

**Nightingale
Hammerson
(formerly Nightingale
House)**

**Annual Report and
Consolidated Accounts**

30 September 2014

Charity Registration Number
207316

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Reference and administrative information

Registered name	Nightingale Hammerson
Registered charity number	Registered charity number 207316 governed by a scheme made by the Charity Commission on 30 March 2012
Principal office	105 Nightingale Lane London SW12 8NB
Telephone	020 8673 3495
Facsimile	020 8675 2258
Website	www.nightingalehammerson.org
Life Patrons	Dame Vivien Duffield DBE Mrs Sue Hammerson CBE (deceased 15 May 2014)
President	Gerald Lipton MBE
Vice President	Patricia Beecham
Corporate trustee	Nightingale Hammerson Trustee Company Limited

Reference and administrative information

Directors of the corporate trustee

Chairman	Harvey Rosenblatt
Deputy Chairman	David Winton
Honorary Treasurers	Timothy Angel OBE
	David Tyler
	David Winton

Other directors of the Corporate Trustee

Eleanor Angel
Stephanie Brada
Susan Grant
Colin Green
Peter Green
Melvin Lawson
Greg Scott
Eli Shahmoon (appointed 28 January 2015)
Judy Wiseman

Chief Executive

Helen Simmons (appointed
November 2013)
Leon Smith (until November 2013)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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

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

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

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

Report of the directors of the corporate trustee Year to 30 September 2014

Introduction

The directors of the corporate trustee (hereafter referred to as 'directors') present their statutory report together with the accounts of Nightingale Hammerson (Nightingale) for the year ended 30 September 2014.

On 30 April 2012 Hammerson Home Charitable Trust merged with Nightingale House. The name of the charity was changed from Nightingale House to Nightingale Hammerson.

Nightingale Hammerson has a corporate trustee (Nightingale Hammerson Trustee Company Limited). The directors of this company meet on a regular basis as the Trustee Board of the Charity.

These accounts have been prepared in accordance with the accounting policies set out on pages 28 to 31 of the attached accounts and comply with the charity's governing document, applicable laws and the requirements of Statement of Recommended Practice on 'Accounting and Reporting by Charities' issued in March 2005.

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

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

Vision, mission and values

Vision

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

Mission

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

Report of the directors of the corporate trustee Year to 30 September 2014

Vision, mission and values (continued)

Values

Compassion

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

Respect

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

Excellence

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

Dignity

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

Integrity

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

Nightingale Hammerson exists to provide care for older members of the Jewish community in need.

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

Report of the directors of the corporate trustee Year to 30 September 2014

Vision, mission and values (continued)

Values (continued)

Hammerson House was established some 50 years ago thanks to an exceptional gift which was received from Mrs Sue Hammerson CBE who sadly passed away in 2014. It is primarily a residential home although it also offers nursing beds and sheltered housing.

In 1961 Hammerson House was established and opened in North West London by Mrs Sue Hammerson CBE in memory of her late husband Lewis W Hammerson. We were deeply saddened by her passing in May 2014. Sue was a major philanthropist within the community. Her vision and generosity have ensured the wellbeing and comfort of generations of older people at Hammerson House.

Public benefit

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

Review of the year

2014 has been another busy year at both Hammerson House and Nightingale House.

The redevelopment of the Ronson Floor at Nightingale House was completed in the Summer. Residents transferred from the Kingsley Unit (in the oldest part of the site) to the newly refurbished unit in July 2014.

The College of Occupational Therapists came to film the new unit which had been especially designed to provide best practice dementia and nursing care.

The vacated Kingsley Unit at Nightingale House was no longer ideal in this configuration for future residents and would have required major refurbishment. However, in Spring 2014 we were approached by St George's Hospital Healthcare NHS Trust who were looking to secure an offset "step down" unit for over 65 year olds, in time for winter pressure on beds at the Tooting hospital. After lengthy consideration and negotiations, they opened a 20 bed ward on the old Kingsley unit in November 2014. Funds from this project will help to fund Nightingale Hammerson's core charitable services for older Jewish people. The initial contract with St George's is for 6 months to May 2015.

Refurbishment of the communal areas at Hammerson House was also completed during Summer 2014. We now have a beautiful lounge and café space, reception and admin offices as well as some new flats for tenants.

Thanks go to Otto Schiff Housing Association, The Six Point Foundation and to the Hammerson Family Trust for their commitment to these refurbishment projects.

Our major redevelopment plans for the Hammerson House site have progressed during the year. Care architects, Pollard Thomas Edwards, have been appointed to refine our original plans to ensure that we build a home that will be the "flagship home" for the Jewish community into the future.

Report of the directors of the corporate trustee Year to 30 September 2014

Review of the year (continued)

Eli Shahmoon also joined the directors of the corporate trustee and is leading the Hammerson House major development project group. His experience and skills are exceptional and we are very grateful for his voluntary time and contribution to this development.

The Care Act 2014 starts to come into effect from April 2015 and we have been preparing for changes.

Pressures on local authority budgets continue to have a knock-on effect for our organisation and indeed all social care organisations. We pride ourselves at Nightingale Hammerson with very high standards for our residents and that continues to require a heavy subsidy from our charitable donations.

2014 was another lively year for fundraising events which help to raise these much needed donations. Thanks go to all our patrons, individual supporters, volunteers and charitable trusts.

Person Centred Care (PCC) has now been running for four years at Nightingale Hammerson. This means that we train all our staff to ensure residents are at the forefront of everything we do in terms of exercising their personal choices, likes and dislikes. We also employ a PCC Facilitator to resource this work and to train staff to become "PCC Champions".

We continue to invest in posts that assist in the wellbeing of our residents including an Activities Team and a Dignity & SOVA (Safeguarding of Vulnerable Adults) Lead.

During the year, the Senior Management Team was reorganised and streamlined. The current operational directors are as follows:-

Chief Executive	Helen Simmons
Director of Care Services	Simon Pedzisi
Director of Human Resources	Bernadette Thomas
Director of Operations	Andrew Leigh
Director of Finance and IT	Stephen Horrobin
Head of Property Services	Ray Taylor (left February 2015)

Report of the directors of the corporate trustee Year to 30 September 2014

Achievements and plans for future periods

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

Care

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

In 2014

- ◆ We transferred our nursing (with dementia) unit residents from the oldest part of the site to the newly refurbished Ronson specialist unit.
- ◆ Care architects reviewed the plans for the Hammerson House major development to improve the design for future residents' needs.
- ◆ The Namaste Care Programme was introduced to the Ronson Unit. This is a very special, sensory based care programme that integrates compassionate nursing care with individual activities for people living with advanced dementia towards the end of their life.
- ◆ The first PCC Champions were trained at Hammerson House.

For 2015

- ◆ Plans to introduce nursing staff to the 1st floor of the Wohl Wing at Nightingale House.
- ◆ Namaste Care Programme to be rolled out to the Sampson Unit and the Wohl Wing at Nightingale House.
- ◆ Revised Hammerson House care home plans to be approved.

People

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

In 2014

- ◆ We reviewed HR policies.
- ◆ Introduced the Management Development training programme.
- ◆ Audit of Investors in People (IIP) was undertaken.

Report of the directors of the corporate trustee Year to 30 September 2014

Achievements and plans for future periods (continued)

People (continued)

For 2015

- ◆ People strategy to be set.
- ◆ Care Induction Programme to be reviewed.
- ◆ Review of pay rates, progress towards living wage for all staff.

Finance

To be financially sustainable.

In 2014

- ◆ Revised major build plans saving VAT on the projects.
- ◆ Rayne House was sold during the year at a surplus of £3.1 million.
- ◆ St George's Healthcare NHS Trust partnership agreement was signed to contribute funds to care services at the charity.

For 2015

- ◆ Review St George's Healthcare NHS Trust contract.

Fundraising

To develop a fundraising strategy to help achieve financial sustainability.

In 2014

- ◆ The five year fundraising strategy was approved.
- ◆ Added a new event, "Holland Park Opera", during the year.
- ◆ Literary Lunch exceeded expectations.

For 2015

- ◆ Recruit a new Director of Fundraising & Marketing and a new Director of Property Services.
- ◆ Develop a communications strategy.
- ◆ The Biennial Guildhall Dinner event to be held in 2015.

Report of the directors of the corporate trustee Year to 30 September 2014

Financial review

Financial summary

Our operating deficit this year was £3.2 million which was an improvement on the £3.8 million operating deficit of the previous year. This improvement arose largely from a £0.5 million rise (to £11.1 million) in income received for our services to residents in a year when we successfully reduced our costs slightly by £0.1 million to £14.3 million.

We funded our operating deficit with £4.0 million of donations and legacies, investment income net of related charges of £1.2 million. This left a surplus for the year of £2.0 million (compared to £2.8 million in the previous year).

In addition to this, there was a strong performance from our investments this year which showed a gain (realised and unrealised) of £4.8 million (compared to £2.3 million in the previous year). These were the key factors in the rise of £6.4 million in the net reserves of the group which amounted to £70.2 million at 30 September 2014.

Financial results for the year

During the year, total resources expended amounted to £15.0 million (2013 - £14.9 million) against total incoming resources of £16.7 million (2013 - £17.7 million) resulting in an overall surplus of £1.7 million (2013 - £2.8 million) before other gains and losses. £0.4 million of the incoming resources was donated for specific restricted purposes; £0.5 million (2013 - £0.8 million) of the total spend was covered by restricted funds.

During the year the total cost of providing our residential and nursing care services was £14.3 million against maintenance income (both local authority and private) of £11.1 million, producing a "trading" deficit of £3.2 million. This compares to the previous year's figures of £14.4 million expenditure and £10.6 million income, representing a "trading" deficit of £3.8 million.

During the year, there was an overall net gain on investment assets of £4.8 million (2013 – gain of £2.3 million). The net movement in funds for the year was £6.4 million (2013: £5.6million which included a final transfer from Hammerson Home Charitable Trust of £0.5 million). Overall, there was a deficit on the general funds during the year of £0.3 million (2013 - £3.8 million surplus).

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

Fundraising is essential to Nightingale Hammerson in order for us to deliver quality care services for our residents. We host a variety of events, some becoming annual favourites for many donors and we endeavour to hold new events to attract new donors. We are generously supported by those donors who become patrons of Nightingale Hammerson. Total voluntary income raised during the year amounted to £4.0 million (2013: £5.5 million).

Report of the directors of the corporate trustee Year to 30 September 2014

Financial review (continued)

Financial results for the year (continued)

The directors are immensely grateful to the generosity of members of the community who have left substantial legacies to the charity during the year. These legacies demonstrate the special place that Nightingale Hammerson holds in the hearts of many and will enable the charity to refurbish its facilities and continue to be a leader in the field of Dementia Care for many years to come.

Legacies are also essential sources of income and we have been exceedingly fortunate in receiving many legacies of various levels during the year; however, we are mindful that this cannot be considered a reliable source of income in the future.

The charity continues to feel the strain imposed on Local Authority's budgets that has, and will continue to have, a direct effect on the fees they pay for residential and nursing care. The directors are committed to increasing the financial strength of the charity so that the high standards of care that Nightingale Hammerson is so well known for will not have to be compromised now or in the future.

The overall expenditure this year came in under budget. We review staff pay increases to ensure our lower paid workforce are paid at rates above the minimum wage, whilst all other staff are paid at competitive market rates.

We are continually making changes to the premises as we respond to the changing needs of our residents, who require more nursing than residential care and have an expectation of all the comforts of a home from home, including en suite facilities.

An ever increasing number of residents suffering with dementia requires careful consideration by the directors as it will be necessary in the future for further adaptations to be made and plans for such developments are currently at the preparation stage.

Again, we can only undertake such major capital projects with the generous support of donors. Particular fundraising initiatives generate donations which form the restricted funds from which we hope to cover the costs of such projects. The costs are capitalised in accordance with accounting requirements and then depreciated in accordance with our depreciation policy.

Investment policy

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

Report of the directors of the corporate trustee Year to 30 September 2014

Financial review (continued)

Investment policy (continued)

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

Reserves policy

The directors have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, not designated for specific purposes nor otherwise committed. The directors consider that, given the nature of the charity's work, the level of free reserves should be equivalent to 8 to 12 months annual expenditure. The directors are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to the timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Financial position

In total, the net assets of the group were £70.2million (2013 - £63.8million) at 30 September 2014.

£21.0 million of net assets represents (2013 - £16.9 million) tangible fixed assets. These include properties which are used in the day to day work of the Homes and are essential to the continuing provision of high quality care to residents. Their value, therefore, should not be regarded as realisable should monies be required to meet contingencies or future commitments.

£16.3million (2013: £13.7million) of the net assets relate to restricted funds. These include the transfer in year from the permanent endowment funds (as detailed in note 16, page 40) of £2.723 million.

The free reserves have decreased to £25.6 million (2013 - £26.1 million) which is in excess of the parameters set out in the charity's reserves policy above.

Whilst the free reserves have decreased in the year to £25.6 million (2013 - £26.1 million), they still exceed the parameters set out in the charity's reserves policy above. The directors believe that it is appropriate for the free reserves to exceed the policy at the current time for a number of reasons. The political and economic uncertainty affecting the UK and world stock markets continues and the charity's reliance on its investment portfolio both to generate income but also to support the level of free reserves means that caution is required. In addition, the funding regime for nursing care is undergoing significant changes at present which is creating some uncertainty and hence again the need to be prudent when assessing reserve levels. Finally, the directors are embarking on a number of major projects to update and refurbish the charity's care homes and facilities and, whilst funds have been designated for this, there is still a real need to rely on fundraising initiatives to generate further finance and this, inevitably, brings with it uncertainties.

Report of the directors of the corporate trustee Year to 30 September 2014

Financial review (continued)

Financial position (continued)

The group has designated funds of £28.0 million (2013 - £21.2 million), £20.0 million of which relates to monies set aside for major capital projects.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in note 12 to the accounts.

Summary of financial health

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

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

Governance, structure and management

Governance

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

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

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

Directors of the Corporate Trustee Company

Harvey Rosenblatt - Chairman

Harvey has worked in the property industry since 1972 and is a director of numerous property companies involved in development and investment.

Report of the directors of the corporate trustee Year to 30 September 2014

Governance, structure and management (continued)

Directors of the Corporate Trustee Company (continued)

David Winton – Honorary Treasurer and Deputy Chairman

David is a director of a group of property investment companies. He served as Treasurer of the Western Synagogue from 1988 to 1991 when it merged with the Western Marble Arch Synagogue where he was Treasurer from 1991 to 2002 and Vice President from 2002 to 2006 when he was elected an Honorary Life President of the Synagogue. He has also been a Trustee of the Western Charitable Foundation since 1991 and became a Director and treasurer for Nightingale Hammerson in 2002. He was appointed Deputy Chairman on 7 February 2008.

David Tyler – Honorary Treasurer

David is the Chairman of J Sainsbury plc and is also Chairman of Hammerson plc. In addition he is a non-executive director of Burberry Group plc and the Chairman of Hampstead Theatre. In his executive career, he was the Group Finance Director of GUS plc from 1997 to 2006 and previously worked at Christie's, NatWest and Unilever. He brings extensive financial expertise to the Board.

Tim Angel OBE – Honorary Treasurer

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

Eleanor Angel

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

Stephanie Brada

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

Report of the directors of the corporate trustee Year to 30 September 2014

Governance, structure and management (continued)

Directors of the Corporate Trustee Company (continued)

Susan Grant

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

Colin Green

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

Peter Green

Peter Green has worked in the City for 30 years as a broker, trader and manager. He is CEO of The Kyte Group, an FCA regulated futures and options trading house, owned by GFI Group Inc. of the US. Peter is also a Governor and an Audit Committee member of a sixth-form college in London.

Melvin Lawson

Melvin is a director of a number of property development and investment companies. His work as a director of Nightingale Hammerson sees the continuation of work by his late father, Maurice Lawson, who played a leading role in the charity as a Trustee with responsibility for upgrading the Home's property and as a Treasurer over many years.

Greg Scott

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

Eli Shahmoon

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

Report of the directors of the corporate trustee Year to 30 September 2014

Governance, structure and management (continued)

Directors of the Corporate Trustee Company (continued)

Judy Wiseman

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

Directors' responsibilities

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

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

In preparing these accounts, the directors are required to:

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

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

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

Structure and management reporting

The directors meet six times a year. The Charity's Honorary Treasurers meet on a regular basis. The Chief Executive is in regular and very frequent contact with the Chairman, Honorary Treasurers and other directors.

Report of the directors of the corporate trustee Year to 30 September 2014

Governance, structure and management (continued)

Structure and management reporting (continued)

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

In 2014 the directors agreed to introduce a "Nominations Committee" in 2015 to oversee trustee appointments, structure and development.

Related party transactions

No director received any remuneration or expenses from the group or the charity during the year (2013 - £nil).

The nature of the charity's activities means that from time to time relatives of the directors or staff are cared for by the charity. One member of senior management had relatives cared for at Nightingale Home during the year. This member had no direct input in setting fees and related charges for his relatives.

Chalkford Limited

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

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

Chalkford Limited made charitable contributions of £382,792 to Nightingale Hammerson during the year to 30 September 2014 (2013 - £44,440).

At 30 September 2014 Chalkford Limited owed Nightingale Hammerson £400,000 (2013 - £400,000) in accordance with a loan facility and a further £382,792 (2013 - £44,440) being charitable contributions payable to Nightingale Hammerson in respect to the year to 30 September 2014.

At 30 September 2014 Nightingale Hammerson owed Chalkford Limited £1,705,769 (2013 - £883,737) under a contract for the construction of property.

Otto Schiff Housing Association / Six Point Foundation

Susan Grant who is a director of the Corporate Trustee of Nightingale Hammerson is also a Trustee of the Six Point Foundation and Member of the Council of Otto Schiff Housing Association.

During the year ended 30 September 2014 Nightingale Hammerson received donations from Otto Schiff Housing Association of £nil, (2013 - £2,000,000) and from the Six Point Foundation of £12,257 (2013 - £10,852).

Report of the directors of the corporate trustee Year to 30 September 2014

Governance, structure and management (continued)

Related party transactions (continued)

The Israel Lazarus Charitable Trust

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

During the year ended 30 September 2014 Nightingale Hammerson received donations from The Israel Lazarus Charitable Trust of £25,000 (2013 – £26,500).

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 2014, Nightingale Hammerson received £13,532 (2013: £5,323) of dividend income from Bantent Limited.

Working with other organisations

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

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

Key policies

Risk management

The Governance Group continued to keep under review the risk register and meets on a regular basis to review and update it. In 2015 this group will be disbanded and a new Audit & Risk Committee will be put in place.

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

Employment policy

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

Report of the directors of the corporate trustee Year to 30 September 2014

Key policies (continued)

Employment policy (continued)

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

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

Volunteers

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

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

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

By order of the directors:



Director

Date of approval: 25 March 2015

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

We have audited the accounts of Nightingale Hammerson for the year ended 30 September 2014, which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Independent auditor's report 30 September 2014

Opinion on the accounts

In our opinion the accounts:

- ◆ give a true and fair view of the state of the group's and of the charity's affairs as at 30 September 2014 and of the group's and charity's incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

25 March 2015

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

Consolidated statement of financial activities Year to 30 September 2014

	Notes	Unrestricted funds				2014 Total funds £'000	2013 Total funds £'000
		General fund and non charitable trading funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000		
Incoming resources							
Incoming resources from generated funds							
. Voluntary income	1	3,626	—	361	—	3,987	5,522
. Investment income	2	1,377	—	—	—	1,377	1,417
. Income of UK trading subsidiaries		—	—	—	—	—	44
Incoming resources from charitable activities							
. Provision of residential and nursing care	3	11,108	—	—	—	11,108	10,642
Other incoming resources		177	—	—	—	177	110
Total incoming resources		16,288	—	361	—	16,649	17,735
Resources expended							
Cost of generating funds							
. Costs of generating voluntary income	4	383	—	—	—	383	195
. Investment management costs		216	—	—	—	216	172
. Expenditure of UK trading subsidiaries		4	—	—	—	4	—
Charitable activities							
. Provision of residential and nursing care	5	13,664	107	490	—	14,261	14,417
Governance costs	6	112	—	—	—	112	139
Total resources expended		14,379	107	490	—	14,976	14,923
Net incoming (outgoing) resources for the year before transfers	9	1,909	(107)	(129)	—	1,673	2,812
Transfers between funds		(6,920)	6,924	2,719	(2,723)	—	—
Net (outgoing) incoming resources for the year		(5,011)	6,817	2,590	(2,723)	1,673	2,812
Other gains and losses on investment assets							
. Realised gains on disposal of investments		3,241	—	—	—	3,241	111
. Unrealised gains on listed investments		1,522	—	—	—	1,522	1,635
. Exchange losses on investments		(45)	—	—	—	(45)	—
. Actuarial gains on pension scheme		37	—	—	—	37	530
		4,755	—	—	—	4,755	2,276
Transferred from Hammerson Home Charitable Trust (Charity Registration No. 286002)	20	—	—	—	—	—	548
Net movement in funds		(256)	6,817	2,590	(2,723)	6,428	5,636
Balances brought forward at 1 October 2013		26,121	21,181	13,737	2,723	63,762	58,126
Balances carried forward at 30 September 2014		25,865	27,998	16,327	—	70,190	63,762

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

Charity statement of financial activities Year to 30 September 2014

	Notes	Unrestricted funds				2014 Total funds £'000	2013 Total funds £'000
		General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000		
Incoming resources							
Incoming resources from generated funds							
. Voluntary income	1	4,009	—	361	—	4,370	5,566
. Investment income	2	1,383	—	—	—	1,383	1,417
Incoming resources from charitable activities							
. Provision of residential and nursing care	3	11,108	—	—	—	11,108	10,642
Other incoming resources		193	—	—	—	193	110
Total incoming resources		16,693	—	361	—	17,054	17,735
Resources expended							
Cost of generating funds							
. Cost of generating voluntary income	4	383	—	—	—	383	195
. Investment management costs		216	—	—	—	216	172
Charitable activities							
. Provision of residential and nursing care	5	13,668	107	491	—	14,266	14,417
Governance	6	112	—	—	—	112	139
Total resources expended		14,379	107	491	—	14,977	14,923
Net incoming (outgoing) resources for the year before transfers	9	2,314	(107)	(130)	—	2,077	2,812
Transfers between funds		(7,323)	7,327	2,719	(2,723)	—	—
Net (outgoing) incoming resources for the year		(5,009)	7,220	2,589	(2,723)	2,077	2,812
Other gains and losses on investment assets							
. Realised gains on disposal of investments		3,241	—	—	—	3,241	111
. Unrealised gains on listed investments		1,522	—	—	—	1,522	1,635
. Exchange losses on investments		(45)	—	—	—	(45)	—
. Actuarial gains on pension scheme		37	—	—	—	37	530
		4,755	—	—	—	4,755	2,276
Transferred from Hammerson Home Charitable Trust (Charity Registration No. 286002)	20	—	—	—	—	—	548
Net movement in funds		(254)	7,220	2,589	(2,723)	6,832	5,636
Balances brought forward at 1 October 2013		26,121	21,181	13,737	2,723	63,762	58,126
Balances carried forward at 30 September 2014		25,867	28,401	16,326	—	70,594	63,762

Historical cost net movement in funds Year to 30 September 2014

Historical cost net movement in funds – group	2014 £'000	2013 £'000
Net movement in funds (page 22)	6,428	5,636
Actuarial gains on pension scheme	(37)	(530)
Unrealised gains on listed investments	(1,522)	(1,635)
Difference between historical cost realised profits on listed investments and actual realised profits calculated on the revalued amounts	3,935	295
Unrealised exchange losses on investments	80	—
Historical cost net movement in funds	8,884	3,766

Historical cost net movement in funds – charity	2014 £'000	2013 £'000
Net movement in funds (page 23)	6,832	5,636
Actuarial gains on pension scheme	(37)	(530)
Unrealised gains on listed investments	(1,522)	(1,635)
Difference between historical cost realised profits on listed investments and actual realised profits calculated on the revalued amounts	3,935	295
Unrealised exchange losses on investments	80	—
Historical cost net movement in funds	9,288	3,766

Continuing activities

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

Balance sheets 30 September 2014

	Notes	2014		2013	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Tangible assets	12	21,036	21,439	16,928	16,928
Investments	13	38,135	38,136	37,608	37,609
		<u>59,171</u>	<u>59,575</u>	<u>54,536</u>	<u>54,537</u>
Current assets					
Debtors	14	1,735	2,518	3,181	3,500
Short term deposits		5,004	5,004	3,716	3,716
Cash at bank and in hand		6,322	6,151	4,196	4,174
		<u>13,061</u>	<u>13,673</u>	<u>11,093</u>	<u>11,390</u>
Creditors: amounts falling due within one year	15	<u>(2,774)</u>	<u>(3,386)</u>	<u>(2,510)</u>	<u>(2,808)</u>
Net current assets		<u>10,287</u>	<u>10,287</u>	<u>8,583</u>	<u>8,582</u>
Total assets less current liabilities		<u>69,458</u>	<u>69,862</u>	<u>63,119</u>	<u>63,119</u>
Pension scheme asset	18	<u>732</u>	<u>732</u>	<u>643</u>	<u>643</u>
Total net assets		<u>70,190</u>	<u>70,594</u>	<u>63,762</u>	<u>63,762</u>
Represented by:					
Funds and reserves					
Charitable funds					
Capital funds					
. Permanent endowment funds	16	—	—	2,723	2,723
Income funds					
. Restricted funds	16	16,327	16,326	13,737	13,737
Unrestricted funds					
.. Designated funds	16	27,998	28,401	21,181	21,181
.. General fund		25,133	25,135	25,478	25,478
... Pension reserve		732	732	643	643
		<u>25,865</u>	<u>25,867</u>	<u>26,121</u>	<u>26,121</u>
Non charitable trading funds	8	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<u>70,190</u>	<u>70,594</u>	<u>63,762</u>	<u>63,762</u>

Approved by the directors
and signed on their behalf by:



Director

Approved on: 25 March 2015

Consolidated cash flow statement Year to 30 September 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	A	2,594	1,967
Returns on investments and servicing	B	1,377	1,417
Capital expenditure and financial investment	B	(557)	(3,654)
		<u>3,414</u>	<u>(270)</u>
Management of liquid resources	B	(1,288)	746
Increase in cash	C	<u>2,126</u>	<u>476</u>

Notes to the cash flow statement for the year to 30 September 2014.

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

	2014 £'000	2013 £'000
Net incoming resources before transfers	1,673	2,812
Interest receivable	(69)	(72)
Investment income and rent receivable	(1,308)	(1,345)
Exchange losses on investments	(45)	—
Pension costs less contributions payable	(52)	(46)
Depreciation charge	954	988
Decrease (increase) in debtors	1,446	(644)
(Decrease) increase in creditors	(5)	274
Net cash inflow from operating activities	<u>2,594</u>	<u>1,967</u>

B Gross cash flows

	2014 £'000	2013 £'000
Returns on investments and servicing of finance		
Interest received	69	72
Investment income and rent received	1,308	1,345
	<u>1,377</u>	<u>1,417</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(4,793)	(3,762)
Payments to acquire listed and property investments	(17,385)	(4,800)
Receipts from the disposal of listed and property investments	21,621	4,908
	<u>(557)</u>	<u>(3,654)</u>
Management of liquid resources		
(Increase) decrease in short term deposits	(1,288)	746

Consolidated cash flow statement Year to 30 September 2014

C Analysis of changes in net funds

	At 1 October 2013 £'000	Cash flows £'000	At 30 September 2014 £'000
Short term deposits	3,716	1,288	5,004
Cash at bank and in hand	4,196	2,126	6,322
	<u>7,912</u>	<u>3,414</u>	<u>11,326</u>

D Reconciliation of net cash flow to movement in net funds

	£'000
Change in net funds	3,414
Net funds at 1 October 2013	7,912
Net funds at 30 September 2014	<u>11,326</u>

Basis of accounting

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

Basis of consolidation

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

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

Incoming resources

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

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

Resources expended and the basis of apportioning costs

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

Resources expended comprise the following:

- a) The cost of generating funds includes the salaries, direct costs and overheads associated with generating donated income and legacies; the fees paid to investment brokers in connection with maintaining the portfolio of listed investments; the costs of the commercial letting of investment property; and the expenditure of the charity's trading subsidiaries in the UK.
- b) The costs of charitable activities comprise:
 - i) expenditure on residential and nursing care, and the depreciation of those assets used for care purposes and
 - ii) the expenditure on the provision of sheltered accommodation.

Principal accounting policies 30 September 2014

Resources expended and the basis of apportioning costs (continued)

- c) Governance costs comprise those costs attributable directly to the legal procedures associated with compliance with statutory requirements.

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

Foreign currencies

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

Tangible fixed assets

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

During the year ended 30 September 2013, depreciation was charged at the following annual rates in order to write off each asset over its estimated useful life of:

- ◆ Plant 15% on cost
- ◆ Fixtures and fittings 20% on cost
- ◆ Motor vehicles 25% on cost
- ◆ Freehold buildings purchased or constructed prior to 1 October 1997 were depreciated on a straight line basis at a rate of 10% per annum based on their book value as at 30 September 1997. Buildings purchased and/or constructed since 1 October 1997 were depreciated on a straight line basis at a rate of 10% per annum based on cost, with the exception of the Wohl Building which was being depreciated on a straight line basis at a rate of 4% per annum based on cost.
- ◆ Leasehold properties were depreciated at between 1% and 1.5% per annum based on a reducing balance in order to write the leases off over a period approximating to term of the relevant lease.

Depreciation was not charged on assets under construction and freehold land.

Following a review of the estimated useful life of assets undertaken by the charity during the year ended 30 September 2014, depreciation is now charged at the following annual rates:

- ◆ Freehold and leasehold property 4% on cost
- ◆ Plant 10% on cost
- ◆ Fixtures and fittings 25% on cost
- ◆ Motor vehicles 25% on cost

Principal accounting policies 30 September 2014

Tangible fixed assets (continued)

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

The above change in depreciation rates is a change in estimation in relation to useful economic life of assets rather than a change in accounting policy and, therefore, it is not deemed to be a prior year adjustment.

Investments

Listed investments

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

Investment properties

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

UK subsidiary undertakings

Investments in UK subsidiary undertakings are included in the accounts at net asset value.

Fund accounting

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

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

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

The permanent endowment funds relate to monies given to the charity for retention, as capital, indefinitely.

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

Pension contributions

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

Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities in recognised gains and losses for the period. The Pension Fund directors are in discussion with the charity concerning the future of the Scheme and how best to manage the future liabilities.

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

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

Liquid resources

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

Notes to the accounts Year to 30 September 2014

1 Donations and legacies

Group	General fund £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Donations and gifts	2,210	361	2,571	4,276
Legacies	1,416	—	1,416	1,246
	3,626	361	3,987	5,522

Charity	General fund £'000	Restricted funds £'000	2013 Total funds £'000	2012 Total funds £'000
Donations and gifts	2,593	361	2,954	4,320
Legacies	1,416	—	1,416	1,246
	4,009	361	4,370	5,566

2 Investment income and interest receivable

Group	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000	2013 Total funds £'000
Income from listed investments						
. UK corporate loan stock	625	—	—	—	625	567
. Property funds	38	—	—	—	38	39
. Foreign loan stock	49	—	—	—	49	54
. Equities	465	—	—	—	465	525
. Unit funds	35	—	—	—	35	94
	1,212	—	—	—	1,212	1,279
Rental income	96	—	—	—	96	66
Interest receivable	69	—	—	—	69	72
	1,377	—	—	—	1,377	1,417

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000	2013 Total funds £'000
Income from listed investments						
. UK corporate loan stock	625	—	—	—	625	567
. Property funds	38	—	—	—	38	39
. Foreign loan stock	49	—	—	—	49	54
. Equities	465	—	—	—	465	525
. Unit funds	35	—	—	—	35	94
	1,212	—	—	—	1,212	1,279
Rental income	96	—	—	—	96	66
Interest receivable	75	—	—	—	75	72
	1,383	—	—	—	1,383	1,417

Notes to the accounts Year to 30 September 2014

3 Incoming resources from the provision of residential and nursing care

	General fund £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Group and charity				
Maintenance contributions receivable	11,108	—	11,108	10,642

4 Costs of generating voluntary income

	General fund £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Group and charity				
Fundraising, legacy and appeal expenses	239	—	239	159
Publications	5	—	5	9
Support costs (note 7)	139	—	139	27
	383	—	383	195

5 Charitable activities – Provision of residential and nursing care

Group	General fund £'000	Designated funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Staff costs	8,730	—	65	8,795	8,670
Catering and food	1,791	—	—	1,791	1,724
Premises day to day costs	1,677	—	—	1,677	1,691
Medical, care and welfare costs	388	—	13	401	346
Support costs (note 7)	631	—	12	643	998
Depreciation (note 12)	447	107	400	954	988
	13,664	107	490	14,261	14,417

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Staff costs	8,730	—	65	8,795	8,670
Catering and food	1,791	—	—	1,791	1,724
Premises day to day costs	1,677	—	—	1,677	1,691
Medical, care and welfare costs	388	—	13	401	346
Support costs (note 7)	631	—	12	643	998
Depreciation (note 12)	451	107	401	959	988
	13,668	107	491	14,266	14,417

Notes to the accounts Year to 30 September 2014

6 Governance costs

Group and charity	General fund £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Support costs (note 7)	61	—	61	56
Auditor's remuneration*	40	—	40	38
Other advisory fees	11	—	11	4
Merger costs	—	—	—	41
	112	—	112	139

* Audit fees in relation to Chalkford Limited of £3,970 are included within cost of generating funds.

7 Support costs

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

Group and charity	Costs of generating voluntary income £'000	Provision of residential and nursing care £'000	Governance costs £'000	Total £'000	Basis of apportionment
Staff costs	131	44	60	235	Time apportioned
Premises costs	3	66	—	69	Floor space
Office costs	5	214	1	220	Pro rata expenditure
Other costs	—	319	—	319	Pro rata expenditure
	139	643	61	843	

Staff costs include staff salaries as detailed in note 10 and other related costs such as recruitment and training costs. Other costs include legal and professional fees, marketing and finance costs.

8 UK trading subsidiary

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

A summary of the trading results of Chalkford Limited for the year ended 30 September 2014 are given below.

	2014 £'000	2013 £'000
Chalkford Limited		
Turnover	5,022	3,206
Cost of sales	(4,614)	(3,141)
Administrative expenses	(25)	(21)
Operating profit	383	44
Interest receivable	—	—
Profit before Gift Aid	383	44
Amount donated to Nightingale Hammerson	(383)	(44)
Retained profit	—	—

Notes to the accounts Year to 30 September 2014

8 UK trading subsidiary (continued)

At 30 September 2014, Chalkford Limited had retained losses of £1,000 (2013 – retained losses £1,000) and called up share capital of £1,000 (2013 - £1,000). The results and the balance sheet figures have been consolidated on a line by line basis within the accounts of Nightingale Hammerson.

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

This is stated after charging:

Group	General fund £'000	Designated funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Staff costs (note 10)	8,839	—	65	8,904	8,742
Auditor's remuneration					
. Audit service - charity and consolidation	37	—	—	37	25
. Other services	7	—	—	7	13
Depreciation (note 12)	447	107	400	954	988

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Staff costs (note 10)	8,839	—	65	8,904	8,742
Auditor's remuneration					
. Audit service - charity and consolidation	33	—	—	33	23
. Other services	7	—	—	7	13
Depreciation (note 12)	451	107	401	959	988

10 Staff costs

Group and charity	2014 £'000	2013 £'000
Staff costs during the year were as follows:		
Wages and salaries	7,804	7,831
Social security costs	656	607
Other pension costs	203	188
	8,663	8,626
Payments to agency staff	166	116
Redundancy costs	75	—
	8,904	8,742

Notes to the accounts Year to 30 September 2014

10 Staff costs (continued)

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

Group and charity	2014	2013
£60,001 - £70,000	—	2
£70,001 - £80,000	2	1
£80,001 - £90,000	2	—
£110,001 - £120,000	—	1
£120,001 - £130,000	1	—

Of those employees who earned £60,000 or more during the year (as defined above), employer contributions totalling £26,033 were made to money purchase schemes in respect of four of them (2013 – none). Contributions were made to a defined benefit scheme in respect of one of them (2013 - one).

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

Group and charity	2014	2013
Generating funds	5	6
Residential and nursing care services	386	392
Governance	1	1
	392	399

No director received any remuneration or expenses from the group or charity during the year (2013 - £nil).

The nature of the charity's activities means that from time to time relatives of the directors or staff are cared for by the charity. One member of senior management had relatives cared for at Nightingale Home during the year. This member had no direct input in setting fees and related charges for his relatives.

Indemnity insurance

During the year, the charity purchased insurance to protect the charity and its subsidiaries from loss arising from any wrongful or dishonest act of any director or employee and to indemnify any director or employee against the consequence of any wrongful act on their part. The total cover provided by such insurance was £5,000,000 (2013 - £5,000,000) and the total premium paid in respect of such insurance was £7,950 (2013 - £7,500).

11 Taxation

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

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

Notes to the accounts Year to 30 September 2014

12 Tangible fixed assets

Group	Freehold property £'000	Long leasehold properties £'000	Assets under construction £'000	Plant £'000	Furniture, equipment and motor vehicles £'000	Total £'000
Cost						
At 1 October 2013	41,399	3,678	4,120	171	1,234	50,602
Additions	1	—	4,987	—	74	5,062
Reclassification	4,134	2,239	(8,552)	1,381	798	—
At 30 September 2014	45,534	5,917	555	1,552	2,106	55,664
Depreciation						
At 1 October 2013	31,832	1,013	—	114	715	33,674
Charge for year	511	122	—	45	276	954
At 30 September 2014	32,343	1,135	—	159	991	34,628
Net book values						
At 30 September 2014	13,191	4,782	555	1,393	1,115	21,036
At 30 September 2013	9,567	2,665	4,120	57	519	16,928

Charity	Freehold property £'000	Long leasehold properties £'000	Assets under construction £'000	Plant £'000	Furniture, equipment and motor vehicles £'000	Total £'000
Cost						
At 1 October 2013	41,399	3,678	4,120	171	1,234	50,602
Additions	1	—	5,395	—	74	5,470
Reclassification	4,319	2,339	(8,936)	1,442	836	—
At 30 September 2014	45,719	6,017	579	1,613	2,144	56,072
Depreciation						
At 1 October 2013	31,832	1,013	—	114	715	33,674
Charge for year	512	122	—	47	278	959
At 30 September 2014	32,344	1,135	—	161	993	34,633
Net book values						
At 30 September 2014	13,375	4,882	579	1,452	1,151	21,439
At 30 September 2013	9,567	2,665	4,120	57	519	16,928

Capital commitments

At 30 September 2014 the charity had no capital commitments which have been contracted for (2013 – £4.8 million, in relation to the refurbishment of the Ronson floor at Nightingale House).

As explained under future plans within the report of the directors of the corporate trustee, over the next five years it is envisaged that future refurbishment of the accommodation and facilities at Hammerson House will cost in the region of £25.0 million, and improvement works at Nightingale House will cost in the region of £2.7 million. There was no contracted commitment at 30 September 2014 in relation to these costs (2013 - £nil).

Notes to the accounts Year to 30 September 2014

13 Fixed asset investments

Group	Investment property £'000	Listed investments £'000	National Savings Certificates £'000	2014 Total £'000
Market value at 1 October 2013	3,937	33,659	12	37,608
Additions at cost	246	17,139	—	17,385
Disposals at book value (proceeds: £21,621k; gains of £3,241k)	(3,945)	(14,435)	—	(18,380)
Net unrealised investment gains	—	1,522	—	1,522
Market value at 30 September 2014	238	37,885	12	38,135
Cost of investments at 30 September 2014	238	32,144	12	32,394

Charity	Shares in subsidiary companies £'000	Investment property £'000	Listed investments £'000	National Savings Certificates £'000	2014 £'000
Market value at 1 October 2013	1	3,937	33,659	12	37,609
Additions at cost	—	246	17,139	—	17,385
Disposals at book value (proceeds: £21,621k; gains of £3,241k)	—	(3,945)	(14,435)	—	(18,380)
Net unrealised investment gains	—	—	1,522	—	1,522
Market value at 30 September 2014	1	238	37,885	12	38,136
Cost of investments at 30 September 2014	1	238	32,144	12	32,395

Cost of investments

The unlisted investments and National Savings Certificates were donated to the group. Cost represents the values at which these investments were brought into the accounts at the date of the donations.

Listed investments

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

Listed investments held at 30 September 2014 comprised the following:

Group and charity	%	£'000
UK corporate loan stock	34	12,883
Property funds	2	739
Foreign loan stock	6	2,257
Equities	55	20,844
Unit funds	3	1,162
	100	37,885

At 30 September 2014 there were no investment holdings that had a material value when compared to the market value of the total portfolio of listed investments as at that date.

13 Fixed asset investments (continued)

Investment property

Investment property comprises of Birnbeck Court property that was purchased by the charity during the year ended 30 September 2014.

Subsidiary undertakings

At 30 September 2014 Nightingale Hammerson owned the entire called up share capital of the following company:

Company	Country of incorporation	Principal activity during the year
Chalkford Limited	England	Property construction

14 Debtors

	2014		2013	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Maintenance contributions	1,116	1,116	815	815
Amount due from subsidiary undertakings (note 19)	—	783	—	444
Legacies	—	—	559	559
Accrued income	371	371	316	316
Grant receivable towards property refurbishment	—	—	1,000	1,000
Other debtors	160	160	271	146
Prepayments	88	88	220	220
	1,735	2,518	3,181	3,500

15 Creditors: amounts falling due within one year

	2014		2013	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Amounts held on behalf of residents	463	463	560	560
Maintenance contributions in advance	519	519	438	438
Expense creditors	349	170	540	471
Social security and other taxation	357	196	178	178
Other creditors	66	66	42	42
Accruals	1,020	266	752	235
Amount due to subsidiary undertakings (note 19)	—	1,706	—	884
	2,774	3,386	2,510	2,808

16 Charitable funds

Endowment funds

Group and charity	At 1 October 2013 £'000	New endowment receipts £'000	Investment income, gains and losses £'000	Transfers to restricted funds £'000	At 30 September 2014 £'000
The Harry and Jeanette Weinberg Fund	2,667	—	—	(2,667)	—
The Weinberg (Nightingale) Fund	56	—	—	(56)	—
	<u>2,723</u>	<u>—</u>	<u>—</u>	<u>(2,723)</u>	<u>—</u>

The Weinberg Funds were previously treated as permanent endowment funds – to be held by the charity indefinitely.

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

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

Consequently, during the financial year, the balances on these funds have been transferred to, and are shown within, restricted funds on page 41. The directors remain very grateful for the Foundation's continuing support.

16 Charitable funds (continued)

Restricted funds

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

Group	At 1 October 2013 £'000	Incoming resources £'000	Expenditure, gains, losses and transfers £'000	At 30 September 2014 £'000
Building Fund	13,345	302	(387)	13,260
Weinberg Funds	—	—	2,723	2,723
Donations Special Purpose – fixed assets	70	10	(17)	63
Donations Special Purpose – other	120	47	(81)	86
Janet and Howard Bloch funds	175	—	(8)	167
Amenities Fund	1	2	(1)	2
Gannett Foundation	1	—	—	1
Lightman Donation	2	—	—	2
West London Synagogue	4	—	—	4
Gail Levy – Staff Amenity Fund	1	—	—	1
Activities Fund	9	—	—	9
Salinger and Kirby	9	—	—	9
	13,737	361	2,229	16,327

Charity	At 1 October 2013 £'000	Incoming resources £'000	Expenditure, gains, losses and transfers £'000	At 30 September 2014 £'000
Building Fund	13,345	302	(388)	13,259
Weinberg Funds	—	—	2,723	2,723
Donations Special Purpose – fixed assets	70	10	(17)	63
Donations Special Purpose – other	120	47	(81)	86
Janet and Howard Bloch funds	175	—	(8)	167
Amenities Fund	1	2	(1)	2
Gannett Foundation	1	—	—	1
Lightman Donation	2	—	—	2
West London Synagogue	4	—	—	4
Gail Levy – Staff Amenity Fund	1	—	—	1
Activities Fund	9	—	—	9
Salinger and Kirby	9	—	—	9
	13,737	361	2,228	16,326

Building Fund

These building funds comprise:

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

16 Charitable funds (continued)

Restricted funds (continued)

Weinberg Funds

As described on page 40, during the year, £2.723 million was transferred from the endowment funds in relation to the Harry and Jeanette Weinberg Fund and the Weinberg (Nightingale) Fund. This followed permission granted by The Harry and Jeanette Weinberg Foundation for the total balance on both funds to be realised and applied towards the project to upgrade substantially the charity's care homes for the elderly at both Nightingale House and Hammerson House.

Donations special purpose

These funds comprise of donations received towards a specific purpose.

Janet and Howard Bloch funds

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

Amenities fund

This fund comprises monies to be used to provide amenities for staff.

Designated funds

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

Group	At 1 October 2013 £'000	New designations £'000	Utilised, released and transfers £'000	At 30 September 2014 £'000
Reserve fund	18,000	2,000	—	20,000
Hammerson lease fund	2,665	—	(107)	2,558
Fixed assets fund	516	4,924	—	5,440
	21,181	6,924	(107)	27,998

Charity	At 1 October 2013 £'000	New designations £'000	Utilised, released and transfers £'000	At 30 September 2014 £'000
Reserve fund	18,000	2,000	—	20,000
Hammerson lease fund	2,665	—	(107)	2,558
Fixed assets fund	516	5,327	—	5,843
	21,181	7,327	(107)	28,401

Notes to the accounts Year to 30 September 2014

16 Charitable funds (continued)

Reserve fund

The reserve fund comprises monies set aside by the directors to provide funds for major capital projects.

Hammerson lease fund

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

Fixed assets fund

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

17 Analysis of net assets between funds

Group	General and non-charitable trading funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2014 £'000
Fund balances at 30 September 2014 are represented by:					
Tangible fixed assets	307	7,998	12,731	—	21,036
Investments	18,135	20,000	—	—	38,135
Current assets	9,465	—	3,596	—	13,061
Creditors	(2,774)	—	—	—	(2,774)
Pension scheme asset	732	—	—	—	732
Total net assets	25,865	27,998	16,327	—	70,190
Accumulated unrealised gains included:					
On listed investments	4,877	864	—	—	5,741
Reconciliation of movements in accumulated unrealised gains (losses)					
Unrealised gains at 1 October 2013	6,664	864	—	626	8,154
Less: in respect of disposals in year	(3,309)	—	—	(626)	(3,935)
Add: Net unrealised gains on listed investments in year	1,522	—	—	—	1,522
Accumulated unrealised gains at 30 September 2014	4,877	864	—	—	5,741

Notes to the accounts Year to 30 September 2014

17 Analysis of net assets between funds (continued)

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2014 £'000
Fund balances at 30 September 2014 are represented by:					
Tangible fixed assets	—	8,401	13,038	—	21,439
Investments	18,136	20,000	—	—	38,136
Current assets	10,385	—	3,288	—	13,673
Creditors	(3,386)	—	—	—	(3,386)
Pension scheme asset	732	—	—	—	732
Total net assets	25,867	28,401	16,326	—	70,594
Accumulated unrealised gains included:					
On listed investments	4,877	864	—	—	5,741
Reconciliation of movements in unrealised gains (losses)					
Unrealised gains at 1 October 2013	6,664	864	—	626	8,154
Less: in respect of disposals in year	(3,309)	—	—	(626)	(3,935)
Add: Net unrealised gains on listed investments in year	1,522	—	—	—	1,522
Accumulated unrealised gains at 30 September 2014	4,877	864	—	—	5,741

18 Pension commitments

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

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

Notes to the accounts Year to 30 September 2014

18 Pension commitments (continued)

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

	2014 %	2013 %	2012 %	2011 %	2010 %
Rate of increase in salaries					
. In respect of benefits accrued prior to 1 April 2007	3.1	3.2	3.0	3.1	3.0
. In respect of benefits accrued on or after 1 April 2007	3.0	3.2	3.0	3.0	3.0
Rate of increase in pension payments					
. For members in active service on or after 1 December 2003:					
.. In respect of service before 6 April 2006	3.0	3.2	2.4	3.1	3.3
.. In respect of service on or after 6 April 2006	2.1	2.5	2.2	2.5	2.4
. For members who left the scheme prior to 1 December 2003	5.0	5.0	5.0	5.0	5.0
Future rate of increase in pensions in deferment	3.1	2.4	2.4	3.1	3.4
Discount rate	3.8	4.3	4.0	5.1	5.0
Inflation assumptions	3.1	3.2	2.4	3.1	3.4

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

	Long-term rate of return Expected 2014 %	Value at 30 September 2014 £'000	Long-term rate of return expected 2013 %	Value at 30 September 2013 £'000	Long-term rate of Return expected 2012 %	Value at 30 September 2012 £'000
Equities	6.4	2,507	7.4	2,163	6.6	1,825
Bonds	3.3	1,187	4.3	1,432	4.0	1,149
Gilts	2.4	123	3.4	214	2.6	91
Other	0.5	627	0.5	369	0.5	307
		4,444		4,178		3,372
Present value of scheme liability		(3,712)		(3,535)		(3,305)
Scheme surplus		732		643		67

18 Pension commitments (continued)

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

	At 30 September 2014	At 30 September 2013
Retiring today / current pensioners		
Males	22.1	22.1
Females	24.0	24.4
Retiring in 20 years / future pensioners		
Males	23.4	23.4
Females	25.5	25.9

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

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

The total pension cost in respect of the defined benefit scheme for the year was £51,759 (2013 - £55,067).

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

	Year ended 30 September 2014 £'000	Year ended 30 September 2013 £'000
Service cost	44	40
Total operating charge	44	40

Analysis of net finance cost of pension scheme (group and charity)

	Year ended 30 September 2014 £'000	Year ended 30 September 2013 £'000
Expected return on pension scheme assets	182	154
Interest on pension liabilities	(152)	(132)
Net refund	30	22

18 Pension commitments (continued)

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

	Year ended 30 September 2014 £'000	Year ended 30 September 2013 £'000
Actual return less expected return on pension scheme assets	72	641
Experience gains (losses) arising on the scheme liabilities	141	(52)
Changes in financial and demographic assumptions underlying the scheme liabilities	(176)	(59)
Actuarial gain recognised	<u>37</u>	<u>530</u>

Movement in deficit during the year

	Year ended 30 September 2014 £'000	Year ended 30 September 2013 £'000
Surplus at 1 October 2013	643	67
Current service cost	(44)	(40)
Contributions	66	64
Net return on scheme	30	22
Actuarial gain	37	530
Surplus at 30 September 2014	<u>732</u>	<u>643</u>

History of experience gains and losses

	30 September 2014 £'000	30 September 2013 £'000	30 September 2012 £'000	30 September 2011 £'000	30 September 2010 £'000
Difference between the expected and actual return on assets	72	268	(248)	(137)	150
- % of scheme assets	1.6	6.4	(7.4)	(3.9)	4.2
Experience gains and losses	141	(52)	(65)	9	50
-% of scheme liabilities	3.8	(1.5)	(2.0)	0.3	1.7
Total actuarial gain (loss)	37	157	(646)	190	(122)
-% of scheme liabilities	<u>1.0</u>	<u>4.4</u>	<u>(19.5)</u>	<u>6.8</u>	<u>(4.1)</u>

Personal pension plans and auto enrolment schemes

The total pension costs in respect of personal pension plans and auto enrolment schemes for the year was £172,788 (2013 - £187,754).

19 Related party transactions

Chalkford Limited

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

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

Chalkford Limited made charitable contributions of £382,792 to Nightingale Hammerson during the year to 30 September 2014 (2013 - £44,440).

At 30 September 2014 Chalkford Limited owed Nightingale Hammerson £400,000 (2013 – £400,000) in accordance with a loan facility and a further £382,792 (2013 - £44,440) being charitable contributions payable to Nightingale Hammerson in respect to the year to 30 September 2014.

At 30 September 2014 Nightingale Hammerson owed Chalkford Limited £1,705,769 (2013 – £883,737) under a contract for the construction of property.

Otto Schiff Housing Association / Six Point Foundation

Susan Grant who is a director of the Corporate Trustee of Nightingale Hammerson is also a Trustee of the Six Point Foundation and Member of the Council of Otto Schiff Housing Association.

During the year ended 30 September 2014 Nightingale Hammerson received donations from Otto Schiff Housing Association of £nil, (2013 – £2,000,000) and from the Six Point Foundation of £12,257 (2013 – £10,852).

The Israel Lazarus Charitable Trust

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

During the year ended 30 September 2014 Nightingale Hammerson received donations from The Israel Lazarus Charitable Trust of £25,000 (2013 – £26,500).

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 2014, Nightingale Hammerson received £13,532 (2013: £5,323) of dividend income from Bantent Limited.

20 Transfer of activities, assets and liabilities from Hammerson Home Charitable Trust

With effect from midnight on 30 April 2012, in accordance with a legal Deed of Transfer, the activities, assets (with the exception of £500,000) and liabilities in respect to the operation of Hammerson Home Charitable Trust (Charity Registration No. 286002) transferred across to Nightingale House. At the same time, the name of the charity changed from Nightingale House to Nightingale Hammerson.

The net assets and liabilities transferred comprised:

	£'000
Tangible fixed assets (Cost £3,703,000, depreciation £1,013,000)	2,690
Investments	2,987
Debtors	74
Cash at bank	16
Creditors: Amounts falling due within one year	(372)
	<u>5,395</u>

On 28 December 2012 Nightingale Hammerson received the remaining sum of £548,317 from Hammerson Home Charitable Trust as a transfer of investments.