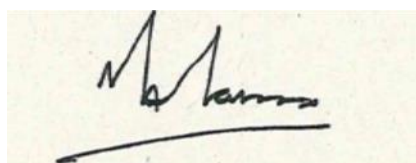
All the figures included in the above statement of financial activities derive from continuing activities of the charity.

## BALANCE SHEET

As at 30 September 2020

		2020		2019	
		Group	Charity	Group	Charity
	Note	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	14	<b>46,524</b>	<b>48,473</b>	29,057	30,094
Investments	16	<b>24,804</b>	<b>24,805</b>	25,288	25,289
		<b>71,328</b>	<b>73,278</b>	54,345	55,383
<b>Current assets</b>					
Debtors	17	<b>5,867</b>	<b>6,211</b>	6,966	7,343
Short term deposits		<b>8,825</b>	<b>8,825</b>	21,426	21,426
Cash at bank and in hand		<b>6,311</b>	<b>6,292</b>	5,591	4,896
		<b>21,003</b>	<b>21,328</b>	33,983	33,665
<b>Creditors:</b>					
amount falling due within one year	18	<b>(4,047)</b>	<b>(4,375)</b>	(3,570)	(3,256)
<b>Net current assets</b>		<b>16,956</b>	<b>16,953</b>	<b>30,413</b>	<b>30,409</b>
<b>Total assets less current liabilities</b>		<b>88,284</b>	<b>90,231</b>	84,758	85,792
Pension scheme asset	23	<b>1,146</b>	<b>1,146</b>	1,175	1,175
<b>Total net assets</b>		<b>89,430</b>	<b>91,377</b>	<b>85,933</b>	<b>86,967</b>
<b>Funds and reserves</b>					
<b>Charitable funds</b>					
Restricted funds	19	<b>17,498</b>	<b>17,509</b>	18,958	18,969
Unrestricted funds					
Designated funds					
Hammerson House building fund	20	<b>3,549</b>	<b>3,549</b>	17,117	17,117
Nightingale House building fund	20	<b>8,500</b>	<b>8,500</b>	8,500	8,500
Maintenance fund	20	<b>3,500</b>	<b>3,500</b>	3,500	3,500
Tangible fixed assets fund		<b>37,113</b>	<b>39,048</b>	18,958	19,983
		<b>52,662</b>	<b>54,597</b>	48,075	49,100
General fund		<b>18,124</b>	<b>18,125</b>	17,725	17,723
Pension reserve	23	<b>1,146</b>	<b>1,146</b>	1,175	1,175
	21	<b>89,430</b>	<b>91,377</b>	<b>85,933</b>	<b>86,967</b>

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



Director of corporate trustee  
Approved on: 24 June 2021

## CONSOLIDATED STATEMENTS OF CASH FLOW

For the year ended 30 September 2020

		2020	2019
		£'000	£'000
<b>Cash flows from operating activities</b>			
Net Cash provided (used in) by operating activities	A	168	(2,111)
<b>Cash flows from investing activities</b>			
Investment income		641	758
Income from capital fundraising		3,439	7,228
Purchase of tangible fixed assets		(17,928)	(11,317)
Proceeds from disposal of investments		22,299	6,164
Purchase of investments		(21,940)	(2,365)
Reclassification of cash as investments		-	(1,475)
<b>Net cashflow from investment activities</b>		<b>(13,489)</b>	<b>(1,007)</b>
Change in cash and cash equivalents in the year		(13,321)	(3,118)
Cash and cash equivalents at 1 October 2019		28,942	32,060
<b>Cash and cash equivalents at 30 September 2020</b>	B	<b>15,621</b>	<b>28,942</b>

### Notes to the consolidated statement of cash flows for the year to 30 Sept 2020

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

	2020	2019
	£'000	£'000
<b>Net movements in funds (as per the statement of financial activities)</b>	<b>3,497</b>	9,995
Adjustments for:		
Depreciation charge	1,023	1,003
Gains on listed investments	(1,315)	(887)
Investment income	(489)	(765)
(Increase) decrease in value of pension asset	29	565
Income from capital fundraising	(2,415)	(11,311)
(Increase) decrease in debtors	(77)	(656)
Increase (decrease) in creditors	(85)	(55)
<b>Net cash (used in) provided by operating activities</b>	<b>168</b>	<b>(2,111)</b>

B Analysis of cash and cash equivalents

	2020	2019
	£'000	£'000
Cash at bank and in hand	6,311	5,591
Short term deposits	8,825	21,426
Cash held with investment managers	485	1,925
<b>Total cash and cash equivalents</b>	<b>15,621</b>	<b>28,942</b>

The substantial disposals and purchases of investments were due to a change in fund managers.

## **NOTES TO THE ACCOUNTS**

### **1. PRINCIPAL ACCOUNTING POLICIES**

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 2020 with comparative information given in respect to the year to 30 September 2019.

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) first issued on 16 July 2014 with second edition issued in October 2019, 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 rounded to the nearest thousand pounds.

#### **Going Concern**

The directors have a reasonable expectation that the charity will continue to provide residential, nursing, dementia and palliative care for the foreseeable future despite the impact of the C-19 pandemic. The outbreak has impacted on the way the charity delivers some of its services in keeping with government's guidelines on social distancing measures, infection control and lockdown measures. During the first lockdown, the charity's care home in Clapham London was closed to new admissions for two months whilst infection control measures were put in place to safeguard existing and future residents. Since then, the charity has remained opened to new admissions. Although there was a decline in residential income, the group finished the financial year with a healthy cash balance. The group has also been able to complete its major redevelopment project of a 116-bed home in North London. Additionally, the charity's investment portfolio benefitted from favourable market movements. For these reasons, the directors continue to adopt the going concern basis in preparing the accounts.

#### **Basis of consolidation**

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

- Chalkford Limited, a UK trading subsidiary which is a property construction company.
- Friends of Nightingale House, a charitable trust no longer operational but having had the purpose of raising funds on behalf of Nightingale Hammerson.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 1. Principal Accounting Policy (continued)

- Camden Jewish Society, a charitable company limited by guarantee whose sole activity, until 31st December 2017, was the provision of sheltered accommodation and which is now dormant. Since 30 April 2015, Nightingale Hammerson has had management and voting control of Camden Jewish Society.

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
- 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
- determining the value of designated funds set aside at the year end.

### **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.

The group's main income source of income is from its charitable activities including care home residential, dementia and nursing fee income. Other income sources include donations, legacies, income from fundraising events, income from investments and interests from short term bank deposits and 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 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 it is probable that those conditions will be fulfilled in the reporting period.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 1. Principal Accounting Policy (continued)

Legacies are included in the statement of financial activities when the Charity 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.

Entitlement is taken as the earlier of the date on which the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity 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 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 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 being transferred to the Charity.

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 7. 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.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 1. Principal Accounting Policy (continued)

- 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 and the depreciation of those assets used for care purposes.

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, 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 (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 7 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.

## **NOTES TO THE ACCOUNTS (CONTINUED)**

### **1. Principal Accounting Policy (continued)**

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 subsidiary.

## **NOTES TO THE ACCOUNTS (CONTINUED)**

### **1. Principal Accounting Policy (continued)**

#### **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 converted into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted into sterling using the average rates of exchange ruling during the period.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 2. INCOME FROM DONATIONS AND LEGACIES

Group	General Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
	£'000	£'000	£'000	£'000
Donations:				
Revenue donations (excludes gift aid)	2,984	238	<b>3,222</b>	1,327
Hammerson House capital fund	-	2,415	<b>2,415</b>	10,711
Legacies				
Revenue donations	320	-	<b>320</b>	284
Capital fund	-	-	-	600
<b>2020 Total Funds</b>	<b>3,304</b>	<b>2,653</b>	<b>5,957</b>	12,922
2019 Total Fund	1,413	11,509	12,922	

	General Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
	£'000	£'000	£'000	£'000
<b>Charity</b>				
Donations:				
Revenue donations	3,852	238	<b>4,090</b>	1,878
Hammerson House capital fund	-	2,415	<b>2,415</b>	10,711
Legacies				
Revenue donations	320	-	<b>320</b>	284
Capital fund	-	-	-	600
<b>2020 Total Funds</b>	<b>4,172</b>	<b>2,653</b>	<b>6,825</b>	<b>13,473</b>
2019 Total Fund	1,964	11,509	13,473	

### 3. INCOME FROM INVESTMENTS

Group	General Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
	£'000	£'000	£'000	£'000
Income from listed investments by fund manager:				
Investment Income Veritas	144	-	<b>144</b>	235
Investment Income Schroders	168	25	<b>193</b>	111
Investment Income Goldman Sachs	38	6	<b>44</b>	160
	350	31	<b>381</b>	506
Rental income	8	-	<b>8</b>	8
Interest receivable	100	-	<b>100</b>	251
<b>2020 Total Funds</b>	<b>458</b>	<b>31</b>	<b>489</b>	765
2019 Total Fund	697	68	765	

## NOTES TO THE ACCOUNTS (CONTINUED)

### 3. INCOME FROM INVESTMENTS (CONTINUED)

	General Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
	£'000	£'000	£'000	£'000
<b>Charity</b>				
Income from listed investments by fund manager:				
Investment Income Veritas	144	-	<b>144</b>	235
Investment Income Schroders	168	25	<b>193</b>	111
Investment Income Goldman Sachs	38	6	<b>44</b>	160
	350	31	<b>381</b>	506
Rental income	8	-	<b>8</b>	8
Interest receivable	105	-	<b>105</b>	256
<b>2020 Total Funds</b>	<b>463</b>	<b>31</b>	<b>494</b>	770
2019 Total Fund	702	68	770	

### 4. INCOME FROM PROVISION OF RESIDENTIAL CARE AND NURSING

	General Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
	£'000	£'000	£'000	£'000
<b>Group and charity</b>				
Maintenance contributions receivable	9,975	-	<b>9,975</b>	10,815
<b>Total maintenance contributions receivable</b>	<b>9,975</b>	<b>-</b>	<b>9,975</b>	<b>10,815</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 5. EXPENDITURE ON GENERATING DONATIONS AND LEGACIES

	General Fund	Designated Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
<b>Group and Charity</b>	£'000	£'000	£'000	<b>£'000</b>	<b>£'000</b>
Staff costs	313	-	-	<b>313</b>	291
Fundraising, legacy and appeal expenses	285	-	-	<b>285</b>	94
Support costs (Note 7)	39	-	-	<b>39</b>	85
<b>2020 Total Funds</b>	<b>637</b>	-	-	<b>637</b>	<b>470</b>
2019 Total Fund	467	-	3	470	

### 6. EXPENDITURE ON PROVISION OF RESIDENTIAL CARE AND NURSING

	General Fund	Designated Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
<b>Group</b>	£'000	£'000	£'000	<b>£'000</b>	<b>£'000</b>
Staff costs	7,524	-	297	<b>7,821</b>	8,384
Catering and food	1,087	-	-	<b>1,087</b>	1,231
Premises day to day costs	1,198	-	21	<b>1,219</b>	1,407
Medical, care and welfare costs	799	-	33	<b>832</b>	572
Support costs (Note 7)	2,011	-	-	<b>2,011</b>	1,759
Depreciation (Note 14)	-	339	684	<b>1,023</b>	1,003
<b>2020 Total Funds</b>	<b>12,619</b>	<b>339</b>	<b>1,035</b>	<b>13,993</b>	<b>14,356</b>
2019 Total Fund	13,208	315	833	14,356	

	General Fund	Designated Fund	Restricted Fund	2020 Total Funds	2019 Total Funds
<b>Charity</b>	£'000	£'000	£'000	<b>£'000</b>	<b>£'000</b>
Staff costs	7,524	-	297	<b>7,821</b>	8,384
Catering and food	1,087	-	-	<b>1,087</b>	1,231
Premises day to day costs	1,198	-	21	<b>1,219</b>	1,407
Medical, care and welfare costs	799	-	33	<b>832</b>	572
Support costs (Note 7)	2,011	-	-	<b>2,011</b>	1,759
Depreciation (Note 14)	-	339	684	<b>1,023</b>	1,026
<b>2020 Total Funds</b>	<b>12,619</b>	<b>339</b>	<b>1,035</b>	<b>13,993</b>	<b>14,379</b>
2019 Total Fund	13,208	338	833	14,379	

## NOTES TO THE ACCOUNTS (CONTINUED)

### 7. SUPPORT COSTS

The support costs and the basis of their allocation were:

	Generating donations and legacies	Provisions of residential and nursing care	Total	Basis of apportionment
<b>Group and Charity</b>	£'000	£'000	<b>£'000</b>	
Support Staff Cost	23	1,082	<b>1,105</b>	Head count
Administrative and Governance costs	3	294	<b>297</b>	Floor space
Information and Communication				
Technology	4	255	<b>259</b>	Head count
Insurance	4	161	<b>165</b>	Head count
Human Resources and Volunteering	5	219	<b>224</b>	Head count
<b>2020 Total - Group and Charity</b>	<b>39</b>	<b>2,011</b>	<b>2,050</b>	

Staff costs include staff salaries as detailed in Note 10

### 8. UK TRADING SUBSIDIARY

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

	2020 £'000	2019 £'000
<b>Chalkford Limited</b>		
Turnover	<b>19,192</b>	12,621
Cost of sales	<b>(18,271)</b>	(12,020)
Administrative expenses	<b>(48)</b>	(45)
Operating profit	<b>873</b>	556
Interest payable	<b>(5)</b>	(5)
Profit before Gift Aid	<b>868</b>	551
Amount donated to Nightingale Hammerson	-	(551)
Retained profit	<b>868</b>	-

At 30 September 2020, Chalkford Limited had retained losses of £1k (2019: retained losses of £1k) and called up share capital of £1k (2019: £1k). The results and the balance sheet figures have been consolidated on a line by line basis within the accounts of Nightingale Hammerson.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 9. NET EXPENDITURE ON INCOMING RESOURCES FOR THE YEAR

This is stated before transfers but after charging:

	<b>General Fund</b>	<b>Designated Fund</b>	<b>Restricted Fund</b>	<b>2020 Total Funds</b>	<b>2019 Total Funds</b>
<b>Group</b>	£'000	£'000	£'000	<b>£'000</b>	£'000
Staff costs (Note 10)	8,940	-	297	<b>9,237</b>	9,722
Auditor's remuneration:					
Audit services - charity and consolidation	33	-	-	<b>33</b>	33
Other services	5	-	-	<b>5</b>	8
Depreciation (Note 14)	-	339	684	<b>1,023</b>	1,003

	<b>General Fund</b>	<b>Designated Fund</b>	<b>Restricted Fund</b>	<b>2020 Total Funds</b>	<b>2019 Total Funds</b>
<b>Charity</b>	£'000	£'000	£'000	<b>£'000</b>	£'000
Staff costs (Note 10)	8,940	-	297	<b>9,237</b>	9,722
Auditor's remuneration:					
Audit services - charity and consolidation	30	-	-	<b>30</b>	30
Other services	4	-	-	<b>4</b>	11
Depreciation (Note 14)	-	339	684	<b>1,023</b>	1,026

### 10. STAFF COSTS

	<b>2020</b>	<b>2019</b>
<b>Group and charity</b>	<b>£'000</b>	£'000
Wages and salaries	<b>7,732</b>	7,925
Social security costs	<b>706</b>	689
Other Pension costs	<b>222</b>	209
	<b>8,660</b>	8,823
Payments to agency	<b>517</b>	789
Redundancy costs	<b>60</b>	45
Past service pension cost	<b>-</b>	65
	<b>9,237</b>	9,722

## NOTES TO THE ACCOUNTS (CONTINUED)

### 10. STAFF COSTS (Continued)

Of payments to agency staff, £380k (2019: £442k) represents payments in respect of one to one care provision to residents. No director of the corporate trustee received any remuneration or expenses from the group or charity during the year (2019 - £nil). 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) were as follows:

	2020	2019
£60,000 - £70,000	2	2
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1

Of those employees who earned £60,000 or more during the year (as defined above), employer contributions totalling £31,625 (2019: £36,280) were made to defined contribution schemes in respect of seven (2019: seven) of them. No contributions were made to defined benefit schemes (2019: £nil).

The total remuneration, including benefits, employers pension contributions and employers national insurance contributions, paid to key management personnel in the year was £689k (2019: £647k).

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

	2020	2019
Generating funds	6	6
Residential and nursing care services	327	338
	<b>333</b>	<b>344</b>

### 11. TRUSTEES' REMUNERATION AND EXPENSES

No director of the corporate trustee received any remuneration or expenses from the group or charity during the year (2019: £nil).

The nature of the charity's activities means that from time to time relatives of the directors of the corporate trustee or staff may be cared for by the Charity. In 2020, one director of the corporate trustee had a relative cared for by the charity and all fees were set at arm's length (2019: one).

## NOTES TO THE ACCOUNTS (CONTINUED)

### 12. 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 (2019 - £10m) and the total premium paid in respect of such insurance was £12k (2019 - £8k).

### 13. 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 Gift Aid each year.

### 14. TANGIBLE FIXED ASSETS

	<b>Freehold Property</b>	<b>Assets under Construction</b>	<b>Plant</b>	<b>Furniture, Equipment and Motor Vehicles</b>	<b>2020 Total</b>
<b>Group</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>					
At 1 October 2019	45,644	15,405	1,342	1,785	<b>64,176</b>
Additions	81	18,280	95	34	<b>18,490</b>
Disposals	-	-	-	-	-
At 30 September 2020	45,725	33,685	1,437	1,819	<b>82,666</b>
<b>Depreciation</b>					
At 1 October 2019	33,325	-	503	1,291	<b>35,119</b>
Charge for year	809	-	121	93	<b>1,023</b>
Disposals	-	-	-	-	-
At 30 September 2020	34,134	-	624	1,384	<b>36,142</b>
<b>Net book values</b>					
At 30 September 2020	11,591	33,685	813	435	<b>46,524</b>
At 30 September 2019	12,319	15,405	839	494	<b>29,057</b>

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

Within the fixed assets is a property, Belmont Lodge, with net book value of £690k. Prior to the balance sheet date, trustees decided to market it for sale as it is surplus to requirement.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 14. TANGIBLE FIXED ASSETS (CONTINUED)

	Freehold Property	Assets under Construction	Plant	Furniture, Equipment and Motor Vehicles	2020 Total
<b>Charity Cost</b>	£'000	£'000	£'000	£'000	£'000
At 1 October 2019	45,994	16,079	1,403	1,826	<b>65,302</b>
Additions	81	19,192	95	34	<b>19,402</b>
Disposals	-	-	-	-	-
At 30 September 2020	46,075	35,271	1,498	1,860	<b>84,704</b>
<b>Depreciation</b>					
At 1 October 2019	33,349	-	529	1,330	<b>35,208</b>
Charge for year	809	-	121	93	<b>1,023</b>
Disposals	-	-	-	-	-
At 30 September 2020	34,158	-	650	1,423	<b>36,231</b>
<b>Net book values</b>					
At 30 September 2020	11,917	35,271	848	437	<b>48,473</b>
At 30 September 2019	12,645	16,079	874	496	<b>30,094</b>

### 15. FINANCIAL COMMITMENTS

In December 2016 the directors of Nightingale Hammerson approved plans for a major development of the accommodation and facilities at Hammerson House. With an estimated cost of £41.5m (excluding demolition costs), the project involved redeveloping Hammerson House into a 116-bed care home with state of the art facilities, technology and fully furnished.

The Design and Build contract of the new Hammerson House was awarded to Chalkford Limited. In September 2018 a contract was signed between Chalkford Limited and the main contractor for the project for the sum of £38.9m. As at 30 September 2020, a total of £33.1m (2019: £14.7m) had been incurred under the build contract with £5.8m (2019: £21.5m) of costs committed but not yet incurred. A further £2.6m (2019: £5.7m) had been authorised but not yet contracted.

At 30 September 2020, 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 (2019 – £nil).

## NOTES TO THE ACCOUNTS (CONTINUED)

### 16. FIXED ASSET INVESTMENTS

	Investment Property	Listed Investments	2020 Total	2019 Total
<b>Group</b>	£'000	£'000	£'000	£'000
Market value at 1 October 2019	300	23,063	<b>23,363</b>	24,800
Additions at cost	-	21,940	<b>21,940</b>	2,365
Disposals at book value (proceeds:£22.3m with realised loss of £0.32m)	-	(22,621)	<b>(22,621)</b>	(6,407)
Reclassification from cash	-	-	-	1,475
Net unrealised investment gains	-	1,637	<b>1,637</b>	1,130
Market value at 30 September 2020	300	24,019	<b>24,319</b>	23,363
Cash awaiting investment		485	<b>485</b>	1,925
<b>Market value at 30 September 2020</b>	<b>300</b>	<b>24,504</b>	<b>24,804</b>	<b>25,288</b>
Cost of Investments at 30 September 2020	238	20,347	20,585	16,414

	Shares in subsidiary company	Investment Property	Listed Investments	2020 Total	2019 Total
<b>Charity</b>	£'000	£'000	£'000	£'000	£'000
Market value at 1 October 2019	1	300	23,063	<b>23,364</b>	24,801
Additions at cost	-	-	21,940	<b>21,940</b>	2,365
Disposals at book value (proceeds:£22.3m with realised loss of £0.32m)	-	-	(22,621)	<b>(22,621)</b>	(6,407)
Reclassification cash	-	-	-	-	1,475
Net unrealised investment gains	-	-	1,637	<b>1,637</b>	1,130
	1	300	24,019	<b>24,320</b>	23,364
Cash awaiting investment			485	<b>485</b>	1,925
	-	-	-	-	-
<b>Market value at 30 September 2020</b>	<b>1</b>	<b>300</b>	<b>24,504</b>	<b>24,805</b>	<b>25,289</b>
Cost of Investments at 30 September 2020	1	238	20,347	20,586	16,415

#### Listed Investments

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

Listed Investments held at 30 September 2020 comprised the following:

	Listed Investments	2020 Total	2019 Total	2019 Total
<b>Group and Charity</b>	%	£'000	£'000	%
Fixed Interest	21%	<b>4,963</b>	6,854	30%
Equities	66%	<b>15,913</b>	12,970	56%
Alternatives	10%	<b>2,455</b>	356	2%
Multi-assets funds	2%	<b>402</b>	-	0%
Cash Instalments and unit funds	1%	<b>286</b>	2,883	12%
	100%	<b>24,019</b>	23,063	100%

## NOTES TO THE ACCOUNTS (CONTINUED)

### 16. FIXED ASSET INVESTMENTS (CONTINUED)

At 30 September 2020, the following investments holdings had a material value when compared to the market value of the total portfolio of listed investments as at that date.

	<b>Listed Investments</b>	<b>2020 Total</b>	<b>2019 Total</b>	<b>2019 Total</b>
<b>Group and Charity</b>	%	£'000	£'000	%
Goldman Sachs sterling liquid reserves class R shares	-	-	1762	8%
Vanguard FTSE All-World UCITS	22%	2,588	-	-

### 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 Undertaking

At 30 September 2020, Nightingale Hammerson owned the entire called up share capital of the following company:

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

### 17. DEBTORS

	<b>2020</b>		<b>2019</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Maintenance contributions	<b>689</b>	<b>689</b>	549	549
Amount due from subsidiary undertaking (Note 24)	-	<b>1,268</b>	-	951
Legacies receivable	<b>101</b>	<b>101</b>	743	743
Donations pledged	<b>3,659</b>	<b>3,659</b>	4,683	4,683
Other accrued income	<b>14</b>	<b>14</b>	166	166
Other debtors	<b>504</b>	<b>419</b>	139	151
Prepayments	<b>61</b>	<b>61</b>	100	100
VAT debtor	<b>839</b>	-	586	-
	<b>5,867</b>	<b>6,211</b>	<b>6,966</b>	<b>7,343</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 18. CREDITORS – AMOUNT FALLING DUE WITHIN ONE YEAR

	2020		2019	
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Amounts held on behalf of residents	473	473	494	494
Maintenance contributions received in advance	310	310	214	214
Expense creditors	187	187	324	324
Capital creditors	2,212	-	1,650	-
Social security and other taxation	184	184	180	191
Other creditors	311	311	426	429
Accruals	370	370	282	284
Amount due to subsidiary undertaking (Note 24)	-	2,540	-	1,320
	<b>4,047</b>	<b>4,375</b>	<b>3,570</b>	<b>3,256</b>

### 19. 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:

	At 1 October 2019	Income	Expenditure	Gains, losses and transfers	At 30 September 2020
Group	£'000	£'000	£'000	£'000	£'000
Nightingale House Fixed Assets Fund	10,096	-	(684)	-	9,412
Nightingale House Capital Fund	600	-	-	-	600
Hammerson House Capital Fund	4,683	2,415	-	(3,439)	3,659
Weinberg Funds	3,188	31	-	-	3,219
Donations Special Purpose	79	227	(2)	-	304
Janet and Howard Bloch funds	234	-	-	-	234
Nursery fund	4	1	(3)	-	2
Intergenerational fund	37	1	(7)	-	31
Infection control Grant	-	330	(330)	-	-
Other restricted funds	37	9	(9)	-	37
	<b>18,958</b>	<b>3,014</b>	<b>(1,035)</b>	<b>(3,439)</b>	<b>17,498</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 19. RESTRICTED FUNDS (continued)

	At 1 October 2019	Income	Expenditure	Gains, losses and transfers	At 30 September 2020
<b>Charity</b>	£'000	£'000	£'000	£'000	£'000
Nightingale House Fixed Assets Fund	10,109	-	(684)	-	9,425
Nightingale House Capital Fund	600	-	-	-	600
Hammerson House Capital Fund	4,683	2,415	-	(3,439)	3,659
Weinberg Funds	3,188	31	-	-	3,219
Donations Special Purpose	79	227	(2)	-	304
Janet and Howard Bloch funds	234	-	-	-	234
Nursery fund	4	1	(3)	-	2
Intergenerational fund	37	1	(7)	-	31
Infection control Grant	-	330	(330)	-	-
Other restricted funds	35	9	(9)	-	35
	<b>18,969</b>	<b>3,014</b>	<b>(1,035)</b>	<b>(3,439)</b>	<b>17,509</b>

#### **Nightingale House Fixed Assets 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**

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 used to provide additional services for the residents, specifically in terms of activities, and the provision of training.

#### **Nursery Fund**

This fund comprises 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.

#### **Intergenerational Fund**

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

#### **Infection control Grant**

Government grant received to provide support with C-19 infection control costs

## NOTES TO THE ACCOUNTS (CONTINUED)

### 20. DESIGNATED FUNDS

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

	At 1 October 2019	New designations and transfers	Utilised / released	At 30 September 2020
<b>Group</b>	£'000	£'000	£'000	£'000
Hammerson House building fund	17,117	(14,841)	1,273	<b>3,549</b>
Nightingale House building fund	8,500	-	-	<b>8,500</b>
Maintenance fund	3,500	-	-	<b>3,500</b>
	29,117	(14,841)	1,273	<b>15,549</b>
Hammerson House tangible fixed assets fund	15,405	18,280	-	<b>33,685</b>
Nightingale House tangible fixed assets fund	3,553	214	(339)	<b>3,428</b>
	<b>48,075</b>	<b>3,653</b>	<b>934</b>	<b>52,662</b>

	At 1 October 2019	New designations and transfers	Utilised / released	At 30 September 2020
<b>Charity</b>	£'000	£'000	£'000	£'000
Hammerson House building fund	17,117	(15,753)	2,185	<b>3,549</b>
Nightingale House building fund	8,500	-	-	<b>8,500</b>
Maintenance fund	3,500	-	-	<b>3,500</b>
	29,117	(15,753)	2,185	<b>15,549</b>
Hammerson House tangible fixed assets fund	16,079	19,192	-	<b>35,271</b>
Nightingale House tangible fixed assets fund	3,904	212	(339)	<b>3,777</b>
	<b>49,100</b>	<b>3,651</b>	<b>1,846</b>	<b>54,597</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 20. DESIGNATED FUNDS (CONTINUED)

#### *Hammerson House building fund*

This comprises monies set aside by the directors to provide funds for the completion and furnishing 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 tangible fixed assets fund*

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

#### *Nightingale House tangible fixed assets fund*

The tangible fixed assets fund comprises the net book value of the charity's tangible fixed assets (excluding those accounted for 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.

### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>2020 Total</b>
<b>Group</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fund balances at 30 September 2020 are represented by:</b>				
Tangible fixed assets	-	37,112	9,412	<b>46,524</b>
Investments	21,585	-	3,219	<b>24,804</b>
Current assets	586	15,550	4,867	<b>21,003</b>
Current liabilities	(4,047)	-	-	<b>(4,047)</b>
Pension scheme asset	1,146	-	-	<b>1,146</b>
<b>Total net assets</b>	<b>19,270</b>	<b>52,662</b>	<b>17,498</b>	<b>89,430</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	General funds	Designated funds	Restricted funds	2020 Total
<b>Charity</b>	£'000	£'000	£'000	<b>£'000</b>
<b>Fund balances at 30 September 2020 are represented by:</b>				
Tangible fixed assets	-	39,048	9,425	<b>48,473</b>
Investments	21,586	-	3,219	<b>24,805</b>
Current assets	914	15,549	4,865	<b>21,328</b>
Current liabilities	(4,375)	-	-	<b>(4,375)</b>
Pension scheme asset	1,146	-	-	<b>1,146</b>
<b>Total net assets</b>	<b>19,271</b>	<b>54,597</b>	<b>17,509</b>	<b>91,377</b>

### 22. ANALYSIS OF UNREALISED GAINS / LOSSES

	General funds	Designated funds	Restricted funds	2020 Total
<b>Group and Charity</b>	£'000	£'000	£'000	<b>£'000</b>
Accumulated gains on listed investments	3,617	-	540	<b>4,157</b>
Accumulated gains on property	62	-	-	<b>62</b>
<b>Total</b>	<b>3,679</b>	<b>-</b>	<b>540</b>	<b>4,219</b>
Reconciliation of movements in unrealised gains (losses)				
Unrealised gains at 1 October 2019	5,159	-	315	<b>5,474</b>
Less: cumulative unrealised losses released from disposals	(2,517)	-	(375)	<b>(2,892)</b>
Add: Net unrealised gains on listed investments in year	1,425	-	212	<b>1,637</b>
Reallocation between funds in year	(388)	-	388	<b>-</b>
<b>Accumulated unrealised gains</b>	<b>3,679</b>	<b>-</b>	<b>540</b>	<b>4,219</b>

### 23. 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 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 23. PENSION COMMITMENTS (CONTINUED)

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.

<b>Present values of defined benefit obligation, fair value of assets and defined benefit asset</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Fair value of plan assets	<b>5,107</b>	5,136
Present value of defined benefit obligation	<b>(3,961)</b>	(3,961)
Defined benefit asset at 30 September	<b>1,146</b>	1,175

<b>Reconciliation of opening and closing balances of the defined benefit obligation</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Defined benefit obligation at start of period	<b>3,961</b>	3,458
Interest expense	<b>70</b>	92
Actuarial losses	<b>50</b>	462
Benefits paid and expenses	<b>(120)</b>	(116)
Losses due to past service costs	-	65
Defined benefit obligation at end of period	<b>3,961</b>	3,961

In line with last year's disclosures, a 1.61% GMP equalisation has been applied to the liabilities to allow for the impact on liabilities from the GMP equalisation ruling. Following the judgement of the High Court on 20 November 2020, transfers out of the Scheme between May 1990 and October 2018 need to be revisited and equalised for GMP (if applicable). No allowance had been made in the disclosure for GMP equalisation in the calculation of the benefit obligation as the ruling was made after the effective date of the disclosures.

<b>Reconciliation of opening and closing balances of the fair value of plan assets</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Fair value of plan assets at start of period	<b>5,136</b>	5,198
Interest income	<b>91</b>	139
Actuarial gains / (losses)	-	(85)
Benefits paid and expenses	<b>(120)</b>	(116)
Fair value of plan assets at end of period	<b>5,107</b>	5,136

## NOTES TO THE ACCOUNTS (CONTINUED)

### 23. PENSION COMMITMENTS (CONTINUED)

The actual return on the plan assets over the period ended 30 September 2020 was £91k .

	2020 £'000	2019 £'000
<b>Defined benefit costs recognised in Statement of Financial Activities</b>		
Current service cost	-	-
Past service cost arising from GMP equalisation	-	65
Defined benefit costs recognised in Statement of Financial Activities	-	<b>65</b>

	At 30 September 2020 £'000	At 30 September 2019 £'000
<b>Defined benefit costs recognised in other comprehensive income</b>		
Gain / (loss) on plan assets (excluding amounts included in net interest cost)	-	(85)
Experience gain arising on plan liabilities	<b>17</b>	(6)
Gain resulting from changes in the demographic and financial assumptions underlying the present value of plan liabilities	<b>(67)</b>	(456)
Gain / (loss) from changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	<b>50</b>	612
Total gain recognised in other comprehensive income	-	<b>65</b>

	At 30 September 2020 £'000	At 30 September 2019 £'000
<b>Assets</b>		
UK Equities	<b>828</b>	992
Overseas Equities	<b>1,719</b>	1,614
Corporate Bonds	<b>2,312</b>	2,285
Government Bonds	<b>229</b>	226
Cash / Other	<b>19</b>	19
<b>Total Assets</b>	<b>5,107</b>	<b>5,136</b>

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.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 23. PENSION COMMITMENTS (CONTINUED)

<b>Assumptions</b>	<b>At 30 September 2020 %</b>	<b>At 30 September 2019 %</b>
Discount Rate	<b>1.00</b>	1.00
Inflation (RPI)	<b>3.00</b>	3.20
Salary growth		
Allowance for revaluation of deferred pensions of RPI or 5% if less	<b>3.00</b>	3.20
Allowance for revaluation of deferred pensions of RPI or 2.5% if less	<b>2.50</b>	2.50
Allowance for pension in payment increases of RPI or 5% if less	<b>2.90</b>	3.10
Allowance for pension in payment increases of RPI or 2.5% if less	<b>2.00</b>	2.10
Allowance for commutation of pension for cash at retirement	<b>25% of capitalised value of member's pension commuted for cash</b>	25% of capitalised value of member's pension commuted for cash

The mortality assumptions adopted at 30 September 2020 imply the following life expectancies at age 65:

	<b>2020</b>	<b>2019</b>
<b>Retiring today / current pensioners</b>		
Males	<b>21.8</b>	21.6
Females	<b>23.7</b>	23.5
<b>Retiring in 20 years / future pensioners</b>		
Males	<b>23.1</b>	22.6
Females	<b>25.2</b>	24.7

The best estimate of contributions to be paid by the employer to the scheme for the period commencing 1 October 2020 is £nil (2019: £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 cost in respect to personal pension plans and auto enrolment schemes for the year was £0.22m (2019 - £0.21m).

## **NOTES TO THE ACCOUNTS (CONTINUED)**

### **24. RELATED PARTY TRANSACTIONS**

#### **Chalkford Limited**

Chalkford Limited became a wholly owned subsidiary of Nightingale House on 2 March 2004 and continues as a wholly owned subsidiary of Nightingale Hammerson post-merger. Three directors of Nightingale Hammerson Trustee Company Limited, Harvey Rosenblatt, David Winton and Eli Shahmoon are also the directors of Chalkford Limited.

Chalkford Limited made charitable contributions of £0.87m to Nightingale Hammerson during the year to 30 September 2020 (2019 - £0.55m). At 30 September 2020 Chalkford Limited owed Nightingale Hammerson £0.40m (2019: £0.40m) in accordance with a loan facility and a further £0.87m (2019: £0.55m) being charitable contributions payable to Nightingale Hammerson in respect to the year ended 30 September 2020. At 30 September 2020, Nightingale Hammerson owed Chalkford Limited £2.54m (2019: £1.32m) 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. On 31 December 2017, the activities, assets and liabilities of Camden Jewish Society were transferred to Nightingale Hammerson Trustee Company. The charity has remained dormant from this date.

#### **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 2020, Nightingale Hammerson received a donation, under Gift Aid, of £6,086 (2019 - £9,605) from Bantent Limited.

#### **Trustees donations**

During the year the charity received donations totalling £228,726 from 12 of the charity's Trustees and organisations to which they are connected (2019 - £101,075 from 9 trustees and connected organisations). In addition, £127,500 (2019 - £214,150) was received from the Vice President and organisations to which she is connected.

During the year, the charity purchased PPE equipment from Shieldware Limited, a company in which Melvin Lawson, one of the charity's trustees, is a controlling shareholder. The company was selected as a supplier after carrying out a detailed review in line with the charity's normal procurement process and the transactions were conducted on normal commercial terms. The value of PPE equipment purchased from the company during the year was £18,950 (including VAT). The trustee concerned made a donation to the charity to cover the cost of the PPE purchased.

### **25. POST BALANCE SHEET EVENTS**

After the balance sheet date, the charity received a settlement of £30k for losses suffered due to a lift malfunction, a condition that existed in prior year but for which an agreement was reached after the balance sheet date.

# NOTES TO THE ACCOUNTS (CONTINUED)

## 26. COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS

### Consolidated Statement of Financial Activities

	Unrestricted funds			2019
	General fund £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
<b>Income from:</b>				
Donations and legacies				
Revenue purposes	1,964	—	198	<b>2,162</b>
Capital purposes	—	—	11,311	<b>11,311</b>
Investments and short term deposits	702	—	68	<b>770</b>
Charitable activities				
Provision of residential and nursing care	10,815	—	—	<b>10,815</b>
Funds acquired from subsidiary	276	—	—	<b>276</b>
Other sources				
<b>Total income</b>	<b>13,757</b>	<b>—</b>	<b>11,577</b>	<b>25,334</b>
<b>Expenditure on:</b>				
Raising funds				
Generating donations and legacies	467	—	3	<b>470</b>
Investment management costs	169	—	—	<b>169</b>
Charitable activities				
Provision of residential and nursing care				
	13,208	338	833	<b>14,379</b>
<b>Total expenditure</b>	<b>13,844</b>	<b>338</b>	<b>836</b>	<b>15,018</b>
<b>Net income (expenditure) for the year before gains (losses) on investments</b>	<b>(87)</b>	<b>(338)</b>	<b>10,741</b>	<b>10,316</b>
<b>Transfers between funds</b>	<b>(3,600)</b>	<b>10,848</b>	<b>(7,248)</b>	<b>—</b>
<b>Gains (losses) on investments</b>				
Realised gains (losses) on disposal of investments	(243)	—	—	<b>(243)</b>
Unrealised gains (losses) on listed investments	1,130	—	—	<b>1,130</b>
FX movements on currency swaps	(83)	—	—	<b>(83)</b>
	804	—	—	<b>804</b>
<b>Net income (expenditure) for the year</b>	<b>(2,883)</b>	<b>10,510</b>	<b>3,493</b>	<b>11,120</b>
<b>Other recognised gains and losses</b>				
Actuarial gains / (losses) on pension scheme	(547)	—	—	<b>(547)</b>
<b>Net movement in funds</b>	<b>(3,430)</b>	<b>10,510</b>	<b>3,493</b>	<b>10,573</b>
<b>Balances brought forward at October 2018</b>	<b>25,103</b>	<b>35,815</b>	<b>15,476</b>	<b>76,394</b>
<b>Balances carried forward at 30 September 2019</b>	<b>21,673</b>	<b>46,325</b>	<b>18,969</b>	<b>86,967</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 26. COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS (CONTINUED)

#### Charity Statement of Financial Activities

	Unrestricted funds			2019
	General fund £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
<b>Income from:</b>				
Donations and legacies				
Revenue purposes	1,964	—	198	<b>2,162</b>
Capital purposes	—	—	11,311	<b>11,311</b>
Investments and short term deposits	702	—	68	<b>770</b>
Charitable activities				
Provision of residential and nursing care	10,815	—	—	<b>10,815</b>
Funds acquired from subsidiary	276	—	—	<b>276</b>
Other sources				
<b>Total income</b>	<b>13,757</b>	<b>—</b>	<b>11,577</b>	<b>25,334</b>
<b>Expenditure on:</b>				
Raising funds				
Generating donations and legacies	467	—	3	<b>470</b>
Investment management costs	169	—	—	<b>169</b>
Charitable activities				
Provision of residential and nursing care	13,208	338	833	<b>14,379</b>
<b>Total expenditure</b>	<b>13,844</b>	<b>338</b>	<b>836</b>	<b>15,018</b>
<b>Net income (expenditure) for the year before gains (losses) on investments</b>	<b>(87)</b>	<b>(338)</b>	<b>10,741</b>	<b>10,316</b>
<b>Transfers between funds</b>	<b>(3,600)</b>	<b>10,848</b>	<b>(7,248)</b>	<b>—</b>
<b>Gains (losses) on investments</b>				
Realised gains (losses) on disposal of investments	(243)	—	—	<b>(243)</b>
Unrealised gains (losses) on listed investments	1,130	—	—	<b>1,130</b>
FX movements on currency swaps	(83)	—	—	<b>(83)</b>
	804	—	—	<b>804</b>
<b>Net income (expenditure) for the year</b>	<b>(2,883)</b>	<b>10,510</b>	<b>3,493</b>	<b>11,120</b>
<b>Other recognised gains and losses</b>				
Actuarial gains / (losses) on pension scheme	(547)	—	—	<b>(547)</b>
<b>Net movement in funds</b>	<b>(3,430)</b>	<b>10,510</b>	<b>3,493</b>	<b>10,573</b>
<b>Balances brought forward at 1 October 2018</b>	<b>25,103</b>	<b>35,815</b>	<b>15,476</b>	<b>76,394</b>
<b>Balances carried forward at 30 September 2019</b>	<b>21,673</b>	<b>46,325</b>	<b>18,969</b>	<b>86,967</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 26. COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS (CONTINUED)

#### Income from donations and legacies

<b>Group</b>	General fund £'000	Restricted funds £'000	<b>2019 Total funds £'000</b>
Donations			
Revenue donations	1,129	198	<b>1,327</b>
Hammerson House capital fund	—	10,711	<b>10,711</b>
Legacies			
Revenue legacies	284	—	<b>284</b>
Capital funds	—	600	<b>600</b>
<b>2019 Total funds</b>	<b>1,413</b>	<b>11,509</b>	<b>12,922</b>

<b>Charity</b>	General fund £'000	Restricted funds £'000	<b>2019 Total funds £'000</b>
Donations			
Revenue donations	1,680	198	<b>1,878</b>
Hammerson House capital fund	—	10,711	<b>10,711</b>
Legacies			
Revenue legacies	284	—	<b>284</b>
Capital funds	—	600	<b>600</b>
<b>2019 Total funds</b>	<b>1,964</b>	<b>11,509</b>	<b>13,473</b>

#### Income from investments and short term deposits

<b>Group</b>	General fund £'000	Designated fund £'000	Restricted funds £'000	<b>2019 Total funds £'000</b>
Income from listed investments				
UK corporate loan stock	187	—	48	<b>235</b>
Foreign loan stock	91	—	20	<b>111</b>
Equities	160	—	—	<b>160</b>
	438	—	68	<b>506</b>
Rental income	8	—	—	<b>8</b>
Interest receivable	251	—	—	<b>251</b>
<b>2019 Total funds</b>	<b>697</b>	<b>—</b>	<b>68</b>	<b>765</b>

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

# NOTES TO THE ACCOUNTS (CONTINUED)

## 26. COMPARATIVE FIGURES WITH FULL ANALYSIS BETWEEN FUNDS (CONTINUED)

### Expenditure on provision of residential and nursing care

Group	General fund £'000	Designated funds £'000	Restricted funds £'000	2019 Total funds £'000
Staff costs	8,327	—	57	<b>8,384</b>
Catering and food	1,231	—	—	<b>1,231</b>
Premises day to day costs	1,401	—	6	<b>1,407</b>
Medical, care and welfare costs	509	—	63	<b>572</b>
Support costs	1,744	—	19	<b>1,759</b>
Depreciation	—	315	688	<b>1,003</b>
<b>2019 Total funds</b>	<b>13,208</b>	<b>315</b>	<b>833</b>	<b>14,356</b>

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	2019 Total funds £'000
Staff costs	8,327	—	57	<b>8,384</b>
Catering and food	1,231	—	—	<b>1,231</b>
Premises day to day costs	1,401	—	6	<b>1,407</b>
Medical, care and welfare costs	509	—	63	<b>572</b>
Support costs	1,740	—	19	<b>1,759</b>
Depreciation	—	338	688	<b>1,026</b>
<b>2019 Total funds</b>	<b>13,208</b>	<b>338</b>	<b>833</b>	<b>14,379</b>

Group	Generating donations and legacies £'000	Provision of residential and nursing care £'000	Total £'000	Basis of apportionment
Staff costs	20	1,067	<b>1,087</b>	Time apportioned
Premises costs	15	59	<b>74</b>	Floor space
Office costs	49	595	<b>644</b>	Pro rata expenditure
Other costs	—	—	—	Pro rata expenditure
Governance costs	1	38	<b>39</b>	Pro rata expenditure
<b>2019 Total</b>	<b>85</b>	<b>1,759</b>	<b>1,844</b>	

Charity	Generating donations and legacies £'000	Provision of residential and nursing care £'000	Total £'000	Basis of apportionment
Staff costs	20	1,067	<b>1,087</b>	Time apportioned
Premises costs	15	59	<b>74</b>	Floor space
Office costs	49	595	<b>644</b>	Pro rata expenditure
Other costs	—	—	—	Pro rata expenditure
Governance costs	1	38	<b>39</b>	Pro rata expenditure
<b>2019 Total</b>	<b>85</b>	<b>1,759</b>	<b>1,844</b>	

## **TRUSTEE BIOGRAPHIES**

### **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. Between 2008 and 2016 he served as Chairman of Nightingale Hammerson.

### **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.

### **David Winton – Honorary Joint Treasurer**

David is a 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 to 2015.

### **John Reizenstein – Honorary Joint Treasurer**

John joined the Board of Nightingale Hammerson in 2018. He is also Chairman of Farm Africa, a member of the Boards of Scottish Widows and 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.

### **Carolyn Balcombe**

Carolyn was responsible for the retail division of the Chinacraft Group of Companies which consisted of a number of high street stores selling fine china and glass to an international customer base. She was one of the first women to be elected onto the Western Marble Arch Synagogue Board of Management where she stayed for over 10 years. Carolyn has a long standing family association with Nightingale Hammerson and in 2015, she co-chaired the last stages of the Nightingale Hammerson Campaign Dinner. In 2018 and 2020 she co-chaired both dinners from initial concept to implementation. She joined the Board in 2020.

### **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.

### **Daniel Dayan**

Daniel is a professional mechanical engineer and business executive, who has spent many years in manufacturing industry worldwide. His experiences in recent years have been as Chief Executive and Chair, of both private and public companies. He has been a charity trustee for many years, including becoming Deputy Chair of Freedom from Torture, and co-founded the Wimbledon Synagogue Ark Project, which has supported a family of Syrian refugees to settle in the UK.

## **TRUSTEE BIOGRAPHIES (CONTINUED)**

### **Jacqueline Morris**

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

### **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.

### **Keith Barnett**

Keith is a partner and Head of Real Estate at City law firm, Taylor Wessing LLP. Prior to that he was a founding partner of Andersen Legal. He has been listed in The Lawyer magazine's list of top 100 lawyers. Active in the Jewish Community, he has chaired the Hampstead Garden Suburb Synagogue and has been a Trustee and Vice-President of the United Synagogue. Keith is a Trustee of the Chief Rabbinate Trust and is an external adviser to a number of Jewish and non-Jewish charities. He brings extensive property, legal and community knowledge to the Board.

### **Rosalind Taylor**

Ros is a palliative care physician who has worked many years in the hospice world, most recently in the palliative care team at the Royal Marsden Hospital. She was CEO and Medical Director at the Hospice of St Francis in Berkhamsted, Herts for 18 years and then Clinical Director at Hospice UK, a national charity supporting the development of palliative care throughout the UK. She has a particular interest in care home medicine and chairs Nightingale Hammerson's Care Quality Improvement Board. She received an MBE for services to hospice care in 2014, and remains in clinical practice at the Michael Sobell Hospice at Mount Vernon Hospital.

### **Susan Grant**

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