

ST LUKE'S OXFORD
ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2004

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Charity Registration No. 293522

Company No. 1989868



ST LUKE'S OXFORD

REPORT OF THE COUNCIL

The members of the Council submit their annual report and the accounts of the company for the year ending 31 March 2004 in compliance with the current statutory requirements and the company's Memorandum and Articles of Association.

ACTIVITIES

The provision of nursing care in cheerful surroundings for medical and surgical patients and for convalescence and rehabilitation, supported within a Christian ethos. The results for the year are set out on page 4.

REVIEW OF RESULTS

A surplus of £191,227 (2003: £112,630) was made in the year to 31 March 2004. This increase in surplus arose principally from the increase in occupancy levels achieved during the year. The average occupancy level for the year was 79% (2003: 77%). The surplus achieved will be reinvested in the charity to continue the provision of high quality patient services and the upgrading of the fabric of the buildings.

GOVERNANCE AND INTERNAL CONTROL

A panel comprising existing Council members selects members of the Council. Council members serve for a three year period and may be re-elected for a further three year period. The Council meets four times a year. The Finance Committee is made up of Council members. The Committee operates under specific terms of reference, under which certain functions are delegated from the Council. The Committee has its decisions ratified by the full board. The Council delegates the day to day running of St Luke's to the Executive Management Team who operate under the direction of the General Manager.

Company and charity law requires the Council members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Council members have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and prepared the financial statements on the going concern basis.

The Council members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a five year strategic plan and annual budget approved by the Council;
- regular consideration by the Council of financial results, variance from budgets;
- delegation of authority and segregation of duties;
- appropriate training and development of staff.

ST LUKE'S OXFORD
REPORT OF THE COUNCIL
(CONTINUED)

CARE STANDARDS ACT 2000

The Council and Executive Management Team have taken steps to ensure that the organisation complies with applicable requirements of the Care Standards Act 2000. The regulating authority is the Commission for Social Care Inspection (CSCI)

RESERVES POLICY

The charity's policy is to build reserves to provide for the long term future of the hospital. At 31 March 2004 unrestricted reserves amounted to £2,405,740. However of this amount £2,111,337 is represented by fixed assets after the deduction of outstanding mortgages. The charity therefore has free reserves at 31 March 2004 of £294,403. This compares to annual expenditure of £1,697,582 and annual salary costs of £1,133,915.

The charity wishes to continue to build reserves with a target of cash reserves of £250,000, to cover short term operating costs, with funds above that level being invested in longer term investments that meet the criteria of the Investments Policy that Council will finalise during the year ending 31st March 2005. In addition funds will be designated to allow major refurbishment of the hospital as required.

RISK STATEMENT

The charity has considered the major risks, which may affect the organisation, and has taken steps as far as possible to mitigate those risks, and will continue to monitor major risks on an ongoing basis.

MEMBERS OF THE COUNCIL at 31st March 2004

- * Mrs SBS Homersham (Chairman)
Lady Quinlan
Mr N Morris
Prof Sir J Grimley Evans
Mrs J Girvin
- * Mr P Bagnall
Mrs C Williams
Mr Talbot-Rice
- * Mr M Woods

* Member of the Finance Committee

ST LUKE'S OXFORD
REPORT OF THE COUNCIL
(CONTINUED)

NON-EXECUTIVE OFFICERS

Sir Ashley Ponsonby	President
The Earl of Donoughmore	Vice-President
Mrs Caroline Miles	Vice-President
Sir Mark Norman	Vice-President

REGISTERED OFFICE AND ADDRESS FOR CORRESPONDENCE

4 Latimer Road
 Headington
 Oxford
 OX3 7PF

BANKERS

Lloyds TSB Bank Plc, Oxford

AUDITORS

Critchleys,
 Chartered Accountants
 Greyfriars Court
 Paradise Square
 Oxford
 OX1 1BB

COMPANY STATUS

The company is limited by guarantee and has no shares. It is registered as a charity.

AUDITORS

Messrs Critchleys offer themselves for re-appointment as auditors in accordance with section 384(1) of The Companies Act 1985.

ON BEHALF OF THE COUNCIL



Mrs S B S Homersham
 CHAIRMAN

28 June 2006

ST LUKE'S OXFORD

STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Company law requires the Council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company for that year. In preparing those accounts the Council members are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE COUNCIL



Mrs S B S Homersham
Chairman

28 June 2004

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ST LUKE'S OXFORD

We have audited the accounts of St Luke's Oxford for the year ended 31 March 2004 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

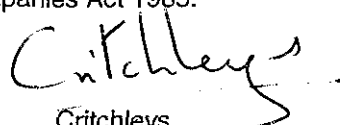
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Oxford

9 July 2004


Critchleys
Chartered Accountants
Registered Auditors

ST LUKE'S OXFORD

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 MARCH 2004

		Unrestricted funds 2004	Restricted funds 2004	Total funds 2004	Total funds 2003 as restated
	Note	£	£	£	£
Incoming Resources					
Legacies and donations		1,944	-	1,944	3,772
Activities in furtherance of the Charity's objects					
Patient Accommodation and services		1,862,306	-	1,862,306	1,807,066
Other income		19,875	-	19,875	22,745
Activities for generating funds					
Investment income		4,684	-	4,684	639
Total incoming resources		<u>1,888,809</u>	<u>-</u>	<u>1,888,809</u>	<u>1,834,222</u>
Resources expended					
Costs of activities in the furtherance of the charity's objects					
Patient services and facilities	2	1,328,638	9,774	1,338,412	1,421,475
Management and administration	3	<u>359,170</u>	<u>-</u>	<u>359,170</u>	<u>300,117</u>
Total resources expended	5	<u>1,687,808</u>	<u>9,774</u>	<u>1,697,582</u>	<u>1,721,592</u>
Net incoming resources for year		<u>201,001</u>	<u>(9,774)</u>	<u>191,227</u>	<u>112,630</u>
Net movements in funds					
Balances brought forward at 1 April 2003		2,241,194	9,774	2,250,968	2,101,883
Prior year adjustment	15	<u>(36,455)</u>	<u>-</u>	<u>(36,455)</u>	<u>-</u>
Restated balances at 1 April 2003		2,204,739	9,774	2,214,513	2,101,883
Balances carried forward at 31 March 2004		<u>2,405,740</u>	<u>-</u>	<u>2,405,740</u>	<u>2,214,513</u>

The notes on pages 7 to 14 form part of these accounts

All activities are continuing. There are no gains or losses other than those recognised through the statement of financial activities.

As a company limited by guarantee and with charitable objects, a "reconciliation of shareholders funds" is not considered appropriate.


ST LUKE'S OXFORD

BALANCE SHEET AS AT 31 MARCH 2004

	Note	2004 £	2003 as restated £
FIXED ASSETS			
Tangible assets	7	<u>2,182,267</u>	<u>2,251,976</u>
CURRENT ASSETS			
Stocks	8	4,746	9,070
Debtors	9	105,479	110,105
Cash at bank and in hand		<u>326,686</u>	<u>131,753</u>
		436,911	250,928
CREDITORS			
Amounts falling due within one year	10	<u>(213,438)</u>	<u>(218,019)</u>
NET CURRENT ASSETS		<u>223,473</u>	<u>32,909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,405,740	2,284,885
CREDITORS			
Amounts falling due after more than one year	11 & 12	<u>-</u>	<u>(70,372)</u>
NET ASSETS		<u>2,405,740</u>	<u>2,214,513</u>
FUNDS			
Unrestricted	14 & 17	2,405,740	2,204,739
Restricted	16 & 17	<u>-</u>	<u>9,774</u>
		<u>2,405,740</u>	<u>2,214,513</u>

The notes on pages 7 to 14 form part of these accounts.

Approved by the Council on 28 June 2004

 MEMBER OF COUNCIL
MRS S B S HOMERSHAM

ST LUKE'S OXFORD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004		2003	
		£	£	£	£
Net cash inflow from operating activities	18		318,829		206,576
Return on investments and servicing of finance					
Interest receivable		4,684		639	
Interest payable		<u>(7,081)</u>		<u>(14,683)</u>	
Net cash outflow from return on investments and servicing of finance			(2,397)		(14,044)
Capital expenditure					
Payments to acquire tangible fixed assets		<u>(6,749)</u>		<u>(20,779)</u>	
Net cash outflow from investing activities			<u>(6,749)</u>		<u>(20,779)</u>
Net cash inflow before financing			309,683		171,753
Financing					
Mortgage repayments		(114,750)		(107,717)	
Capital element of hire purchase repayments		<u>-</u>		<u>(562)</u>	
Net cash outflow from financing			<u>(114,750)</u>		<u>(108,279)</u>
Increase in cash			<u>194,933</u>		<u>63,474</u>

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charities accounts:

a) Basis of accounting

The accounts are prepared under the historical cost convention and in compliance with applicable accounting standards and the charities Statement of Recommended Practice - 'Accounting by Charities'.

b) Presentation

In order to present a true and fair view, the company has not followed the strict provisions for the Companies Act 1985 regarding the format of the Statement of financial activities, and has substituted more meaningful headings in place of those prescribed.

c) Turnover

Turnover represents fee income from patients and rental income from consultants.

d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided at rates which are calculated to write off the fixed assets by equal annual instalments over their estimated useful lives. The rates used are:-

	2004	2003
Freehold Property	2%	2%
Mechanical and Electrical Equipment	33% - 50%	5%
Furniture and Fittings	50%	20%
Medical Equipment	25% - 33%	20%
X-Ray Equipment	10% - 20%	10% - 20%
Computer Equipment	50%	25%
Leased assets	Over the term of the lease	Over the term of the lease

The Council has obtained a valuation of the freehold property on a going concern basis as at June 1997 of £2.25m. The Council decided in the year ended 31 March 2000 to adjust the accounts to reflect the valuation and the Council believe that the value of the property has not changed significantly since the valuation was obtained.

The Council believes that the freehold property has a remaining useful economic life of 50 years from 1 April 1999, and has charged depreciation accordingly.

Freehold property includes £1m of land which is not depreciated.

During the year the depreciation policy was changed. See above for the policy changes.

e) Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is estimated to be the amount for which the items could be sold after allowing for the costs of realisation.

f) Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

g) Interest

Interest incurred on loans prior to the opening of the home has been capitalised.

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004
(CONTINUED)

2 HOSPITAL AND NURSING COSTS

	Total funds 2004 £	Total funds 2003 as restated £
Nursing services	803,090	883,215
Medical supplies	32,839	37,950
Hotel services including catering and domestic	266,008	240,279
Premises and plant	<u>236,475</u>	<u>260,031</u>
	<u>1,338,412</u>	<u>1,421,475</u>

3 MANAGEMENT AND ADMINISTRATION

	Total funds 2004 £	Total funds 2003 as restated £
Salaries and office costs	264,035	209,482
Audit and accountancy	4,700	4,759
Finance costs (Note 4)	9,680	17,327
Insurance	28,410	20,133
Miscellaneous	<u>52,345</u>	<u>48,416</u>
	<u>359,170</u>	<u>300,117</u>

4 FINANCE COSTS

	Total funds 2004 £	Total funds 2003 £
Mortgage interest	7,081	14,092
Other costs	<u>2,599</u>	<u>3,235</u>
	<u>9,680</u>	<u>17,327</u>

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004
(CONTINUED)

5 TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other costs	Total 2004	Total 2003 as restated
	£	£	£	£	£
Hospital and nursing costs	904,123	76,458	357,831	1,338,412	1,421,477
Management and administration	<u>229,792</u>	<u>-</u>	<u>129,378</u>	<u>359,170</u>	<u>300,115</u>
	<u>1,133,915</u>	<u>76,458</u>	<u>487,209</u>	<u>1,697,582</u>	<u>1,721,592</u>

	2004 £	2003 £
Specific costs include:		
Auditors' remuneration	4,700	4,759
Depreciation	<u>76,458</u>	<u>44,754</u>

Staff costs:	2004 £	2003 as restated £
Wages and salaries	1,043,839	1,074,535
Social security costs	81,798	72,593
Pension costs	<u>8,278</u>	<u>7,828</u>
	<u>1,133,915</u>	<u>1,154,956</u>

One employee earned £62,700 during the year, £7,700 of which were pension contributions.

The average number of employees analysed by function was:

	2004 No.	2003 No.
Direct charitable services	73	80
Management and administration	<u>12</u>	<u>11</u>
	<u>85</u>	<u>91</u>

Pension costs represent the charity's contribution to individual persons' pension schemes.

Pension costs include pension contributions of £4,500 (2003: £4,500) payable to Mrs McMaster, life President, during the year up until her death on 21 March 2004. No other Members of Council received any remuneration or reimbursement of expenses.

6 TAXATION

The trust is a registered charity in accordance with Section 505 of the Income and Corporation Taxes Act 1988, as such it is not liable to pay corporation tax on any surplus applied for charitable purposes.

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004
(CONTINUED)

7 TANGIBLE ASSETS

Cost/valuation	Freehold property £	Mechanical & electrical equipment £	Furniture & fittings £	Medical equipment £	X-Ray equip- ment £	Office & computer equipment £	Total £
At 1 April 2003	2,250,000	285,370	204,777	100,035	87,232	54,778	2,982,192
Additions	-	-	-	2,309	-	4,440	6,749
At 31 March 2004	2,250,000	285,370	204,777	102,344	87,232	59,218	2,988,941
Depreciation							
At 1 April 2003	100,000	207,414	203,624	89,632	87,232	42,314	730,216
Charge for the year	25,000	32,698	585	6,616	-	11,559	76,458
At 31 March 2004	125,000	240,112	204,209	96,248	87,232	53,873	806,674
Net book value							
At 31 March 2004	2,125,000	45,258	568	6,096	-	5,345	2,182,267
At 1 April 2003	2,150,000	77,956	1,153	10,403	-	12,464	2,251,976

The net book value of fixed assets includes £Nil (2003: £Nil) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge for the year in respect of these assets is £nil (2003: £1,430).

The cost of the freehold property amounts to £2,070,897.

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

8	STOCKS	2004	2003
		£	£
	Food	2,746	2,070
	Medical, maintenance, crockery and domestic	<u>2,000</u>	<u>7,000</u>
		<u>4,746</u>	<u>9,070</u>
9	DEBTORS	2004	2003
		£	£
	Amounts due within one year:		
	Trade debtors	101,517	106,335
	Other debtors	-	3,345
	Prepayments and accrued income	<u>3,962</u>	<u>425</u>
		<u>105,479</u>	<u>110,105</u>
10	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2004	2003
		£	as restated £
	Mortgage (Note 12)	70,930	115,308
	Trade creditors	46,856	17,160
	Other taxation and social security	22,238	19,622
	Other creditors	<u>73,414</u>	<u>65,929</u>
		<u>213,438</u>	<u>218,019</u>
	The mortgage is secured on the property at 4 Latimer Road, Oxford.		
11	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2004	2003
		£	£
	Mortgage (Note 12)	<u>-</u>	<u>70,372</u>

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004
(CONTINUED)

12	LOANS AND OBLIGATIONS UNDER FINANCE LEASES	2004 £	2003 £
	Loans		
	Mortgage	70,930	185,680
	Less: Amounts falling due within one year	<u>(70,930)</u>	<u>(115,308)</u>
		<u>-</u>	<u>70,372</u>
	Included above are the following:		
	Amounts repayable by instalments:		
	Wholly repayable within five years	<u>70,930</u>	<u>185,680</u>

The mortgage is secured on the property at 4 Latimer Road, Oxford and interest is payable at 2% above bank base rate. It is anticipated that the final repayment of the loan will be made by October 2004.

13 FINANCIAL COMMITMENTS

As at 31 March 2004 the company had financial commitments in respect of operating leases as follows:

	Plant and machinery	
	2004 £	2003 £
Less than one year	<u>-</u>	<u>5,026</u>

14	UNRESTRICTED FUNDS	At 1 April 2003 as restated	Income	Expenditure	Transfers	At 31 March 2004
		£	£	£	£	£
	Unrestricted funds	2,200,924	1,888,809	(1,683,993)	-	2,405,740
	Designated funds					
	Refurbishment fund	<u>3,815</u>	<u>-</u>	<u>(3,815)</u>	<u>-</u>	<u>-</u>
		<u>2,204,739</u>	<u>1,888,809</u>	<u>(1,687,808)</u>	<u>-</u>	<u>2,405,740</u>

15 PRIOR YEAR ADJUSTMENT

It was identified in the year that creditors at 31 March 2003 were understated by £36,455 as salary costs had not been accrued for weekly staff paid in arrears. This has been corrected by prior year adjustment and the correct provision is made at 31 March 2004.

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

16	RESTRICTED FUNDS	2004 £	2003 £
	Capital equipment fund	-	5,639
	Patient social and cultural activities	<u>-</u>	<u>4,135</u>
		<u>-</u>	<u>9,774</u>

The capital equipment fund represents donations for expenditure on certain capital equipment.

17	ALLOCATION OF NET ASSETS	Unrestricted £	Restricted £	Total £
	Fixed assets	2,182,267	-	2,182,267
	Current assets	436,911	-	436,911
	Current liabilities	<u>(213,438)</u>	<u>-</u>	<u>(213,438)</u>
		<u>2,405,740</u>	<u>-</u>	<u>2,405,740</u>

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

18 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Operating Profit to Net cash inflow from operating activities	2004 £	2003 as restated £
Surplus of income for the year	191,227	112,630
Interest payable	7,081	14,683
Interest receivable	(4,684)	(639)
Depreciation	76,458	44,754
Decrease in stock	4,324	2,251
Decrease/(increase) in debtors	4,626	(777)
Increase in creditors	<u>39,797</u>	<u>33,674</u>
Net cash inflow from operating activities	<u>318,829</u>	<u>206,576</u>

Analysis of changes in net debt

	At 1 April 2003 £	Cash flows £	Other changes £	At 31 March 2004 £
Cash in hand, at bank	131,753	194,933	-	326,686
Debt due within one year	(115,308)	(114,750)	159,128	(70,930)
Debt due after one year	<u>(70,372)</u>	<u>229,500</u>	<u>(159,128)</u>	<u>-</u>
Total	<u>(53,927)</u>	<u>309,683</u>	<u>-</u>	<u>255,756</u>

Reconciliation of net cash flow to movement in net debt

	2004 £	2003 £
Increase in cash in the year	194,933	63,474
Mortgage repayments	114,750	107,717
Capital element of hire purchase payments	<u>-</u>	<u>562</u>
Changes in net debt	309,683	171,753
Net debt at 1 April 2003	<u>(53,927)</u>	<u>(225,680)</u>
Net debt at 31 March 2004	<u>255,756</u>	<u>(53,927)</u>