

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

Report and Accounts

31 March 2018

Charity number: 293522

Company number: 01989868



Nick Westbury
& Co Limited

SATURDAY



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21/07/2018
COMPANIES HOUSE

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 (which incorporates the strategic report and trustees annual report) and accounts for the year ended 31 March 2018 in compliance with the current statutory requirements and the company's Memorandum and Articles of Association.

STRATEGIC REPORT

Achievements and performance

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

Following an unannounced inspection on 23 November 2016, the Care Quality Commission (CQC) rated St Luke's good in all five inspection categories.

In their detailed report the CQC inspectors confirmed that patients 'were safe', 'supported by staff who had the skills and knowledge to carry out their roles', and 'who had got to know them well'. The service was described as 'responsive to people's changing needs' offered within 'a positive and open culture'.

The Dignity in Care Awards is a project that has been running since 2012 and is led by Age UK Oxfordshire. The awards were set up to recognise and celebrate local individuals, care services and organisations who have gone the extra mile in delivering real dignity in care for people in Oxfordshire. Age UK Oxfordshire asked local people to nominate organisations, care settings, paid staff and volunteers for an award. The nominations were then reviewed and deliberated over by a panel of judges with a background and interest in care. On 16 November 2016, representatives from St Luke's were presented with the 'Award for a Care or Support Setting or Service' by Age UK Oxfordshire.

St Luke's was nominated by the sister and a daughter of a resident. 'As you enter the nursing home you are greeted with a refreshing aroma and the entire home is kept clean and tidy. All the staff including nurses, care assistants, cleaners, receptionists, catering and maintenance staff are so caring it's like one big happy family... On our time spent at the nursing home we have noticed the staff show the same respect for all of their patients and patrol the corridors night and day making sure everyone is comfortable. Nothing is too much trouble for any of the staff and they go out of their way to be most helpful and always have a smile for everyone. They are so supportive in a caring environment with such impeccable high standard of care. We are very glad we chose St Luke's Hospital for my sister to end her days and would highly recommend it to anyone who has found themselves in the same position as we were, knowing there was nothing else that could be done for her.'

The net income for the year amounted to £1,609,867 (2017: net income £84,783) The net income for the year includes £5,688 of net investment gains and a gain of £1,248,000 following a revaluation of the freehold premises. In 2017/18 the average long stay occupancy level was 94% and the average short stay occupancy was 78%, with an overall occupancy of 88.05% (2017: 88.82%). The agreement with Oxford University Hospitals NHS Trust for St Luke's Hospital to provide access to bedrooms has continued throughout the year under review.

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Activities undertaken by the charity for the public benefit

Council considers that it has complied with Section 17(5) of The Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

St. Luke's is unique in its ability to offer a package of holistic care to both short stay and long stay patients. It purchases a GP service to give two surgeries a week and an on call service which ensures every patient is seen at least once a week. It has a team of Physiotherapists ensuring that patients are kept as active as possible and ensuring that those returning home are as well prepared as possible. There is a team of Recreational Therapists organising activities managed by an Occupational Therapist who also assists patients with equipment and what will be needed should a patient return home. We are well staffed with nurses and with a high proportion of qualified nurses enabling us to provide the very best of care (the recent Care Quality Commission inspection rated St. Luke's as 'Good' in all areas). We also have access on site to high quality health professionals including Radiologists with X-ray, CT scanner and ultrasound, dentists, chiropractors and an osteopath. Our unique offering together with our strategic location in Oxford ensures that we can provide a seamless pathway from the major acute hospitals back to the patient's community. In order that members of the public can benefit from the activities of St Luke's, Council keeps the monthly charges for residence as low as is consistent with the continuance of activities. All applications from elderly persons who meet the hospital's admission criteria for health are considered and equal merit is given to all such applicants. Applicants who are unable to meet the hospital's residential charges are able to make application to the local authority to meet all or part of them.

The exceptional team of staff at St. Luke's enable it to take patients from the NHS who either have particularly high levels of nursing needs or require intensive physiotherapy in order to return home. These are benefits that 'normal' care homes will be unable to offer. There is a huge benefit to the public purse of returning home patients when they are fit to manage alone as this reduces the number admitted to acute hospitals due to falls following an early discharge. 67% of these NHS patients were successfully discharged to their current or newly converted home.

During the year St Luke's provided Oxford University Hospitals NHS Trust access to 5 bedrooms at a discounted rate to relieve NHS pressure on beds saving the NHS Trust an estimated £250,000 and costing St. Luke's £29,900 per annum. By rehabilitating these patients, the time they spend in care is reduced as is the likelihood that they will return to an acute hospital.

St Luke's also provides beds to the NHS under 'spot contracts', which means that the NHS can approach St Luke's to see if there is a vacancy. If there is a bed available, then subject to an assessment of the patient's needs and agreement over price, a 'continuing care' arrangement is made for the rest of the patient's life. On average St. Luke's cares for 6 patients subject to a continuing care arrangement in a year, two of these being through Sobell House Hospice. The estimated saving for these beds per year to the NHS is a further £350,000.

Council has a policy of subsidising up to 4 patients, if already resident and not able to afford to remain at St Luke's. A subsidy is available to top up fees paid by social services when other means are not available. Council also has a policy of providing free care to those in the local community in need.

For many years the St Luke's Housing Society Limited, an independent and distinct charity, have occupied part of our premises in return for a peppercorn rent. Current market rental has been professionally assessed at approximately £80,000 per annum.

St Luke's provides Bursary funding of up to £6,000 per annum to train and develop staff on relevant courses of their choice which is in addition to the £22,000 per annum spent on staff training and development at St. Luke's. St Luke's has hosted training courses for nurses drawn from across the independent sector in Oxfordshire.

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In Addition:

- Council members continue to offer their time and advice free of charge
- Our Chapel Services are attended by members of the local community
- Our gardens are registered with the Quiet Gardens Trust, and are open to the general public (the gardens are currently closed whilst building works are ongoing)

FINANCIAL REVIEW

Reserves Policy

Council's current policy is to build reserves to provide for the long term future of the hospital. At 31 March 2018 unrestricted reserves amounted to £7,967,798. However of this amount £5,245,733 is represented by fixed assets. The charity, after taking account of designated reserves, has free reserves at 31 March 2018 of £2,722,065. This compares to annual expenditure of £2,638,623 which includes annual staff costs of £1,821,043.

Council wishes to maintain free reserves equivalent to 6 months operating costs. In addition funds will be designated to allow major refurbishment of the hospital as and when required.

Investments Policy

At the Council meeting on 26 March 2013, Council decided to invest surplus funds in M&G Charifund units and into an investment portfolio managed by Cazenove Capital Management. Council stipulated that any investment be made with due regard to ethical considerations, and specifically not in Tobacco and Armaments. Cash also was to be invested with Lloyds Bank PLC and the Clydesdale Bank PLC.

At the Council meeting on 4 October 2017, Council decided to convert approximately 50% of the invested funds into cash and to hold this cash in readiness to be used to help finance the building project in due course.

Council are satisfied with the investment performance in the year.

Fixed assets

The freehold land and buildings were valued on 21 June 2017 at £4,600,000 by Henry Harris BSc(Hons) MRICS of Lambert Smith Hampton. Council consider that the value of the freehold land and buildings has not changed materially since this valuation was carried out.

The estimated useful life of the freehold buildings has been assessed by Council at 25 years. Council has decided to write off the value of the freehold premises over 25 years from 1 April 2018. Council's previous policy was to write off the value of the freehold premises over 25 years from 1 April 2012.

PLANS FOR THE FUTURE

Many of the bedrooms are too small by today's standards. They were built at a time when 10 square yards was the requirement and it is now 12 square metres. Furthermore, newly built homes are being constructed with bedrooms as large as 16 square metres, so St Luke's bedrooms look unappealing, particularly for long stay patients who want to bring in pieces of furniture and memorabilia.

The next year will be pivotal for the future of St. Luke's. Our current building project is designed to future proof the long stay facility at St. Luke's by improving room sizes, providing ensuite wet rooms and adding other features to enable St. Luke's to match the facilities of newly built care homes in the area. Once completed, it is anticipated that the new beds will fill fairly quickly and high occupancy rates will be maintained for the foreseeable future.

The building project has been costed at £6.146 million including VAT and fees. At the Council meeting on 4 October 2017, Council agreed to borrow up to £3.3 million from HSBC Bank plc and to use reserves for the remainder of the cost, keeping £1million in reserve for contingencies. Fundraising continues to reduce the dependency on borrowing with over £500,000 raised in the period to 31 March 2018. Building work commenced on 30 October 2017.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Statement

Council members believe that they have Identified the major risks to which the Charity is exposed. These include: financial stability; maintaining a good reputation; and the quality of the personal care provided. Risks have been categorised both by the likelihood of their occurring and by their potential impact on the Charity. Council members review the adequacy of protection against these risks and, where this appears insufficient, put in place appropriate procedures to mitigate them. Council meet regularly and consider the identification and mitigation of risks.

As mentioned above Building work has started on a major expansion of St Luke's. The risk to which the Charity becomes exposed by taking on a building project of this size has been thoroughly assessed. The size of the repayments is manageable with a conservative forecast of occupancy and the loan will be fixed over a 10-15 year period depending on the final amount borrowed. By fixing the interest rate on half the funding we will protect ourselves from interest rate fluctuations, whilst leaving us with the ability of repaying half the loan early, without penalty. We are, in any case, maintaining a substantial contingency reserve. The risk must also be set against the risk of not taking action. The roof is in need of replacement as are much of the electrics and plumbing. Fourteen bedrooms on the first floor are below the size requirements for caring for those requiring wheelchairs (which is the majority of those requiring long term nursing care) and increasingly, as new nursing homes are built, they are being built to even higher standards and larger rooms. There are three new nursing homes being built in Oxford currently and more applications being made. If we do not make efforts to offer comparable facilities, our potential market will be gradually eroded as customers will be put off despite our excellent reputation. The risk of disruption to patients has also been taken into consideration. By building a steel frame on top of the existing structure, prefabricated floors, panels and roof can be lifted into place and construction can be carried out to minimise disruption to the patients in the floors below.

Our future will be further secured by the increase in the number of beds and the reconfiguration. 20 bed units are seen as an optimum size for cost-effective nursing, and by having three such units totalling 63 beds, with one room as a double, we will also have good economies of scale.

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 Health and Social Care Act 2008 (Regulated Activities) Regulations 2009. The regulating authority is the Care Quality Commission (CQC).

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 eight times each year. 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 Finance Committee is responsible for setting the pay and conditions of the Key Management Personnel. Council has the power to form other subcommittees to consider key matters such as strategy, buildings and fundraising as and when the need arises.

For the duration of the current building project, Council has decided to merge the Finance Committee with the Buildings Committee. Council has also decided that the enlarged committee should meet monthly.

The Council delegates the day to day running of St Luke's to the Key Management Personnel who operate under the direction of the Chief Executive Officer within the framework of the Annual Budget. The Council approves the Annual Budget which embodies the strategy for each year. Operational decisions are then made by the Key Management Personnel except where expenditure in excess of £10,000 is involved, which requires the approval of the Finance Committee.

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 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.

Charity registration number

293522 (*registered in England and Wales*)

Company registration number

1989868 (*registered in England and Wales*)

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

Mr N Talbot Rice*	Vice-Chairman
Mr G M Wareing	
Mr R J S Hawes	
Mr L A Ponsonby*	Chairman
Mr G P Candy*	
Lady J Norman	
Dr H Van Oss	
Mr R Mann*	
Mr M J Wilkinson*	

**member of the Finance Committee*

Non - executive officers

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

Key Management Personnel

Mr R L Burden	Chief Executive Officer
Mrs V Waine	Matron (appointed 1 October 2017)
Mrs Z Mason	Matron (retired 30 September 2017)
Mr D G Kerr	Finance Manager and Company Secretary (appointed 16 June 2017)
Mr G S Hunt	Finance Manager and Company Secretary (resigned 16 June 2017)

Registered Office and operational address

4 Latimer Road
Headington
Oxford OX3 7PF

Principal Bankers

Lloyds Bank PLC	HSBC Bank PLC
PO Box 8	2nd Floor, Seacourt, West Way
1-5 High Street	Botley
Oxford OX1 4AA	Oxford OX2 0PL

Investment Managers

Cazenove Capital Management	M&G Charities
6 Worcester Street	PO Box 9038
Oxford OX1 2BX	Chelmsford CM99 2XF

Company Status

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

OBJECTIVES AND ACTIVITIES

Objects, activities and strategy

The objects for which the Association is established are the relief and care of the elderly, sick, disabled and poor from all faiths and those of none, including, to the extent that it is relevant and practical to do so, in a manner and atmosphere appropriate to such faith.

In pursuit of the above objects, the Association shall:

- (a) assist in the treatment and care of persons suffering from physical illness of any description or in need of rehabilitation as a result of such illness, by the provision of long-term nursing care, palliative care, respite care and post-operative rehabilitation for sick, disabled and elderly persons;
- (b) endeavour to promote the dignity and quality of life due to every individual, seeing each as a whole person, and aiming to give all those suffering from pain and disability the opportunity for growth in happiness and spiritual development; and
- (c) offer spiritual support for patients to the extent that patients wish to seek such consultation, through the provision of visits from such people of faith as are appropriate, which may include services in the hospital Chapel

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 satisfied patients and from the feedback gained from current and past patients. In the year ended 31 March 2018, 93% patients rated St Luke's as at least 'Good' with 58% at 'Outstanding'.

The financial results for the year are set out on page 11.

STATEMENT OF 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 their annual report (which incorporates the strategic report and the trustees annual report) and 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.

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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.

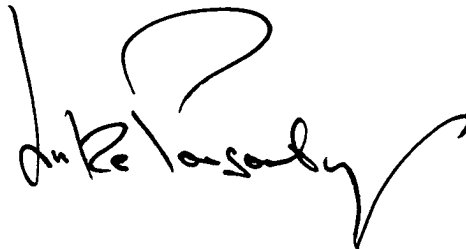
Disclosure of information to auditors

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 27 June 2018 and signed on its behalf.

L A Ponsonby
Member of Council

A handwritten signature in black ink, appearing to read 'L A Ponsonby', with a large, stylized initial 'P' at the start.

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 2018 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 Chapter 3 of Part 16 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.

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its net income 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 of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

St Luke's Oxford
Independent auditors' report
to the members of St Luke's Oxford

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have nothing to report in respect of the following matters in relation to which 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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 auditor's report.

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

20 July 2018

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

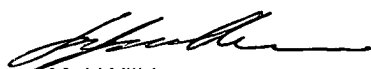
St Luke's Oxford
Statement of Financial Activities (including the income and expenditure account)
for the year ended 31 March 2018

	Notes	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	2017 £
Income:	2				
<i>Voluntary income:</i>					
Donations and legacies		100	402,268	402,368	102,461
<i>Income from charitable activities:</i>					
Patient fees		2,433,593	-	2,433,593	2,388,982
Rental income		105,157	-	105,157	108,632
<i>Investment income:</i>					
Investment income - cash at bank and in hand		12,579	-	12,579	17,564
Investment income - investments held as current assets		25,023	-	25,023	51,291
Other income		45,978	-	45,978	39,181
Total income		<u>2,622,430</u>	<u>402,268</u>	<u>3,024,698</u>	<u>2,708,111</u>
Expenditure:					
<i>Expenditure on charitable activities:</i>					
Patient services and facility costs	3	2,319,037	-	2,319,037	2,477,340
Managing and administration costs	4	319,586	29,896	349,482	318,803
Total expenditure	5	<u>2,638,623</u>	<u>29,896</u>	<u>2,668,519</u>	<u>2,796,143</u>
Net (expenditure)/income and net movement in funds before gains and losses on investments and fixed assets		(16,193)	372,372	356,179	(88,032)
Net gains/(losses) on investments		5,688	-	5,688	172,815
Gains/(losses) on revaluation of fixed assets		1,248,000	-	1,248,000	-
Net Movement in funds		<u>1,237,495</u>	<u>372,372</u>	<u>1,609,867</u>	<u>84,783</u>
<i>Reconciliation of funds</i>					
Total funds brought forward		6,730,303	84,480	6,814,783	6,730,000
Total funds carried forward		<u>7,967,798</u>	<u>456,852</u>	<u>8,424,650</u>	<u>6,814,783</u>

The statement of financial activities included all gains and losses recognised in the year.
All income and expenditure derive from continuing activities

**St Luke's Oxford
Balance Sheet
as at 31 March 2018**

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	7	5,245,733	3,460,002
Current assets			
Stocks	8	11,600	11,600
Debtors	9	132,999	120,306
Investments held as current assets	10	503,171	1,064,029
Cash at bank and in hand		2,839,026	2,350,705
		<u>3,486,796</u>	<u>3,546,640</u>
Liabilities			
Creditors: amounts falling due within one year	11	(307,879)	(191,859)
Total assets less current liabilities		<u>3,178,917</u>	<u>3,354,781</u>
Net assets		<u>8,424,650</u>	<u>6,814,783</u>
The funds of the charity:			
Unrestricted income funds - general	12	4,886,695	4,789,200
Unrestricted income funds - revaluation reserve	13	3,081,103	1,941,103
Restricted fund	14	456,852	84,480
Total charity funds		<u>8,424,650</u>	<u>6,814,783</u>



M J Wilkinson

Member of Council

Approved by Council on 27 June 2018

St Luke's Oxford
Statement of Cash Flows
for the year ended 31 March 2018

	Notes	2018 £	2017 £
Cash provided by operating activities	16	<u>529,904</u>	<u>42,532</u>
Cash flows from investing activities			
Investment income		37,602	68,855
Payments to acquire investments		-	(45,204)
Receipts from the disposal of investments		566,546	665,897
Payments to acquire fixed assets		(645,731)	-
Cash (used in)/provided by investing activities		<u>(41,583)</u>	<u>689,548</u>
Increase in cash and cash equivalents in the year		<u>488,321</u>	<u>732,080</u>
Cash and cash equivalents at 1 April		2,350,705	1,618,625
Cash and cash equivalents at 31 March		<u>2,839,026</u>	<u>2,350,705</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2018

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts, are as follows:

Basis of preparation

The accounts have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St Luke's Oxford 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 note(s).

Presentation

In order to present a true and fair view, the company has not followed the strict provisions of 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 25 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

Where existing assets such as furniture and IT equipment have to be replaced due to normal 'wear and tear' the expenditure is taken directly to repair costs.

The Council obtained a valuation of the freehold property, based on vacant possession, as at 21 June 2017 of £4,600,000. Council consider that there has been no material change in the valuation of the freehold property since this valuation was made.

The Council believes that the freehold property has a remaining useful economic life of 25 years from 1 April 2018 and depreciation will be charged accordingly on a straight line basis.

Freehold property includes £1,600,000 of land which is not depreciated.

Investments

Investments are shown in the balance sheet at their open market value. The market value of investments is determined by reference to stock exchange prices at the balance sheet date. Where investments are traded on a recognised stock exchange they are included in the balance sheet as current assets. Cash held by the investment managers waiting to be invested at year end is included under cash at bank and in hand.

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Stock

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

Debtors

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

Cash at bank and in hand

Cash at bank and in hand includes all bank balances including fixed term deposits invested for a term not exceeding 12 months.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to be settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

Designated 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.

Restricted funds

Restricted funds are donations which the donor has specified are to be solely used for particular purpose.

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Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

a) Expenditure on charitable activities includes those costs undertaken to further the purposes of the charity and their associated support costs.

b) Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

2 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

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 facility costs

	2018	2017
	£	£
Nursing services	1,429,106	1,356,278
Medical supplies	55,611	56,275
Non clinical services including catering and domestic	508,354	474,755
Premises and plant	325,966	590,032
	<u>2,319,037</u>	<u>2,477,340</u>

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4 Managing and administration costs (including governance)	2018 £	2017 £
Salaries and office costs	188,149	146,160
Finance costs - other	1,732	1,141
Insurance	31,366	22,192
Miscellaneous	120,790	145,290
Governance - fees for auditing the accounts for the current year	7,445	4,020
	<u>349,482</u>	<u>318,803</u>

In addition to the audit fees disclosed above the auditors were paid £360 for additional work associated with the building project. (2017: £1,068)

5 Total resources expended	Staff costs £	Depreciation £	Other costs £	Total £
Patient services and facility costs	1,632,894	108,000	578,143	2,319,037
Managing and administration costs (including governance)	<u>188,149</u>	<u>-</u>	<u>161,333</u>	<u>349,482</u>
	<u>1,821,043</u>	<u>108,000</u>	<u>739,476</u>	<u>2,668,519</u>

6 Staff costs	2018 £	2017 £
Wages and salaries	1,618,842	1,489,478
Social security costs	137,272	122,020
Other pension costs - payments to defined contribution schemes	64,929	83,095
	<u>1,821,043</u>	<u>1,694,593</u>

One employee earned between £70,000 and £75,000 during the year.

Average number of employees during the year	Number	Number
Patient services and facility costs	72	74
Managing and administration costs (including governance)	<u>6</u>	<u>5</u>
	<u>78</u>	<u>79</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 (2017 - £Nil).

The Key Management Personnel of the charity comprise the members of Council, the Chief Executive Officer, Finance Manager, Matron and Deputy Matron. The total employee benefits of the Key Management Personnel of the charity was £200,774 (2017: £206,307).

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7 Tangible fixed assets

	Freehold land and buildings £	Asset in the course of construction £	Other assets £	Total £
Cost or valuation				
At 1 April 2017	4,000,000	-	795,132	4,795,132
Additions	-	645,731	-	645,731
Surplus on revaluation	600,000	-	-	600,000
At 31 March 2018	<u>4,600,000</u>	<u>645,731</u>	<u>795,132</u>	<u>6,040,863</u>
Depreciation				
At 1 April 2017	540,000	-	795,130	1,335,130
Charge for the year	108,000	-	-	108,000
Surplus on revaluation	(648,000)	-	-	(648,000)
At 31 March 2018	<u>-</u>	<u>-</u>	<u>795,130</u>	<u>795,130</u>
Net book value				
At 31 March 2018	<u>4,600,000</u>	<u>645,731</u>	<u>2</u>	<u>5,245,733</u>
At 31 March 2017	<u>3,460,000</u>	<u>-</u>	<u>2</u>	<u>3,460,002</u>
Freehold land at valuation included above and not depreciated				<u>1,600,000</u>
Freehold land and buildings:			2018	2017
			£	£
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 professionally revalued by Lambert Smith Hampton at £4,600,000. The valuation was an independent external valuation based on vacant possession.

8 Stocks	2018	2017
	£	£
Food and provisions	4,600	4,600
Domestic items	<u>7,000</u>	<u>7,000</u>
	<u>11,600</u>	<u>11,600</u>

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

9 Debtors	2018	2017
	£	£
Trade debtors	116,016	95,340
Accrued bank interest	6,559	14,009
Prepayments and accrued income	<u>10,424</u>	<u>10,957</u>
	<u>132,999</u>	<u>120,306</u>

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10 Investments held as current assets

	2018	2017
	£	£
Investments listed on a recognised stock exchange	<u>503,171</u>	<u>1,064,029</u>

The listed investments are held primarily to provide an investment return for the charity. The investments are stated at market value.

	2018	2017
	£	£
Market value at 1 April	1,064,029	1,511,907
Purchase of investments at cost	-	45,204
Disposal of investments at market value	(566,546)	(665,897)
Gain/(loss) in the year	<u>5,688</u>	<u>172,815</u>
At 31 March	<u>503,171</u>	<u>1,064,029</u>

At 31 March 2018 £18,026 of funds waiting for investment were being held as cash balances by the Investment Managers (2017: £1,480)

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	5,333	41,945
Other taxes and social security costs	-	29,756
Other creditors	69,620	41,808
Accruals and deferred income	<u>232,926</u>	<u>78,350</u>
	<u>307,879</u>	<u>191,859</u>

12 Unrestricted income funds - general

	2018	2017
	£	£
At 1 April	4,789,200	4,596,417
Net movement in funds in the year	1,237,495	84,783
Gains/(losses) arising on the revaluation of fixed assets	(1,248,000)	-
Depreciation transferred to the revaluation reserve	<u>108,000</u>	<u>108,000</u>
At 31 March	<u>4,886,695</u>	<u>4,789,200</u>

13 Unrestricted income funds - revaluation reserve

	2018	2017
	£	£
At 1 April	1,941,103	2,049,103
Arising on the revaluation of land and buildings in the year	1,248,000	-
Depreciation	<u>(108,000)</u>	<u>(108,000)</u>
At 31 March	<u>3,081,103</u>	<u>1,941,103</u>

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14 Restricted fund	2018 £	2017 £
At 1 April	84,480	-
Net movement in funds in the year	372,372	84,480
At 31 March	<u>456,852</u>	<u>84,480</u>

The restricted fund represents funds raised solely for the purpose of the building project.

Analysis of the net movement in the restricted fund

	Balance at 1 April 2017 £	Income £	Expenditure £	Funds at 31 March 2018 £
Building project	<u>84,480</u>	<u>402,268</u>	<u>29,896</u>	<u>456,852</u>

15 Analysis of net assets between funds

	Unrestricted Income funds General £	Revaluation £	Restricted fund £	Total £
Fixed assets	2,164,630	3,081,103	-	5,245,733
Cash at bank and in hand	2,382,174	-	456,852	2,839,026
Other current assets	647,770	-	-	647,770
Creditors: amounts falling due within one year	(307,879)	-	-	(307,879)
Total	<u>4,886,695</u>	<u>3,081,103</u>	<u>456,852</u>	<u>8,424,650</u>

16 Reconciliation of net income to cash provided by operating activities	2018 £	2017 £
Net income/(expenditure) before gains and losses from investments and fixed assets	356,179	(88,032)
Investment income	(37,602)	(68,855)
Depreciation charges	108,000	108,000
Increase in stocks	-	(3,400)
Decrease/(increase) in debtors	(12,693)	10,877
Increase/(decrease) in creditors	116,020	83,942
Cash provided by/(used in) operating activities	<u>529,904</u>	<u>42,532</u>

17 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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18 Legal status

The charity is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability of the guarantee is limited to £1 per member.

19 Capital commitments

In October 2017 the charity entered into a construction contract for the expansion of the charity's premises. The current estimated outturn cost of this construction contract is £4.817M plus VAT. The cost will be funded from reserves, fund raising and a development loan provided by HSBC Bank plc.