

NIGHTINGALE HOUSE HOSPICE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

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NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	<p>Mrs E Griffiths, Chair Dr N Braid, Vice Chair Mrs A Brebner Mr R Cole Dr J Duguid Mr G Greasley His Honour R P Hughes Mrs J Lowe Mr A Morse Mrs C Varley Mr P R Weston (appointed 19 August 2020)</p>
Company registered number	02906838
Charity registered number	1035600
Registered office	<p>Nightingale House Chester Road Wrexham LL11 2SJ</p>
Key Management Personnel	<p>Steve Parry - Chief Executive Officer Tracy Livingstone - Head of Hospice Governance and Education Yvonne Lush - Head of Clinical and Patient Service (Appointed 1 January 2020, Resigned 31 May 2021) Clare Popple - Finance Manager Katie Roberts - Head of Retail Lauren Tilston - Head of Income Generation Christopher Burgoyne - Head of Operations Catherine Hughes - Information Governance Lead/ Data Protection Officer</p>
Independent auditors	<p>WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG</p>
Bankers	<p>Barclays Bank plc Raymond Court Princes Drive Colwyn Bay LL29 8HT</p>

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Solicitors	Gittins McDonald 12 Grovesenor Road Wrexham LL11 1BU DTM Legal Archway House Station Road Chester Cheshire CH1 3DR
Investment Managers	Brewin Dolphin 1 The Avenue Spinningfields Square Manchester M3 3AP

The Trustees present their Annual Report together with the audited financial statements of the Nightingale House Hospice for the year from year 1 January 2020 to 31 December 2020. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the second edition Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (October 2019).

Objectives and activities

a. Policies and objectives

The object of the Charity is to provide services for individuals living within North East Wales and the border areas who are living with a diagnosis of a life limiting illness, and their families, delivered when possible in the location of their choice and always within the resources available to Nightingale House Hospice. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

To monitor standards of patient and family care and establish a programme of continual review and improvement in line with local, regional and national specialist palliative care strategies and standards. To ensure all services are provided in safe, pleasant and well maintained premises appropriate and fit for purpose in collaboration with other health and social care providers. To ensure equity of access to hospice for patients and families identified within our organisations' aims and for our staff, volunteers and visitors. The strategies employed to achieve the Charity's objectives and to ensure we deliver public benefit are:

- Maintenance of a suitably qualified and experienced multi-disciplinary team
- Corporate and clinical governance monitoring
- Quality assurance audits locally and nationally peer reviewed
- A programme of staff development and training

c. Activities undertaken to achieve objectives

Following an assessment of physical, emotional, social and spiritual needs, services will be delivered by a multi disciplinary team, trained and competent to meet the needs of all patients, including those with complex, specialist needs.

To provide the highest quality of health care in an appropriate and safe environment and through developing collaborative working partnerships with Health and Social Care providers within the local health economy.

Objectives and activities (continued)

d. Volunteers

The charity is dependent on the help of approximately 500 active volunteers who provide incredible levels of support. Volunteers assist in all areas of the hospice and in all supportive services across income generation and are a very important part of the organisation.

e. Main activities undertaken to further the Charity's purposes for the public benefit

Monitor standards of patient and family care and establish a programme of continual review and improvement in line with local, regional and national specialist palliative care strategies and standards.

The Trustees have given due consideration to the Charity Commission's guidance on public benefit when reviewing the objectives and in deciding what activities the Charity undertakes. The Trustees are satisfied that the achievements and planned activities contribute to the objectives they have set.

Strategic report

Achievements and performance

a. Key performance indicators

A key objective is to optimise hospice expenditure on Patient Care & Family Support, which in 2020 was £2.48M (2019 £2.45M).

b. Review of activities

The Hospice met its objective of providing a comprehensive range of quality services to its patients free at the point of delivery. Whilst the Covid-19 pandemic severely disrupted the country, our inpatient unit and all other services continued to operate throughout the year albeit with some reductions in Day Services activities. Some consultations continued by the utilisation of modern technology.

c. Investment policy and performance

According to the Memorandum and Articles of Association, the trustees have the power to invest such part of the funds as they may see fit. Current funds are invested to generate income and capital growth with diversified risk. The portfolio therefore comprises of cash and fixed interest investments and global equities.

Funds are managed by Brewin Dolphin under their Income and Growth Return Category. This category is well diversified by asset class. The portfolio will be generally measured against the APCIMS Balanced Index but will be managed to our individual needs.

Interest and dividend income of £31K (2019: £45K) earned in the year was reinvested in the portfolio. It is the policy of the Board to invest reserves where possible in order to augment income and offset inflationary trends.

Funds are invested so as to generate income and capital growth within a "Balanced" benchmark and a low Risk Category of 6. Following the market downturn in early 2020 there was a recovery towards the year end which has restored value to our investment portfolio.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report (continued)

Financial review

a. Going concern

After making appropriate enquiries and weathering the financial storm that beset most UK businesses in 2020, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

It is the policy of the Board to maintain free cash/quasi cash reserves at a minimum level equaling to 6 months expenditure in order to ensure continuity of service in view of variable receipts, funding levels and the uncertain times we are operating in.

At the year end the total funds are £7,261,481 (2019: £6,824,582) of which £1,855,532 (2019: £1,558,683) are restricted funds, consisting primarily of fixed assets, and £5,405,949 (2019: £5,265,899) relate to unrestricted reserves.

These unrestricted reserves have been designated as follows:

General reserves	£5,405,949
Less designated funds:	
Tangible fixed assets	
Hospice	£2,370,792
Subsidiaries	£ 198,601
Property maintenance and repair	£ 100,000
Modernisation fund for planned development	£ 432,549
Contingency fund - 6 months running costs	£1,555,852
	£ 748,155

Result for the Year

The Charity reported a positive income for the year before movement in investment assets of £371k. Positive movements in the stock market valuations resulted in a net gain on our investment of £66k which in turn created an overall surplus of £437k at year end.

Fixed Asset Investments held at 31 December 2020 were valued at £1.27 million which was broadly in line with the 2019 value. The figure includes income of £31k which was reinvested in the fund.

Total Income for 2020 of £5.0 million was up £92k on the amount in 2019, equivalent to 1.9%.

NIGHTINGALE HOUSE HOSPICE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

The principal funding sources for the year aside from the trading subsidiaries were Local Health Board Core funding of £441k, donations of £1,190k, income from fundraising events of £65k and legacies and bequests of £394k.

The charity received £150k during 2020 from the Welsh Government as part of the funding for palliative care in Wales towards NHS core services costs.

Expenses reduced by £75k in the year to £4.6 million – equivalent to 1.6%. Staff costs equate to 65% of the total expenditure and general running costs 4%. Fundraising expenses (1%) and depreciation charges (5%) are the other main cost bases.

The average number of employees during the year was 144, which is 13 down on the level in 2019 (157). Staff costs fell by 1%.

Results for the Year (continued)

During 2020 our total charitable expenditure was at £3.11 million equivalent to 68% of total expenditure.

Group net assets stand at £7.26m which is an increase of £437k compared to 2019. Cash held as working capital at the year end was £2.05 million.

Subsidiary Companies:

The Nightingale House Lottery Limited achieved a net profit of £585k compared to £559k in 2019. The profits were gifted to the charity under the Gift Aid scheme.

Nightingale House Promotions Limited made a loss of £151k for the year. Retail trading conditions are difficult, and turnover was down 39% on 2019 to £820k. Gross profit percentage has fallen in the year to 27%.

c. Principal risks and uncertainties

Primary risks involve a failure to set a budget which is both achievable and ensures that the objectives of the Charity are met, a failure to accurately report the ongoing financial performance of the Charity in a timely fashion, reserves being jeopardised by poor cash management and investment losses due to unforeseen severe market conditions, and financial loss caused by fraud or theft.

The Trustees have assessed the major risks to which the Charity and the Group is exposed, in particular those related to the operations and finances of the Charity and the Group, and are satisfied that systems and procedures are in place to manage our exposure to the major risks.

The Covid 19 Pandemic has hit the UK and Nightingale House Hospice, like many other charities and businesses throughout the UK, have seen their income streams decimated. It was originally anticipated in early 2020 that the projected loss for the Hospice could have been circa £1m for the year ended December 2020. However, funding support received from the Welsh Government, the Furlough Scheme, Business Rates linked Grants from the local authority, coupled with innovative fundraising initiatives have meant that there was no shortfall during the year. 2021 will continue to be a challenge with a projected shortfall of circa £500k and every effort will be made to mitigate losses at this level. The Trustees and Executive Management Team have always been prudent with regards financial management and it is anticipated that this economic storm will continue to be weathered. If Government funding or support is not continued and difficult trading conditions continue, then the services offered will be reviewed and realigned within budgets available.

d. Financial risk management objectives and policies

The primary financial risk management objectives and policies centre on robust budgetary control and financial reporting, a robust reserves, cash management and investment policy, and a strong anti fraud and error infrastructure.

e. Principal funding

The principal sources of funding in the year have been Fundraising (which includes Events and Donations), followed by Statutory Income, Lottery income, Gifts in Wills and Gift Aid.

Structure, governance and management

a. Constitution

The Charity and the Group is registered as a charitable (private) company limited by guarantee and was set up by a Memorandum of Association on 4 March 1994. The company was incorporated in Wrexham, UK.

The Charity and the Group is constituted under a Memorandum of Association dated 4 March 1994 and is a registered charity (number 1035600). Each member undertakes to contribute a maximum of £10 to the Charity's assets should it be wound up.

b. Methods of appointment or election of Trustees

As set out in the Articles of Association no person shall be appointed a trustee unless they have attained the age of 18 years and been recommended by the trustees not less than fourteen nor more than thirty five days before the date appointed for the general meeting. Trustees nominated are representative of the skills and experience needed by the Trustee Board to ensure a balance of professional expertise. In accordance with the Articles of Association any Trustee appointed outside of this time period can only hold office to the following general meeting at which they have to stand for election.

Trustees are elected for a period of three years. Prior to the annual general meeting the trustees nearing the end of their term are asked whether they wish to continue for a further period of three years. Those willing are reappointed at the annual general meeting. The minimum number of trustees shall not be less than five.

All Trustees give their time voluntarily and receive no benefits from the charity.

c. Policies adopted for the induction and training of Trustees

Upon being appointed, Trustees are provided with induction training alongside staff and volunteers. Half day Board of Trustees meetings which are held twice a year (held remotely in 2020) provide opportunity for Trustee training updates on regulatory compliance and service developments. Additional information is supplied upon appointment, by means of the New Trustee Folder which is issued to all new Trustees.

Structure, governance and management (continued)

d. Organisational structure and decision making

The organisation is commonly known as Nightingale House Hospice and is governed by a Board of Trustees which is responsible for setting the strategic direction of the organisation and for establishing policy. The Board meets quarterly, as do other committees which cover:

- Strategy (meet every six months)
- Clinical
- Finance
- Human Resources
- Income Generation
- Retail

e. Pay policy for key management personnel

The remuneration of senior staff is based on market rates and is reviewed annually by the Trustees.

f. Related party relationships

The Charity has two subsidiaries Nightingale House Lottery Limited and Nightingale House Promotions Limited. Nightingale House Lottery Limited administers a weekly lottery in Wrexham and surrounding areas and other raffles. Nightingale House Promotions Limited operates the charity shops, cafes, e-commerce and sale of merchandise.

g. Financial risk management

The Trustees have assessed the major risks to which the Group and the Company are exposed, in particular those related to the operations and finances of the Group and the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

h. Trustees' indemnities

Trustee indemnity insurance is in place for the Trustees.

Plans for future periods

Hospice 5 Year Strategic Plan (2018 – 2023)

The Strategic Plan for the hospice from 2018 – 2023 includes:

- Development of outreach services within the community
- Increasing the number of individuals able to access hospice services
- Exploring continuing health care provision
- Developing community support
- Enhanced provision of education

Plans for future periods (continued)

Clinical

Following a full review of the delivery of all clinical services in 2018 the decision was taken to carry out an extensive modernisation of the existing hospice premises to ensure that patient services are delivered in the best possible environment for the next 20 to 25 years.

The premises modernisation programme commenced in May 2019 and concluded in July 2020 (original completion date was scheduled for Spring 2020 but was delayed due to the Covid 19 pandemic). This has been funded through Hospice reserves, charitable trusts and corporate support and throughout 2019, and early 2020, the hospice sought to maximise funding support for this major project.

Outreach Projects

The Hospice continued with the Outreach Project for patients diagnosed with end stage heart failure. This project involves holding clinics and drop-in patient engagement groups at the hospice with further clinics held in the community.

The established day services which commenced during 2019 in both Chirk and Mold Community Hospitals underwent a review in 2020. This review resulted in a significant redesign in terms of purpose, model and mode of delivery. As a result, during 2021, Nightingale House Information Points will be set up in a number of venues across our catchment area. Volunteers have been recruited to help with the delivery of this new initiative.

Hospice staff continued to provide support and education in palliative care to staff of the Health Board and local care homes.

Information on fundraising practices

All fundraising activities are completed by the Nightingale House Fundraising Team apart from the sale of Lottery entries where 2 part time, self employed canvassers are employed.

We comply with the Code of Fundraising Practice issued by the Fundraising Regulator. The Lottery canvassers are issued with guidelines laid out by Nightingale House and they also must abide by the Gambling Commission regulations.

All activities of Lottery canvassers are monitored – dates worked, locations attended, sales made. All Lottery sales are followed up by the Nightingale House Lottery Team to ensure quality standards are maintained. No Lottery complaints were received during 2020 (Nil in 2019 too).

Our Privacy Policy (<https://www.nightingalehouse.co.uk/privacy-policy/>) includes the use of personal data for Fundraising purposes. This Policy also includes details of the hospice's Data Protection Officer should individuals have any concerns regarding the use of their data. All Fundraising documentation i.e. gift aid forms, flyers, registration forms, standard letters, etc. contain a link to the Privacy Policy and instructions of how to opt out of future communication.

We also review annually the personal data we hold regarding our supporters to ensure that, where possible, the data is accurate, up to date and not retained longer than necessary.

Plans for future periods (continued)

Future fundraising plans include:

- New fundraising events to increase community support / involvement
- Designated resource to build relationships with corporate supporters / donors
- Development of overseas challenge events
- Development of on line giving facilities

The fundamental principles upon which the Charity carries out Fundraising activities are as follows:

- Legal
- Open
- Honest
- Respectful

Funds held as custodian

There were no funds held as custodian.

Retail

As stated earlier in this report (under subsidiary companies) Nightingale House Promotions Limited made a loss of £151k for the year.

The performance of all our retail premises have been severely impacted by the lockdowns experienced during the year and into 2021. Most retail staff were placed on Furlough during these lockdown periods.

In late 2019 the decision was made to close the Flint shop in January 2020 as it was not contributing the level of income expected. The Lease was eventually terminated in March 2020. In August 2020 our Shotton store was also closed as ongoing viability was in doubt.

A new shop and donation station was opened in Borras, Wrexham in August 2020 and this premises is, as expected, proving to be an excellent drop off point for donations from our supporters.

The ongoing performance of all our retail outlets will be closely monitored. There are no plans in place for any new retail premises with the exception of Llangollen should a suitable premises be found.

A new retail model was introduced during 2020 which focuses on the shops being self sufficient in sourcing donated stock and this has resulted in a reduction in central overheads. The initiative incorporated the closure of a substantial Distribution Centre in November 2020 and this was replaced with a significantly smaller unmanned storage unit.

Plans to develop and streamline our e-commerce offering have been implemented.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

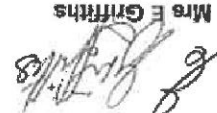
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable groups' auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable groups' auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


Mrs E Griffiths
Chair of Trustees
Date: 16 June 2021

Opinion

We have audited the financial statements of Nightingale House Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company'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 financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 financial statements.

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

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are those that relate to the reporting framework (Charities SORP (FRS 102)), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the Charity are complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIGHTINGALE HOUSE HOSPICE
(CONTINUED)

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MR Fabian
Andrew Malpass BSC FCA (Senior statutory auditor)
for and on behalf of
WR Partners
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG
Date: 28th September 2021

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)**
FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Total funds 2019
	£	£	£	£
Income from:				
4 Donations and legacies	2,262,482	494,162	2,756,644	1,951,826
5 Charitable activities	186,824	40,000	226,824	214,515
6 Other trading activities	1,938,423	-	1,938,423	2,651,139
7 Investments	51,247	-	51,247	63,400
Total income	4,438,976	534,162	4,973,138	4,880,880
Expenditure on:				
8 Raising funds	1,490,530	-	1,490,530	1,721,391
Charitable activities	2,874,391	237,313	3,111,704	2,955,521
Total expenditure	4,364,921	237,313	4,602,234	4,676,912
Net gains on investments	65,995	-	65,995	216,272
Net movement in funds	140,050	296,849	436,899	420,240
Reconciliation of funds:				
Total funds brought forward	5,265,899	1,558,683	6,824,582	6,404,342
Net movement in funds	140,050	296,849	436,899	420,240
Total funds carried forward	5,405,949	1,855,532	7,261,481	6,824,582

The Consolidated statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 20 to 48 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	2020	2019
Fixed assets		
Tangible assets	4,048,820	3,715,817
Investments	1,266,345	1,188,253
	5,315,165	4,904,070
Current assets		
Stocks	19,306	46,069
Debtors	359,084	234,638
Cash at bank and in hand	2,049,050	2,372,613
	2,427,440	2,653,320
Creditors: amounts falling due within one year	(470,479)	(711,359)
	1,956,961	1,941,961
Net current assets		
Total assets less current liabilities	7,272,126	6,846,031
Provisions for liabilities	(10,645)	(21,449)
Net assets excluding pension asset	7,261,481	6,824,582
Total net assets	7,261,481	6,824,582
Charity funds		
Restricted funds	1,855,532	1,558,683
Unrestricted funds	5,405,949	5,265,899
Total funds	7,261,481	6,824,582

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 16 June 2021 and signed on their behalf by:

Mrs E. Griffiths
(Chair of Trustees)

Mr A. Morse
(Trustee)

The notes on pages 20 to 48 form part of these financial statements.

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020	2019
Fixed assets			
Tangible assets	13	3,850,219	3,492,510
Investments	14	1,266,345	1,188,253
Current assets			
Stocks	15	4,936	4,720
Debtors	16	1,423,932	727,303
Cash at bank and in hand		895,622	1,686,328
		<u>2,324,490</u>	<u>2,418,351</u>
Creditors: amounts falling due within one year	17	(280,671)	(527,628)
Net current assets		<u>2,043,819</u>	<u>1,890,723</u>
Total assets less current liabilities		<u>7,160,383</u>	<u>6,571,486</u>
Provisions for liabilities		(10,645)	(10,645)
Net assets excluding pension asset		<u>7,149,738</u>	<u>6,560,841</u>
Total net assets		<u>7,149,738</u>	<u>6,560,841</u>
Charity funds			
Restricted funds	20	1,855,532	1,558,653
Unrestricted funds	20	5,294,206	5,002,188
Total funds		<u>7,149,738</u>	<u>6,560,841</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 16 June 2021 and signed on their behalf by:

Mrs E. Griffiths
(Chair of Trustees)

Mr A. Morse
(Trustee)

The notes on pages 20 to 48 form part of these financial statements.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
£	£	£
Cash flows from operating activities		
Net cash used in operating activities	22	22
	266,523	638,544
Cash flows from investing activities		
Dividends, interests and rents from investments	51,247	86,150
Proceeds from the sale of tangible fixed assets	1,083	390,565
Purchase of tangible fixed assets	(611,592)	(1,218,791)
Proceeds from sale of investments	352,859	1,222,996
Purchase of investments	(383,683)	(587,631)
Net cash used in investing activities	(590,086)	(106,711)
Change in cash and cash equivalents in the year	(323,563)	531,833
Cash and cash equivalents at the beginning of the year	2,372,613	1,840,780
Cash and cash equivalents at the end of the year	2,049,050	2,372,613
23		

The notes on pages 20 to 48 form part of these financial statements

1. General information

The Charity is a company limited by guarantee incorporated in England and Wales. The registered address and the members of the company are named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - 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 UK and Republic of Ireland (FRS 102) (October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Nightingale House Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Basis of consolidation

The financial statements consolidate the accounts of Nightingale House Hospice and all of its subsidiary undertakings ('subsidiaries').

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the Charity was a surplus of £588,895 (2019: surplus of £354,518).

2.3 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements as explained in the Trustees' Report. The Trustees have also assessed the potential impact on the future operations of the Charity with regard to the Covid-19 outbreak. The Charity is considered to be well positioned given the current environment and the going concern basis of the financial statement is considered appropriate.

2. Accounting policies (continued)
2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate accurately the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 50 years
Long-term leasehold property	- Over the shorter of the remaining lease term or remaining lease term on a straight line basis
Plant and machinery	- Over 5 - 10 years straight line
Motor vehicles	- Over 3-5 years on a straight line basis
Fixtures and fittings	- Over 3-10 years on a straight line basis
Office equipment	- Over 3 years on straight line basis

2. Accounting policies (continued)

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities

Liabilities 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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.13 Provisions

Provisions are recognised when the Group and Charity have an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

2.15 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Pensions

The Charity contributes to the National Health Service Pension Scheme (a defined contribution scheme) for those employees who are eligible, a defined contribution group pension plan under auto enrolment and contributes to the personal pension plans of other participating employees. Approximately 50% of the contribution to the NHS pension scheme is reimbursed by the Welsh Government via Betsi Cadwaladr University Health Board.

Critical accounting estimates and assumptions:
The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

3. Critical accounting estimates and areas of judgment
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Investment income, gains and losses are allocated to the appropriate fund.
Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.
General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

2. Accounting policies (continued)
2.17 Fund accounting

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Gift Aid on Donations	76,434	-	76,434	96,590
Donations	955,394	26,309	981,703	737,485
GAYE (donations via companies)	2,372	-	2,372	2,497
Challenge Activities	62,462	-	62,462	192,160
Legacies and Bequests	393,510	-	393,510	253,975
Collections	24,801	-	24,801	69,498
Covenants	1,888	-	1,888	1,888
Phase 2 Development Income	-	381,736	381,736	-
Hospice UK	-	40,000	40,000	-
EOL	-	27,644	27,644	-
Awyr Las	-	8,975	8,975	-
Masonic Charitable Fund	-	9,498	9,498	-
Coronavirus Job Retention Scheme	208,884	-	208,884	-
BetsiCadwaladr University LHB - Core funding	440,916	-	440,916	440,916
Gift Aid on Donated Goods	95,821	-	95,821	156,817
Total 2020	2,262,482	494,162	2,756,644	1,951,826
Total 2019	1,685,380	266,446	1,951,826	

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Income from charitable activities

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Total funds 2019
Children in Need	-	40,000	40,000	40,000
Welsh Assembly Government	149,756	-	149,756	137,447
Betsi Cadwaladr University - NHS	34,068	-	34,068	34,068
Superannuation contribution	34,068	-	34,068	34,068
Betsi Cadwaladr University - temporary residence fees	3,000	-	3,000	3,000
Total 2020	186,824	40,000	226,824	214,515
Total 2019	174,515	40,000	214,515	

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020	Total funds 2020	Total funds 2019
Catering services	34,004	34,004	2,353
Fundraising	25,540	25,540	198,785
Merchandise	28,089	28,089	26,159
Rental	12,000	12,000	22,750
Miscellaneous income	45,631	45,631	62,513
Campaign income	68,713	68,713	97,731
Income from Nightingale House Promotions	820,291	820,291	1,346,867
Income from Nightingale House Lottery	904,155	904,155	893,981
Total 2020	1,938,423	1,938,423	2,651,139
Total 2019	2,651,139	2,651,139	2,651,139

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Investment income

Unrestricted funds 2020	Unrestricted funds 2019	Total funds 2020	Total funds 2019
£	£	£	£
31,469	44,580	31,469	44,580
2,394	8,217	2,394	8,217
17,384	10,603	17,384	10,603
51,247	63,400	51,247	63,400
63,400	63,400	63,400	63,400
Total 2020	Total 2019	Total 2020	Total 2019

8. Expenditure on raising funds

Other charitable trading expenses

Unrestricted funds 2020	Unrestricted funds 2019	Total funds 2020	Total funds 2019
£	£	£	£
61,728	117,884	61,728	117,884
515,048	571,703	515,048	571,703
237,327	256,759	237,327	256,759
637,435	729,057	637,435	729,057
38,992	45,988	38,992	45,988
1,490,530	1,721,391	1,490,530	1,721,391
Total 2020	Total 2019	Total 2020	Total 2019

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Analysis of expenditure by activities

Charitable activities	Total 2020				Total 2019			
	Charitable activities undertaken directly 2020	Support costs 2020	Total funds 2020	Total funds 2020	Charitable activities undertaken directly 2020	Support costs 2020	Total funds 2020	Total funds 2019
	306,528	2,805,176	3,111,704	2,955,521	260,804	2,694,717	2,955,521	

Analysis of direct costs

Charitable activities 2020	Total 2020				Total 2019			
	Charitable activities 2020	Support costs 2020	Total funds 2020	Total funds 2020	Charitable activities 2020	Support costs 2020	Total funds 2020	Total funds 2019
Travel	723	7,891	7,891	5,268	723	7,891	7,891	5,268
Ambulance running costs & other Hospice vehicles	9,518	9,518	9,518	21,303	9,518	9,518	9,518	9,340
Educational training	83,915	83,915	83,915	53,314	83,915	83,915	83,915	53,314
Repairs and renewals	15,117	15,117	15,117	11,669	15,117	15,117	15,117	11,669
Insurance	13,420	13,420	13,420	14,147	13,420	13,420	13,420	14,147
Audit and accountancy	132,828	132,828	132,828	113,277	132,828	132,828	132,828	113,277
Legal and professional	27,606	27,606	27,606	11,980	27,606	27,606	27,606	11,980
Equipment lease	15,510	15,510	15,510	20,506	15,510	15,510	15,510	20,506
Bank charges & interest	306,528	306,528	306,528	260,804	306,528	306,528	306,528	260,804

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Analysis of expenditure by activities (continued)
Analysis of support costs

	Charitable activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	2,349,360	2,349,360	2,278,984
Depreciation	238,514	238,514	183,496
General running costs	187,758	187,758	205,865
Catering provisions	29,544	29,544	26,372
Total 2020	2,805,176	2,805,176	2,694,717
Total 2019	2,694,717	2,694,717	

10. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	12,400	12,000
Accounts preparation and other services	3,200	3,100

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Staff costs

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	2,674,080	2,680,544	2,080,474	2,006,486
Social security costs	195,883	206,024	162,871	164,489
Contribution to defined contribution pension schemes	116,832	121,473	106,015	108,009
	2,986,795	3,008,041	2,349,360	2,278,984

During the year, there was a total of £20,607 redundancy payments (2019: £Nil) and a total of £8,786 severance payments (2019: £Nil).

The average number of persons employed by the Charity during the year was as follows:

	Group 2020 No.	Group 2019 No.
Clinical and domiciliary	67	75
Fundraising	16	14
Commercial trading operations	42	46
Administration and maintenance	19	22
	144	157

The average headcount expressed as full-time equivalents was:

	Group 2020 No.	Group 2019 No.
Clinical and domiciliary	44	45
Fundraising	13	12
Commercial trading operations	31	36
Administration and maintenance	13	17
	101	110

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

In the band £60,001 - £70,000	
Group No. 2020	Group No. 2019
1	1

Total remuneration of the directors and personnel considered to be key management of the group was £372,584 (2019: £319,999).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets
Group

	Freehold property £	Leasehold property £	Plant and Machinery & Motor Vehicles £	Fixtures and Fittings and Office Equipment £	Total £
Cost or valuation					
At 1 January 2020	5,000	4,575,511	346,247	1,161,614	6,088,372
Additions	-	543,183	899	67,510	611,592
Disposals	-	(73,850)	(2,315)	(21,198)	(97,363)
At 31 December 2020	5,000	5,044,844	344,831	1,207,926	6,602,601
Depreciation					
At 1 January 2020	-	1,441,700	90,520	840,335	2,372,555
Charge for the year	-	149,460	30,893	97,153	277,506
On disposals	-	(73,850)	(2,315)	(20,115)	(96,280)
At 31 December 2020	-	1,517,310	119,098	917,373	2,553,781
Net book value					
At 31 December 2020	5,000	3,527,534	225,733	290,553	4,048,820
At 31 December 2019	5,000	3,133,811	255,727	321,279	3,715,817

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets (continued)
Charity

	Freehold property	Leasehold property	Plant and Machinery & Motor Vehicles	Fixtures and Fittings & Office Equipment	Total
Cost or valuation	£	£	£	£	£
At 1 January 2020	5,000	4,541,182	47,987	985,938	5,580,107
Additions	-	543,183	-	54,123	597,306
Disposals	-	-	-	(13,499)	(13,499)
At 31 December 2020	5,000	5,084,365	47,987	1,026,562	6,163,914
Depreciation	-	1,367,080	6,828	713,689	2,087,597
At 1 January 2020	-	1,49,460	9,597	79,457	238,514
Charge for the year	-	-	-	(12,416)	(12,416)
On disposals	-	-	-	-	-
At 31 December 2020	-	1,516,540	16,425	780,730	2,313,695
Net book value	5,000	3,567,825	31,562	245,832	3,850,219
At 31 December 2020	5,000	3,174,102	41,159	272,249	3,492,510
At 31 December 2019	5,000	3,174,102	41,159	272,249	3,492,510

Listed investments 3

At 1 January 2020	1,188,253
Additions	383,683
Disposals	(352,859)
Revaluations	47,268

1,266,345

1,266,345

1,188,253

3
investments
in
subsidiary
companies

Total £

2	1,188,251	1,188,253
-	383,683	383,683
-	(352,859)	(352,859)

- 47,268 47,268

2	1,266,343	1,266,345
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2 1,266,343 1,266,345

2	1,188,251	1,188,253
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NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Stocks

	Group 2020	Group 2019	Charity 2020	Charity 2019
Finished goods and goods for resale	19,306	46,069	4,936	4,720
	£	£	£	£

16. Debtors

	Group 2020	Group 2019	Charity 2020	Charity 2019
Due within one year				
Trade debtors	95,073	5,107	95,073	5,107
Amounts owed by group undertakings	-	-	1,132,600	535,808
Other debtors	112,509	109,912	80,668	110,080
Prepayments and accrued income	76,749	72,112	40,838	28,801
Tax recoverable	74,753	47,507	74,753	47,507
	359,084	234,638	1,423,932	727,303

17. Creditors: Amounts falling due within one year

	Group 2020	Group 2019	Charity 2020	Charity 2019
Payments received on account	175,871	124,577	77,876	26,947
Trade creditors	73,272	66,414	36,536	58,840
Other taxation and social security	62,137	52,868	62,137	46,506
Other creditors	34,630	34,397	32,726	32,805
Accruals and deferred income	124,569	433,103	71,396	362,530
	470,479	711,359	280,671	527,628

Payments on account in the main relate to Lottery stakes received in advance. These are released in full to the profit and loss account as and when players are entered into the weekly cash prize draw.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Creditors: Amounts falling due within one year (continued)

Group 2020 £	Group 2019 £	Group 2020 £	Group 2019 £
330,000	330,000	330,000	330,000
Grants received in advance			
Deferred income at 1 January 2020	330,000	-	-
Resources deferred during the year	-	330,000	-
Amounts released from previous periods	(330,000)	-	-
-	-	330,000	330,000
330,000	330,000	-	-

Prior year deferred income represents grants received in advance towards Phase 2 of the redevelopment project released during the current year.

18. Deferred taxation

Group and Charity 2020 £	Group and Charity 2019 £
10,804	10,804
At the beginning of the year	-
Other movements	(10,804)
-	10,804
10,804	-

The deferred tax balance is made up as follows:

Group 2020 £	Group 2019 £
-	-
Accelerated capital allowances	(10,804)
-	(10,804)

At 1 January 2020 10,645

10,645

At 1 January 2020 10,645

10,645

period relates solely to the adjustment of the provision.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 December 2020
Unrestricted funds		£	£	£	£	£
Designated funds						
Tangible fixed assets	1,931,061	-	-	439,731	-	2,370,792
Property						
maintenance and repair	100,000	-	-	-	-	100,000
Subsidiaries -						
tangible fixed assets	223,307	-	-	(24,706)	-	198,601
Modemisation	702,081	-	-	(269,532)	-	432,549
Fund	2,956,449	-	-	145,493	-	3,101,942
General funds						
Charity Funds	2,309,450	4,438,976	(4,364,921)	(145,493)	65,995	2,304,007
Total Unrestricted funds	5,265,899	4,438,976	(4,364,921)	-	65,995	5,405,949

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 December 2020
Restricted funds						
Hospice Property Fund	1,153,647	-	(56,304)	-	-	1,097,343
Welsh Assembly Grant - capital	223,477	-	(22,672)	-	-	200,805
Staff Fund	280	-	-	-	-	280
Phase 1 Development						
Income	181,279	-	(18,276)	-	-	163,003
Phase 2 Development						
Income	-	381,736	(1,670)	-	-	380,066
Children in Need	-	40,000	(40,000)	-	-	-
EOL	-	27,644	(27,644)	-	-	-
Masonic Charitable Fund	-	9,498	(9,498)	-	-	-
Awyr Las Hospice UK	-	8,975	-	-	-	8,975
Sundry Restricted Funds (<£5k)	-	26,309	(21,249)	-	-	5,060
Total of funds	1,558,683	534,162	(237,313)	-	-	1,855,532
	6,824,582	4,973,138	(4,602,234)	-	65,995	7,261,481

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20. Statement of funds (continued)
Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
Designated funds						
Tangible fixed assets	1,120,580	-	-	810,481	-	1,931,061
Property maintenance and repair	100,000	-	-	-	-	100,000
Subsidiaries - tangible fixed assets	420,113	-	-	(196,806)	-	223,307
Modernisation Fund	1,600,000	-	-	(897,919)	-	702,081
General funds						
Charity Funds	1,643,243	4,574,434	(4,472,769)	348,270	216,272	2,309,450
Total Unrestricted funds	4,883,936	4,574,434	(4,472,769)	64,026	216,272	5,265,899

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20. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Restricted funds						
Hospice Property Fund	1,209,951	-	(56,304)	-	-	1,153,647
Welsh Assembly Grant - capital	246,149	-	(22,672)	-	-	223,477
Staff Fund	280	-	-	-	-	280
Subsidiaries - Promotions	64,026	-	-	(64,026)	-	-
Phase 1 Development	-	182,802	(1,523)	-	-	181,279
Phase 2 Development	-	40,000	(40,000)	-	-	-
Children in Need	-	28,000	(28,000)	-	-	-
EOL	-	35,000	(35,000)	-	-	-
Masonic Charitable Fund	-	5,107	(5,107)	-	-	-
Amyr Las	-	5,000	(5,000)	-	-	-
Hospice UK	-	10,537	(10,537)	-	-	-
Total of funds	6,404,342	4,880,880	(4,676,912)	-	216,272	6,824,582
	1,520,406	306,446	(204,143)	(64,026)	-	1,558,683

NOTES TO THE FINANCIAL STATEMENTS
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Restricted Funds

The Hospice Property Fund was set up initially in 1994 from grants received for the construction of the Hospice building. Since 1994 additional grants have been received for refurbishment and improvements of the building and also the building of a new annex. These grants have been fully spent and the value carried forward relates to the value within Fixed Assets – Long Leasehold Property.

The Big Lottery Fund awarded a restricted grant of £300,000 towards the building of a new annex at the Hospice in 2007. Terms and conditions of the grant remain in force for the remaining term of the lease. As this grant has been fully spent the amount carried forward relating to the net book value of the asset has been transferred to the Hospice Property restricted fund above.

Welsh Assembly funding was part of a three year development plan for the Hospice. Grants received relate to specific capital projects. The amount carried forward relates to capital expenditure.

The BBC Children in Need grant is towards salary costs of social workers involved in the Release Project.

For all capital expenditure the amounts carried forward relate to either the net book value of the assets purchased or monies unspent at the year end. If a grant or donation was received towards the capital cost and the monies have been fully spent, then so long as no other restrictions are outstanding, the net book value may be transferred out of restricted funds to unrestricted funds.

Phase 1 fund relates to grants and donations received towards Phase 1 of the redevelopment.

Phase 2 fund relates to grants and donations received towards Phase 2 of the redevelopment including a significant contribution from The Bradbury Foundation.

The Masonic Charitable Fund income was towards the Meals Matters project.

The Awyr Las donation was specific funding for Music Therapy Sessions.

The Hospice UK Grant relates to income received for the Heart failure project.

Sundry restricted funds represent a number of smaller donations (<£5k) received in the year for specific purposes.

Designated Funds

The property maintenance and repair fund was established in 2005 to provide towards future repair costs.

Tangible fixed assets represents the net book value of tangible fixed assets at 31 December 2020 purchased using unrestricted funds.

The modernisation fund represents the contribution to be made by the Hospice to the modernisation project currently underway

General Fund

The General Reserve includes the reserves of the Promotions Company which amount to £103,594 and the reserves of the Lottery Company which amount to £8,149.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

Total	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
Tangible fixed assets	3,459,633	589,187	4,048,820
Fixed asset investments	-	1,266,345	1,266,345
Current assets	2,427,440	-	2,427,440
Creditors due within one year	(470,479)	-	(470,479)
Provisions for liabilities and charges	(10,645)	-	(10,645)
Total	5,405,949	1,855,532	7,261,481

Analysis of net assets between funds - prior period

Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
Tangible fixed assets	618,036	3,715,817
Fixed asset investments	247,606	1,188,253
Current assets	2,653,320	2,653,320
Creditors due within one year	(711,359)	(711,359)
Provisions for liabilities and charges	(21,449)	(21,449)
Total	5,265,899	1,558,683
		6,824,582

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NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net movement in funds to net cash flow from operating activities

Group 2020 £	Group 2019 £
436,899	420,240
Net income for the period (as per Statement of Financial Activities)	
Adjustments for:	
Depreciation charges	223,969
Dividends, interests and rents from investments	(51,247)
Loss/(profit) on the sale of fixed assets	(86,150)
Decrease/(increase) in stocks	(50,463)
Decrease/(increase) in debtors	26,763
Increase in debtors	(8,902)
Increase/(decrease) in creditors	(21,878)
(Gain)/loss on disposal of investments	(251,684)
	329,797
	(47,268)
	638,544
Net cash provided by operating activities	266,523

23. Analysis of cash and cash equivalents

Group 2020 £	Group 2019 £
2,049,050	2,372,613
Cash in hand	
Total cash and cash equivalents	
2,049,050	2,372,613

24. Analysis of changes in net debt

At 1 January 2020 £	At 31 December 2020 £
2,372,613	2,049,050
Cash at bank and in hand	
2,372,613	2,049,050
(323,563)	(323,563)
Cash flows	
(323,563)	2,049,050

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

25. Contingent liabilities

A restricted grant of £300,000 was received in 2007 from the Big Lottery towards the cost of the new annex at the Hospice. The terms and conditions of the grant remain in force for the remaining term of the lease which expires in 2119 and included the requirement to potentially refund the grant if the annex is sold or no longer used for charitable purposes. The land is held under licence from Betsi Cadwaladr University Local Health Board.

26. Pension commitments

The charitable company makes contributions to certain pensions scheme for its employees. One of the schemes for eligible employees is the NHS Superannuation Scheme (a defined contribution scheme). The level of contributions to this scheme is determined annually by the NHS Pensions Agency. The hospice has no further liability beyond the contributions determined. The rate of employer contribution during the year was 14.38% and the charge for the year was £62,450 (2019: £74,569). The amount outstanding relating to this scheme at 31 December 2020 was £9,323 (2019: £10,774) and this was paid in January 2021.

The Hospice also contributes to a group scheme under auto-enrolment with NOW Pensions and to certain participating employees' personal pension plans. The charge for the period was £47,995 (2019: £44,977). The amount outstanding at 31 December 2020 was £12,140 (2019: £11,046) and this was paid in January 2021.

27. Operating lease commitments

At 31 December 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Not later than 1 year	149,484	138,055	21,049	18,474
Later than 1 year and not later than 5 years	504,973	445,882	65,723	84,197
Later than 5 years	226,750	195,825	-	2,575
	<u>881,207</u>	<u>779,762</u>	<u>86,772</u>	<u>105,246</u>

28. Related party transactions

The Nightingale House Hospice has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Nightingale House Hospice at 31 December 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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29. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Holding	Included in consolidation
Nightingale House Promotions Limited	02837909	100% Yes	
Nightingale House Lottery Limited	03139714	100% Yes	

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/(Deficit) for the year £	Net assets £
Nightingale House Promotions Limited	968,133	1,119,120	(150,987)	103,596
Nightingale House Lottery Limited	907,713	907,713	-	8,151