

Registered number
01989868

St Luke's Oxford
(A company limited by guarantee)

Report and Accounts

31 March 2011

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COMPANIES HOUSE



Nick Westbury & Co Limited

Business Advisers • Chartered Certified Accountants • Registered Auditors

St Luke's Oxford
Report of Council
Registered number: 01989868

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of Council

The members of Council present their annual report and accounts for the year ended 31 March 2011 in compliance with the current statutory requirements and the company's Memorandum and Articles of Association

Objects, activities and strategy

The relief and care of elderly, sick, disabled and poor people including the care of the terminally ill, within the pastoral framework of a Christian foundation. The Council's strategy is to maintain and improve the quality of life for those older persons requiring long term nursing care. In furtherance of its objectives the charity operates a 48 bed hospital in Headington, Oxford which provides care for both long stay and short stay patients. The success of the charity is measured by the number of persons wishing to become patients and from the feedback gained from current and past patients. The results for the year are set out on page 6

Activities undertaken by the charity for the public benefit

Council considers that it has complied with Section 4 of The Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission

Council has a policy of subsidising up to 4 patients, if already resident and not able to remain at St Luke's. A subsidy is only available to those patients who meet the funding rules set by Social Services and are already in receipt of such funding. The total costs of such subsidies in the year ended 31 March 2011 was £22,262 (2010 £22,993)

In addition the public benefit from the use of our chapel services or the use of our gardens which are registered with the "Quiet Gardens Trust" as being open to the general public

Results and achievement of objectives

Council's objective this year was to maintain or exceed previously attained standards and occupancy rates whilst returning a surplus

The surplus for the year amounted to £73,304 (2010 £158,743). The average occupancy level for the year was 75.96% (2010 79.07%). 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. Appointment is subject to the approval of Council. Appointees are interviewed by the Chairman and one other Council member and provided with full information about the charity before being invited to join the Council. Council members serve for a three year period and may be re-elected. The Council meets four times a year. The Finance Committee is made up of Council members and usually meets monthly. 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 Chief Executive Officer within the framework of the Annual Budget. The Council approve the Annual Budget which embodies the strategy for each year. Operational decisions are then made by the Executive Management Team except where expenditure in excess of £10,000 is involved, which requires the approval of Council.

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The Council members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. These systems should 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, and
- 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 plan and annual budget approved by the Council,
- regular consideration by the Council of financial results and variances from budgets,
- delegation of authority and segregation of duties, and
- appropriate training and development of staff

The Health and Social Care Act 2008

The Council and Executive Management Team have taken steps to ensure that the organisation complies with applicable requirements of the The Health and Social Care Act 2008 (Regulated Activities) Regulations 2009. The regulating authority is the Care Quality Commission (CQC).

Reserves Policy

Council's current policy is to build reserves to provide for the long term future of the hospital. At 31 March 2011 unrestricted reserves amounted to £5,299,897. However of this amount £3,148,002 is represented by fixed assets. The charity, after taking account of designated reserves, has free reserves at 31 March 2011 of £2,138,695. This compares to annual expenditure of £1,827,248 which includes annual salary costs of £1,215,663.

Council wishes to maintain free reserves equivalent to 12 months operating costs. In addition funds will be designated to allow major refurbishment of the hospital as required. £13,200 has been designated for specific refurbishments and alterations which are expected to take place during the year ended 31 March 2012.

Investments Policy

Council's current policy is to retain all cash as cash and not to invest in other forms of equity for the foreseeable future. At 31 March 2011 surplus cash was held on deposit with Lloyds Banking Group plc and Clydesdale Bank plc on fixed term bases.

Fixed assets

The freehold land and buildings were valued on 19 September 2007 at £3.4M by Nigel Fransham FRICS FCI Arb of Savills Commercial Limited, Chartered Surveyors. Adjustments were made to the accounts for the year ended 31 March 2008 to reflect this valuation.

Council consider that there has been no significant change in the value of the freehold land and buildings since September 2007.

The estimated useful life of the freehold buildings has been assessed at 19 years. Council has decided to write off the value of the freehold premises over 19 years from 1 April 2008. Council's previous policy was to write off the value of the freehold premises over 50 years from 1 April 1999.

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Risk Statement

Council 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

Charity registration number
293522

Company registration number
1989868

Members of the Council in the year (the trustees and directors)

Lady Quinlan
Professor Sir J Grimley Evans
Mr P H Bagnall * Chairman
Mrs C C Williams
Mr N Talbot Rice
Mr G M Wareing
Mr R J S Hawes
Mr S J Dare*
Mr C K Cash*
Mr P A McLean

**member of the Finance Committee*

Non - executive officers

Sir Hugo Brunner	President
Earl of Donoughmore	Vice President
Mrs S B S Homersham	Vice President
Sir Mark Norman	Vice President
Lady McLintock	Vice President

Executive management team

Miss C H Grogan	Chief Executive Officer
Mrs Z Mason	Matron
Mr G S Hunt	Finance Manager and Company Secretary

Registered Office and operational address

4 Latimer Road
Headington
Oxford
OX3 7PF

Principal Bankers

Lloyds Banking Group plc
PO Box 8
1-5 High Street
Oxford
OX1 4AA

Company Status

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

St Luke's Oxford
Report of Council
Registered number: 01989868

Council members responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board on 29 June 2011 and signed on its behalf



S J Dare
Director

St Luke's Oxford
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 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 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 explained more fully in the Report of Council, the Council members (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

In accordance with the exemption provided by the APB's Ethical Standard – Provisions Available for Smaller Entities, we have assisted with the preparation of the accounts.

Scope of the audit

A description of the scope of an audit of accounts is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its net incoming resources for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of Council for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of Council members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Nicholas Westbury (Senior Statutory Auditor)
for and on behalf of Nick Westbury & Co. Limited
Accountants and Statutory Auditors

29 June 2011

The Old Engine Shed Whettons Yard
Chapel Street
Bloxham
Banbury Oxon
OX15 4NB

St Luke's Oxford**Statement of Financial Activities (including the Income and Expenditure account)
for the year ended 31 March 2011**

	Notes	Unrestricted 2011 £	2010 £
Incoming resources	2		
Incoming resources from generated funds			
Voluntary income - donations		63,358	5,700
Investment income - interest receivable		24,380	14,468
 Incoming resources from charitable activities			
Patient fees		1,721,769	1,779,607
Rental income		88,262	86,793
 Other incoming resources		2,783	6,267
 <i>Total incoming resources</i>		<u>1,900,552</u>	<u>1,892,835</u>
Resources expended			
Charitable activities			
Patient services and facilities	3	1,559,349	1,450,924
Managing and administering the charity	4	264,299	279,568
 Governance costs		3,600	3,600
 <i>Total resources expended</i>	5	<u>1,827,248</u>	<u>1,734,092</u>
Net incoming resources/net income for the year		73,304	158,743
Total funds brought forward		5,226,593	5,067,850
Total funds carried forward		<u>5,299,897</u>	<u>5,226,593</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years

**St Luke's Oxford
Balance Sheet
as at 31 March 2011**

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	7	3,148,002	3,232,002
Current assets			
Stocks	8	3,200	3,200
Debtors	9	87,096	44,072
Cash at bank and in hand		<u>2,152,748</u>	<u>2,057,115</u>
		2,243,044	2,104,387
Creditors amounts falling due within one year	10	(91,149)	(109,796)
Net current assets		<u>2,151,895</u>	<u>1,994,591</u>
Net assets		<u>5,299,897</u>	<u>5,226,593</u>
Funds of the charity			
Unrestricted income funds	11	5,299,897	5,226,593
Total charity funds		<u>5,299,897</u>	<u>5,226,593</u>

P H Bagnall
Council member
Approved by Council on 29 June 2011

P H Bagnall.

29 June 2011

St Luke's Oxford
Cash Flow Statement
for the year ended 31 March 2011

	Notes	2011 £	2010 £
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming resources/net income for the year		73,304	158,743
Depreciation charges		84,000	84,818
(Increase)/decrease in debtors		(43,024)	17,546
Decrease in creditors		(18,647)	(29,442)
Net cash inflow from operating activities		<u>95,633</u>	<u>231,665</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		95,633	231,665
Increase in cash		<u>95,633</u>	<u>231,665</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		95,633	231,665
Change in net debt	12	<u>95,633</u>	<u>231,665</u>
Net funds at 1 April		2,057,115	1,825,450
Net funds at 31 March		<u>2,152,748</u>	<u>2,057,115</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2011

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and in compliance with applicable accounting standards and the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005)

Presentation

In order to present a true and fair view, the company has not followed the strict provisions for the Companies Act 2006 regarding the format of the Statement of financial activities, and has substituted more meaningful headings in place of those prescribed

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Freehold buildings	over 19 years
Mechanical and electrical equipment	over 2 to 3 years
Furniture and fittings	over 2 years
Medical equipment	over 3 to 4 years
X-ray equipment	over 5 to 10 years
Computer equipment	over 2 years
Leased assets	over the lease term

The Council obtained a valuation of the freehold property on a going concern basis as at 19 September 2007 of £3.4M. The Council decided in the year ended 31 March 2008 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 had a remaining useful economic life of 19 years from 1 April 2008 and depreciation is charged accordingly on a straight line basis

Freehold property includes £1.8M of land which is not depreciated

Irrecoverable VAT

Any irrecoverable VAT is included as a part of the resource expended

Stocks

Stock is valued at the lower of cost and net realisable value

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2011

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Funds

Unrestricted funds

These funds are available for use at the discretion of Council in furtherance of the objectives of the charity.

Designed funds

From time to time where significant items of expenditure are identified as a part of Council strategy, unrestricted funds are designated to ensure that those items are appropriately funded.

2 Incoming resources

Voluntary income

This represents donations received by the charity.

Investment income

This represents investment income which is included on an accruals basis.

Incoming resources from charitable activities

This represents fee income from patients together with rental income from consultants using the premises as offices and consulting rooms.

3 Patient services and facilities

	2011	2010
	£	£
Nursing services	905,583	849,971
Medical supplies	21,402	15,100
Non clinical services including catering and domestic	325,642	336,058
Premises and plant	306,722	249,795
	<u>1,559,349</u>	<u>1,450,924</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2011

4 Managing and administering the charity	2011 £	2010 £
Salaries and office costs	173,918	182,051
Finance costs - other	1,363	1,925
Insurance	17,561	17,709
Miscellaneous	71,457	77,883
	<u>264,299</u>	<u>279,568</u>

5 Total resources expended	Staff costs £	Depreciation £	Other costs £	Total £
Patient services and facilities	1,041,745	84,000	433,604	1,559,349
Managing and administering the charity	<u>173,918</u>	<u>-</u>	<u>90,381</u>	<u>264,299</u>
	<u>1,215,663</u>	<u>84,000</u>	<u>527,585</u>	<u>1,827,248</u>

6 Staff costs	2011 £	2010 £
Wages and salaries	1,081,883	1,042,268
Social security costs	93,038	86,447
Other pension costs	40,742	37,620
	<u>1,215,663</u>	<u>1,166,335</u>

One employee earned £80,500 during the year, £20,500 of which were pension contributions to a defined contribution (personal) pension scheme

Average number of employees during the year	Number	Number
Patient services and facilities	60	62
Managing and administering the charity	<u>5</u>	<u>5</u>
	<u>65</u>	<u>67</u>

No members of Council received any remuneration or reimbursement of expenses during the year

No members of Council or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2010 - Nil)

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2011

7 Tangible fixed assets

	Freehold land and buildings £	Other assets £	Mechanical and electrical equipment £	Total £
Cost				
At 1 April 2010	3,400,000	464,448	330,684	4,195,132
At 31 March 2011	<u>3,400,000</u>	<u>464,448</u>	<u>330,684</u>	<u>4,195,132</u>
Depreciation				
At 1 April 2010	168,000	464,447	330,683	963,130
Charge for the year	84,000	-	-	84,000
At 31 March 2011	<u>252,000</u>	<u>464,447</u>	<u>330,683</u>	<u>1,047,130</u>
Net book value				
At 31 March 2011	<u>3,148,000</u>	<u>1</u>	<u>1</u>	<u>3,148,002</u>
At 31 March 2010	<u>3,232,000</u>	<u>1</u>	<u>1</u>	<u>3,232,002</u>
Freehold land at valuation included above not depreciated				<u>1,800,000</u>
Freehold land and buildings			2011 £	2010 £
Historical cost			<u>2,070,897</u>	<u>2,070,897</u>
Cumulative depreciation based on historical cost			<u>-</u>	<u>-</u>

The Freehold land and buildings were revalued by Nigel Fransham FRICS FCI Arb of Savills Commercial Limited, Chartered Surveyors on 19 September 2007 at £3.4M. The valuation was an independent external valuation based on vacant possession.

8 Stocks	2011 £	2010 £
Raw materials and consumables	1,200	1,200
Work in progress	<u>2,000</u>	<u>2,000</u>
	<u>3,200</u>	<u>3,200</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

9 Debtors	2011 £	2010 £
Trade debtors	70,574	38,198
Accrued bank interest	14,536	3,736
Prepayments	<u>1,986</u>	<u>2,138</u>
	<u>87,096</u>	<u>44,072</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2011

10 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	9,276	23,671
Other taxes and social security costs	23,199	20,004
Other creditors	5,644	6,258
Accruals and deferred income	53,030	59,863
	<u>91,149</u>	<u>109,796</u>

11 Unrestricted funds	2011	2010
	£	£
At 1 April	5,226,593	5,067,850
Net incoming resources/net income for the year	73,304	158,743
	<u>5,299,897</u>	<u>5,226,593</u>

During the year £13,200 (2010 £100,000) of funds were designated by Council to provide for the refurbishment and alteration works which are expected to take place during the year ended 31 March 2012

12 Analysis of changes in net debt	At 1 Apr 2010	Cash flows	Non-cash changes	At 31 Mar 2011
	£	£	£	£
Cash at bank and in hand	2,057,115	95,633		2,152,748
	<u>2,057,115</u>	<u>95,633</u>	<u>-</u>	<u>2,152,748</u>

13 Taxation

The company 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