

NIGHTINGALE HOUSE HOSPICE

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

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NIGHTINGALE HOUSE HOSPICE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	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
Company registered number	02906838
Charity registered number	1035600
Registered office	Nightingale House Chester Road Wrexham LL11 2SJ
Key Management Personnel	Steve Parry - Chief Executive Officer Christopher Burgoyne - Head of Operations (up until September 2021) Executive Support (September 2021 to December 2021) Lauren Tilston - Head of Income Generation (up until September 2021) Head of Operations and Deputy Chief Executive Officer (as of September 2021) Laura Parry - Head of Income Generation (Appointed September 2021) Tracy Livingstone - Head of Hospice Governance and Education (Retired May 2021) Yvonne Lush - Head of Clinical and Patient Service (Resigned May 2021) Mandy Cunningham - Head of Clinical and Patient Service (Appointed July 2021)
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Bankers	Barclays Bank plc Raymond Court Princes Drive Colwyn Bay LL29 8HT
Solicitors	DTM Legal Archway House Station Road Chester Cheshire CH1 3DR Gittins McDonald 12 Grosvenor Road Wrexham LL11 1BU
Investment Managers	Brewin Dolphin 1 The Avenue Spinningfields Square Manchester M3 3AP

NIGHTINGALE HOUSE HOSPICE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their Annual Report together with the audited financial statements of the Charity for the year from 1 January 2021 to 31 December 2021. 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 and their families living within North- East Wales and the border areas who are living with a diagnosis of progressive and/or life-limiting illness, 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 services for patients and families identified within our organisations' aims.

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 community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

d. Volunteers

The Charity is dependent on the help of approximately 400 active volunteers who provide incredible levels of support. Volunteers assist in all areas of the hospice and 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

Financial performance is monitored monthly by the executive management team. It is also reviewed and discussed at quarterly finance committee meetings and at all formal board meetings.

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 continued to disrupt the country, our inpatient unit and all other services continued to operate throughout the year albeit with some departments such as Day Services and Family Support continuing to offer video and phone support alongside face-to-face appointments.

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 £23K (2020: £31K) 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Strategic report (continued)

Financial review

a. Going concern

After making appropriate enquiries and overcoming the financial challenges impacting Nightingale House Hospice as a result of the ongoing pandemic throughout 2021, 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 equating 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 £7,859,363 (2020: £7,261,481) of which £1,772,860 (2020: £1,855,532) are restricted funds, consisting primarily of fixed assets, and £6,086,503 (2020: £5,405,949) relate to unrestricted reserves.

These unrestricted reserves have been designated as follows:

General reserves	£6,086,503
Less designated funds:	
Tangible fixed assets Hospice	£2,176,121
Subsidiaries	£ 161,700
Property maintenance and repair	£ 100,000
Modernisation fund for planned development	£ 580,927
Contingency fund – 6 months running costs	£1,678,674
	£1,389,081

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Result for the Year

The Charity reported a positive income for the year before movement in Investment assets of £447k. Positive movements in the stock market valuations resulted in a net gain on our investment of £151k which in turn created an overall surplus of £598k at year end.

Fixed Asset Investments held at 31 December 2021 were valued at £1.42 million. The figure includes income of £23k which was reinvested in the fund.

Total Income for 2021 of £5.3 million was up £362k on the amount in 2020, equivalent to 7.3%.

The principal funding sources for the year aside from the trading subsidiaries were Local Health Board Core funding of £640k, donations of £1,514k and legacies and bequests of £569k.

Expenses increased by £286k in the year to £4.9 million – equivalent to 6.2%. Staff costs equate to 64% of the total expenditure.

The average number of employees during the year was 127, which is 17 down on the level in 2020 (144). Staff costs increased by 4.6%.

During 2021 our total charitable expenditure was at £3.36 million equivalent to 69% of total expenditure.

Group net assets stand at £7.86m which is an increase of £598k compared to 2020. Cash held as working capital at the year end was £2.3 million.

Subsidiary Companies:

Nightingale House Lottery Limited achieved a net profit of £561k compared to £585k in 2020. The profits were gifted to the charity under the Gift Aid scheme.

Nightingale House Promotions Limited made a loss of £60k for the year. Retail trading conditions are difficult, although turnover was up 19% on 2020 to £976k, it was still 28% below 2019 levels. Gross profit percentage in the year was 44%. During 2021 major changes were made to retail including the closure of 3 shops and a reduction in central overhead costs. We are optimistic that the changes made in 2021 will significantly benefit the retail performance in 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 continued to impact the UK and Nightingale House Hospice during 2021, like many other charities and businesses throughout the UK, our income streams were impacted and whilst they have gradually restored in 2021 they have not yet reached pre-covid levels. However, funding support continued in 2021 from the Welsh Government, the Furlough Scheme, Business Rates linked Grants from the local authority, coupled with innovative fundraising initiatives and changes to retail have meant that there was no shortfall during the year.

2022 will continue to be a challenge with a budgeted deficit and every effort will be made to mitigate losses. Emergency funding support from the Welsh Government and Local Authorities will be withdrawn in 2022 and it will be key to restore income streams and develop innovative ways to generate funds. The Trustees and Executive Management Team have always been prudent with regards to financial management and it is anticipated that this economic storm will continue to be weathered. If 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 reserve, 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 Restricted Grants (including Emergency funding from the Welsh Government), Fundraising (which includes Donations, Campaigns and Events), 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

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 as are staff and volunteers. Half day Board of Trustees meetings which are held twice a year 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.

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
- Fundraising and Lottery
- Retail and Catering

There are also quarterly sub-committees for Health and Safety, Facilities and Information Governance & IT.

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 and Nightingale House Promotions Limited gift aid their profits to the charity. Nightingale House Lottery Limited administers a weekly lottery and other raffles and draws. Nightingale House Promotions Limited operates the charity shops, cafes, e commerce, gift shop and sale of merchandise.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

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:

- Increasing the number of individuals able to access hospice services
- Improve the patient environment
- Increase community presence to increase more palliative care patients
- Increase Fundraising Income and develop new ideas to maintain lottery contribution
- Increase community engagement and grow corporate partnerships
- To deliver the Retail sales plan that achieves budgeted contribution through the existing retail estate

Clinical

The premises modernisation programme commenced in May 2019 and concluded in July 2020 for the Day Services (Phase 1) and Rehabilitation Services (Phase 2). In 2021 works started for a patient and visitor carpark to be built on adjoining land to the hospice and this work was completed in February 2022. The new carpark will support the hospice with its growing support for patients with palliative care needs and support to their families and loved ones. This has been funded through Hospice reserves and legacies.

Throughout the pandemic, as an independent hospice, we have been fully committed to continuing to deliver our core services to those in our community who needed our support. Nightingale House Clinical staff trialled a Direct Referral Service during the first lockdown as a way of trying to ease the increased pressure on primary care colleagues like GP's and Community Nurses. It quickly became apparent the service was a lifeline to patients and those caring for loved ones, and this is a service which we will continue for the future.

We have fully maintained all patient services throughout 2021. Inpatient care has continued to be delivered and developed. Our inpatient unit continues to offer care to patients with specialist palliative care needs and patients with a neurological disease who require respite, this includes supporting patients who attend the hospice to improve symptom management before returning home.

A considerable amount of risk assessment and safety procedures were needed to try to keep the hospice Covid-19 free, including virtual support, restricted visitor numbers, use of PPE and regular testing of staff, volunteers and visitors.

Day Services and bereavement support have also been maintained, via virtual technology and telephone as well as face to face. We are now starting to invite patients, adults, and children back into the hospice also offering group sessions.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future periods (continued)

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 involved, although canvassing activity has been limited throughout 2021.

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 2021 (Nil in 2020 and 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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Retail

As stated earlier in this report (under subsidiary companies) Nightingale House Promotions Limited made a loss of £60k for the year.

The performance of all our retail premises were severely impacted by the lockdown experienced in early 2021. Most retail staff were placed on Furlough during the lockdown period and we were able to apply and secure local authority grants to mitigate the losses experienced as a result of temporary closures. However, the concerning downward trend of retail was acknowledged and in 2021 a full profitability review was undertaken for retail. This review was presented at the Retail Committee and approved by the trustees. The outcome of the review resulted in 3 shop closures, the planned closure of the Rhosnesni warehouse in 2022 and the reduction in central overheads. We expect to see the benefits of these changes in the 2022 financial performance of retail.

The ongoing performance of all our retail outlets will continue to 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.

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; and
- 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 group's 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 group's 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: *9th June 2022*

NIGHTINGALE HOUSE HOSPICE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIGHTINGALE HOUSE HOSPICE

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 2021 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 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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:

- We reviewed the susceptibility of the charitable company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charitable company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.
- We also assessed the charitable company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charitable company awareness to carry out our work to the required standard.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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

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.



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:

10th June 2022

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	3,059,171	71,313	3,130,484	2,943,468
Charitable activities	5	-	40,000	40,000	40,000
Other trading activities	6	2,125,729	-	2,125,729	1,938,423
Investments	7	38,934	-	38,934	51,247
Total income		5,223,834	111,313	5,335,147	4,973,138
Expenditure on:					
Raising funds	8	1,530,849	-	1,530,849	1,490,530
Charitable activities		3,163,362	193,985	3,357,347	3,111,704
Total expenditure		4,694,211	193,985	4,888,196	4,602,234
Net gains on investments		150,931	-	150,931	65,995
Net movement in funds		680,554	(82,672)	597,882	436,899
Reconciliation of funds:					
Total funds brought forward		5,405,949	1,855,532	7,261,481	6,824,582
Net movement in funds		680,554	(82,672)	597,882	436,899
Total funds carried forward		6,086,503	1,772,860	7,859,363	7,261,481

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 48 form part of these financial statements.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)
REGISTERED NUMBER: 02906838

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	4,080,970	4,048,820
Investments	14	1,422,030	1,266,345
		<u>5,503,000</u>	<u>5,315,165</u>
Current assets			
Stocks	15	20,559	19,306
Debtors	16	602,882	359,084
Cash at bank and in hand		2,295,581	2,049,050
		<u>2,919,022</u>	<u>2,427,440</u>
Creditors: amounts falling due within one year	17	(552,014)	(470,479)
Net current assets		<u>2,367,008</u>	<u>1,956,961</u>
Total assets less current liabilities		<u>7,870,008</u>	<u>7,272,126</u>
Provisions for liabilities	19	(10,645)	(10,645)
Total net assets		<u><u>7,859,363</u></u>	<u><u>7,261,481</u></u>
Charity funds			
Restricted funds	20	1,772,860	1,855,532
Unrestricted funds	20	6,086,503	5,405,949
Total funds		<u><u>7,859,363</u></u>	<u><u>7,261,481</u></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 and signed on their behalf by:



Mrs E Griffiths
 (Chair of Trustees)

Date: 9th June 2022



Dr N Braid
 (Trustee)

The notes on pages 22 to 48 form part of these financial statements.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)
REGISTERED NUMBER: 02906838

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	3,919,270	3,850,219
Investments	14	1,422,030	1,266,345
		<u>5,341,300</u>	<u>5,116,564</u>
Current assets			
Stocks	15	3,517	4,936
Debtors	16	1,763,661	1,423,932
Cash at bank and in hand		1,062,128	895,622
		<u>2,829,306</u>	<u>2,324,490</u>
Creditors: amounts falling due within one year	17	(352,548)	(280,671)
Net current assets		<u>2,476,758</u>	<u>2,043,819</u>
Total assets less current liabilities		<u>7,818,058</u>	<u>7,160,383</u>
Provisions for liabilities	19	(10,645)	(10,645)
Total net assets		<u><u>7,807,413</u></u>	<u><u>7,149,738</u></u>

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	20	1,722,860	1,855,532
Unrestricted funds	20	6,084,553	5,294,206
Total funds		<u>7,807,413</u>	<u>7,149,738</u>


The Charity's net movement in funds for the year was £657,675 (2020 - £588,897).

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 and signed on their behalf by:

Mrs E Griffiths
(Chair of Trustees)

Date:


9th June 2022

Dr N Braid
(Trustee)



The notes on pages 22 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	22	552,608	266,523
Cash flows from Investing activities			
Dividends, interests and rents from investments		38,934	51,247
Proceeds from the sale of tangible fixed assets		742	1,083
Purchase of tangible fixed assets		(340,999)	(611,592)
Proceeds from sale of investments		270,150	352,859
Purchase of investments		(274,904)	(383,683)
Net cash used in Investing activities		(306,077)	(590,086)
Change in cash and cash equivalents in the year		246,531	(323,563)
Cash and cash equivalents at the beginning of the year		2,049,050	2,372,613
Cash and cash equivalents at the end of the year	23	2,295,581	2,049,050

The notes on pages 22 to 48 form part of these financial statements

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 £657,675 (2020: surplus of £588,895).

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.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 with sufficient accuracy 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.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 or remaining expected useful life of the asset 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

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

2.13 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.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 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.

2.15 Fund accounting

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.

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.

Investment income, gains and losses are allocated to the appropriate fund.

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.

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.

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gift Aid on Donations	86,936	-	86,936	76,434
Donations	1,442,218	71,313	1,513,531	981,703
GAYE (donations via companies)	1,896	-	1,896	2,372
Challenge Activities	36,697	-	36,697	62,462
Legacies and Bequests	569,033	-	569,033	393,510
Collections	28,362	-	28,362	24,801
Covenants	1,843	-	1,843	1,888
Grants	-	-	-	467,853
Coronavirus Job Retention Scheme	98,121	-	98,121	208,884
BetsiCadwaladr University LHB - Core funding	640,295	-	640,295	627,740
Gift Aid on Donated Goods	153,770	-	153,770	95,821
Total 2021	3,059,171	71,313	3,130,484	2,943,468
<i>Total 2020</i>	<i>2,449,306</i>	<i>494,162</i>	<i>2,943,468</i>	

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Income from charitable activities

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Children in Need	40,000	40,000	40,000
<i>Total 2020</i>	40,000	40,000	

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Catering services	2,441	2,441	34,004
Fundraising	84,347	84,347	25,540
Merchandise	16,033	16,033	28,089
Rental	12,000	12,000	12,000
Miscellaneous income	54,131	54,131	45,631
Campaign income	111,610	111,610	68,713
Income from Nightingale House Promotions	976,442	976,442	820,291
Income from Nightingale House Lottery	868,725	868,725	904,155
Total 2021	<u>2,125,729</u>	<u>2,125,729</u>	<u>1,938,423</u>
<i>Total 2020</i>	<u>1,938,423</u>	<u>1,938,423</u>	

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Investment Income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends	23,457	23,457	31,469
Bank Interest	227	227	2,394
Feed in Tariff	15,250	15,250	17,384
Total 2021	38,934	38,934	51,247
<i>Total 2020</i>	<i>51,247</i>	<i>51,247</i>	

8. Expenditure on raising funds

Other charitable trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Nightingale House Hospice - fundraising expenses	92,460	92,460	61,728
Nightingale House Promotions - expenses	549,198	549,198	515,048
Nightingale House Lottery - expenses	243,788	243,788	237,327
Subsidiary companies - staff costs	606,532	606,532	637,435
Subsidiary companies - depreciation	38,871	38,871	38,992
Total 2021	1,530,849	1,530,849	1,490,530
<i>Total 2020</i>	<i>1,490,530</i>	<i>1,490,530</i>	

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	334,904	3,022,443	3,357,347	3,111,704
Total 2021	<u>334,904</u>	<u>3,022,443</u>	<u>3,357,347</u>	<u>3,111,704</u>
<i>Total 2020</i>	<u>306,528</u>	<u>2,805,176</u>	<u>3,111,704</u>	

Analysis of direct costs

	Charitable activities 2021 £	Total funds 2021 £	Total funds 2020 £
Travel	186	186	723
Ambulance running costs & other Hospice vehicles	7,767	7,767	7,891
Educational training	17,220	17,220	9,518
Repairs and renewals	78,224	78,224	83,915
Insurance	15,738	15,738	15,117
Audit and accountancy	19,329	19,329	13,420
Legal and professional	119,205	119,205	132,828
Equipment lease	61,441	61,441	27,606
Bank charges & interest	15,794	15,794	15,510
Total 2021	<u>334,904</u>	<u>334,904</u>	<u>306,528</u>
<i>Total 2020</i>	<u>306,528</u>	<u>306,528</u>	

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	2,516,264	2,516,264	2,349,360
Depreciation	269,235	269,235	238,514
General running costs	218,321	218,321	187,758
Catering provisions	18,623	18,623	29,544
Total 2021	<u>3,022,443</u>	<u>3,022,443</u>	<u>2,805,176</u>
<i>Total 2020</i>	<u>2,805,176</u>	<u>2,805,176</u>	

10. Auditors' remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Group's auditor for the audit of the Group's annual accounts	13,050	12,400
Accounts preparation and other services	3,450	3,200

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Charlty 2021 £	<i>Charity 2020 £</i>
Wages and salaries	2,793,751	2,674,080	2,234,195	2,080,474
Social security costs	214,080	195,883	179,413	162,871
Contribution to defined contribution pension schemes	114,965	116,832	102,656	106,015
	<u>3,122,796</u>	<u>2,986,795</u>	<u>2,516,264</u>	<u>2,349,360</u>

During the year, there was a total of £Nil redundancy payments (2020: £20,607) and a total of £Nil severance payments (2020: £8,786).

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

	Group 2021 No.	<i>Group 2020 No.</i>
Clinical and domiciliary	61	67
Fundraising	14	16
Commercial trading operations	38	42
Administration and maintenance	14	19
	<u>127</u>	<u>144</u>

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	1	1

Total remuneration of the directors and personnel considered to be key management of the group was £372,584 in 2020. There has been a change in the key management in the year and total remuneration was £287,455 (2020 comparative: £273,246).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets

Group

	Freehold property £	Leasehold property & improvements £	Motor vehicles £	Plant, Fixtures and Equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2021	5,000	5,052,139	131,679	1,414,710	32,226	6,635,754
Additions	-	-	-	44,028	296,971	340,999
Disposals	-	-	(34,004)	(59,979)	-	(93,983)
At 31 December 2021	<u>5,000</u>	<u>5,052,139</u>	<u>97,675</u>	<u>1,398,759</u>	<u>329,197</u>	<u>6,882,770</u>
Depreciation						
At 1 January 2021	-	1,516,540	100,117	970,277	-	2,586,934
Charge for the year	-	175,054	9,597	123,456	-	308,107
On disposals	-	-	(34,004)	(59,237)	-	(93,241)
At 31 December 2021	<u>-</u>	<u>1,691,594</u>	<u>75,710</u>	<u>1,034,496</u>	<u>-</u>	<u>2,801,800</u>
Net book value						
At 31 December 2021	<u>5,000</u>	<u>3,360,545</u>	<u>21,965</u>	<u>364,263</u>	<u>329,197</u>	<u>4,080,970</u>
At 31 December 2020	<u>5,000</u>	<u>3,535,599</u>	<u>31,562</u>	<u>444,433</u>	<u>32,226</u>	<u>4,048,820</u>

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets (continued)

Charity

	Freehold property £	Leasehold property & improvements £	Motor vehicles £	Plant, Fixtures and Equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2021	5,000	5,052,139	47,987	1,026,562	32,226	6,163,914
Additions	-	-	-	41,316	296,971	338,287
Disposals	-	-	-	(13,239)	-	(13,239)
At 31 December 2021	5,000	5,052,139	47,987	1,054,639	329,197	6,488,962
Depreciation						
At 1 January 2021	-	1,516,540	16,425	780,730	-	2,313,695
Charge for the year	-	175,054	9,597	84,585	-	269,236
On disposals	-	-	-	(13,239)	-	(13,239)
At 31 December 2021	-	1,691,594	26,022	852,076	-	2,569,692
Net book value						
At 31 December 2021	5,000	3,360,545	21,965	202,563	329,197	3,919,270
At 31 December 2020	5,000	3,535,599	31,562	245,832	32,226	3,850,219

NIGHTINGALE HOUSE HOSPICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments

Group	Listed Investments £
Cost or valuation	
At 1 January 2021	1,266,345
Additions	274,904
Disposals	(270,150)
Revaluations	150,931
At 31 December 2021	<u>1,422,030</u>
Net book value	
At 31 December 2021	<u>1,422,030</u>
At 31 December 2020	<u>1,266,345</u>

Charity	Listed Investments £
Cost or valuation	
At 1 January 2021	1,266,345
Additions	274,904
Disposals	(270,150)
Revaluations	150,931
At 31 December 2021	<u>1,422,030</u>
Net book value	
At 31 December 2021	<u>1,422,030</u>
At 31 December 2020	<u>1,266,345</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Charlty 2021 £	<i>Charity 2020 £</i>
Finished goods and goods for resale	<u>20,559</u>	<u>19,306</u>	<u>3,517</u>	<u>4,936</u>

16. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Charlty 2021 £	<i>Charity 2020 £</i>
Due within one year				
Trade debtors	31,891	95,073	31,891	95,073
Amounts owed by group undertakings	-	-	1,205,672	1,132,600
Other debtors	452,922	112,509	447,487	80,668
Prepayments and accrued income	80,519	76,749	41,061	40,838
Tax recoverable	37,550	74,753	37,550	74,753
	<u>602,882</u>	<u>359,084</u>	<u>1,763,661</u>	<u>1,423,932</u>

17. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Charlty 2021 £	<i>Charity 2020 £</i>
Payments received on account	188,892	175,871	106,722	77,876
Trade creditors	149,604	73,272	104,916	36,536
Other taxation and social security	57,750	62,137	57,750	62,137
Other creditors	30,337	34,630	28,433	32,726
Accruals and deferred income	125,431	124,569	54,727	71,396
	<u>552,014</u>	<u>470,479</u>	<u>352,548</u>	<u>280,671</u>

Payments on account relate to Lottery stakes received in advance and funds raised for overseas challenges planned for 2022. These are released in full to the profit and loss account as and when players are entered into the weekly cash prize draw and the overseas challenges take place.

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	Group 2021 £	<i>Group 2020 £</i>	Charlty 2021 £	<i>Charity 2020 £</i>
Grants received in advance				
Deferred income at 1 January 2021	-	330,000	-	330,000
Amounts released from previous periods	-	(330,000)	-	(330,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

18. Deferred taxation

	2021 £	<i>2020 £</i>
Group and Charity		
At the beginning of the year	-	10,804
Other movements	-	(10,804)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Provisions

Group

	Pension provision £
At 1 January 2021	10,645
	<hr/>
At 31 December 2021	10,645
	<hr/> <hr/>

Charity

	Pension provision £
At 1 January 2021	10,645
	<hr/>
At 31 December 2021	10,645
	<hr/> <hr/>

Pension Provision

The calculation of the cost of the early retirement is based on the capital cost of providing enhanced pensions with allowance for future investment returns in excess of price inflation.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Tangible fixed assets	2,370,792	-	-	(194,671)	-	2,176,121
Property maintenance and repair	100,000	-	-	-	-	100,000
Subsidiaries - tangible fixed assets	198,601	-	-	(36,901)	-	161,700
Modernisation Fund	432,549	445,349	-	(296,971)	-	580,927
	<u>3,101,942</u>	<u>445,349</u>	<u>-</u>	<u>(528,543)</u>	<u>-</u>	<u>3,018,748</u>
General funds						
Charity Funds	2,304,007	4,778,485	(4,694,211)	528,543	150,931	3,067,755
Total Unrestricted funds	<u>5,405,949</u>	<u>5,223,834</u>	<u>(4,694,211)</u>	<u>-</u>	<u>150,931</u>	<u>6,086,503</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds (continued)

Restricted funds						
Hospice Property Fund	1,097,343	-	(56,304)	-	-	1,041,039
Welsh Assembly Grant - capital	200,805	-	(22,672)	-	-	178,133
Staff Fund	280	-	-	-	-	280
Capital Development Funds	543,069	-	(19,092)	-	-	523,977
Children in Need	-	40,000	(40,000)	-	-	-
Awyr Las	8,975	-	(5,939)	-	-	3,036
Sundry Restricted Funds (<£5k)	5,060	12,564	(11,229)	-	-	6,395
The Moondance Foundation	-	28,749	(28,749)	-	-	-
The Albert Hunt Trust	-	10,000	-	-	-	10,000
Screwfix Foundation	-	5,000	-	-	-	5,000
DTCC Corporate Donation	-	5,000	-	-	-	5,000
The Gwendoline & Margaret Davies Charitable Trust	-	5,000	(5,000)	-	-	-
The Cadbury Foundation	-	5,000	(5,000)	-	-	-
	<u>1,855,532</u>	<u>111,313</u>	<u>(193,985)</u>	<u>-</u>	<u>-</u>	<u>1,772,860</u>
Total of funds	<u><u>7,261,481</u></u>	<u><u>5,335,147</u></u>	<u><u>(4,888,196)</u></u>	<u><u>-</u></u>	<u><u>150,931</u></u>	<u><u>7,859,363</u></u>

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

Statement of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
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
Modernisation Fund	702,081	-	-	(269,532)	-	432,549
	<u>2,956,449</u>	<u>-</u>	<u>-</u>	<u>145,493</u>	<u>-</u>	<u>3,101,942</u>
General funds						
Charity Funds	2,309,450	4,438,976	(4,364,921)	(145,493)	65,995	2,304,007
Total Unrestricted funds	<u>5,265,899</u>	<u>4,438,976</u>	<u>(4,364,921)</u>	<u>-</u>	<u>65,995</u>	<u>5,405,949</u>

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

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
Capital Development Funds	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	-	8,975	-	-	-	8,975
Hospice UK	-	40,000	(40,000)	-	-	-
Sundry Restricted Funds (<£5k)	-	26,309	(21,249)	-	-	5,060
	<u>1,558,683</u>	<u>534,162</u>	<u>(237,313)</u>	<u>-</u>	<u>-</u>	<u>1,855,532</u>
Total of funds	<u>6,824,582</u>	<u>4,973,138</u>	<u>(4,602,234)</u>	<u>-</u>	<u>65,995</u>	<u>7,261,481</u>

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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 Awyr Las donation was specific funding for Music Therapy Sessions.

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

The Moondance Foundation fund is towards rehabilitation Salaries, and repairs & maintenance.

The Albert Hunt Trust fund is towards Here to Help Community information points.

Screwfix Foundation fund is towards refurbishment of Inpatient Unit.

The Gwendoline & Margaret Davies Charitable Trust fund is towards running costs of Family Support.

The Cadbury Foundation fund is towards running costs of Rehabilitation Unit.

DTCC fund is towards modernisation of services.

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 2021 purchased using unrestricted funds.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

General Fund

The General Reserve includes the reserves of the Promotions Company which amount to £43,801 and the reserves of the Lottery Company which amount to £8,149.

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,730,140	350,830	4,080,970
Fixed asset investments	-	1,422,030	1,422,030
Current assets	2,919,022	-	2,919,022
Creditors due within one year	(552,014)	-	(552,014)
Provisions for liabilities and charges	(10,645)	-	(10,645)
Total	6,086,503	1,772,860	7,859,363

Analysis of net assets between funds - prior year

	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

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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 2021 £	<i>Group 2020 £</i>
Net income for the year (as per Statement of Financial Activities)	597,882	436,899
Adjustments for:		
Depreciation charges	308,107	277,506
Dividends, interests and rents from investments	(38,934)	(51,247)
Decrease/(increase) in stocks	(1,253)	26,763
Increase in debtors	(243,798)	(124,446)
Increase/(decrease) in creditors	81,535	(251,684)
(Gain)/loss on disposal of investments	(150,931)	(47,268)
Net cash provided by operating activities	552,608	266,523

23. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	2,295,581	2,049,050
Total cash and cash equivalents	2,295,581	2,049,050

24. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	2,049,050	246,531	2,295,581
	2,049,050	246,531	2,295,581

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NOTES TO THE FINANCIAL STATEMENTS
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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 £58,287 (2020: £62,450). The amount outstanding relating to this scheme at 31 December 2021 was £7,288 (2020: £9,323) and this was paid in January 2022.

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 £50,322 (2020: £47,995). The amount outstanding at 31 December 2021 was £12,047 (2020: £12,140) and this was paid in January 2022.

The Hospice also contributes to a private pension for certain participating employees. The charge for the period was £4,073 (2020: £4,135). The amount outstanding at 31 December 2021 was £360 (2020: £365) and this was paid in January 2022.

27. Operating lease commitments

At 31 December 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Not later than 1 year	135,468	<i>149,484</i>	21,049	<i>21,049</i>
Later than 1 year and not later than 5 years	371,341	<i>504,973</i>	44,674	<i>65,723</i>
Later than 5 years	55,250	<i>226,750</i>	-	<i>-</i>
	562,059	<i>881,207</i>	65,723	<i>86,772</i>

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28. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 December 2021.