

St Luke's Oxford
Report and Accounts

31 March 2005

Company number
1989868

Charity registration number
293522



Nick Westbury & Co Limited

Business Advisers • Chartered Certified Accountants • Registered Auditors



St Luke's Oxford

Report of the Council

The members of Council present their annual report and accounts for the year ended 31 March 2005 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 5.

Results

The surplus for the year amounted to £281,748 (2004: £191,227). This increase in surplus arose principally from the increase in occupancy by patients funded by insurance companies. The average occupancy level for the year was 77% (2004: 79%). 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. 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.

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, variance from budgets;
- delegation of authority and segregation of duties; and
- appropriate training and development of staff.

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)*

St Luke's Oxford

Report of the Council

Reserves Policy

The charity's policy is to build reserves to provide for the long term future of the hospital. At 31 March 2005 unrestricted reserves amounted to £2,687,488. However of this amount £2,149,593 is represented by fixed assets. The charity therefore has free reserves at 31 March 2005 of £417,895. This compares to annual expenditure of £1,625,038 and annual salary costs of £1,089,497.

The charity wishes to continue to build reserves with a target of cash reserves equivalent to 3 months operating costs, with funds above that level being invested in longer term investments that meet the criteria of the Investments Policy that the Council will finalise during the year ended 31 March 2006. In addition funds will be designated to allow major refurbishment of the hospital as required. £120,000 has been designated for major refurbishments and alterations which are expected to take place during the year ended 31 March 2006.

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 in the year

Mrs S B S Homersham *	Chairman
Lady Quinlan	
Professor Sir J Grimley Evans	
Mrs J Girvin	
Mr P H Bagnall *	
Mrs C Williams	
Mr N Talbot Rice	
Mr N Morris	(Resigned 27 September 2004)
Mr M Woods	(Deceased in the year)
Mr G M Wareing *	(Appointed 27 September 2004)

**member of the Finance Committee*

Non - executive officers

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

Executive management team

Miss C H Grogan	General Manager
Mrs Z Mason	Matron
Mr A J Barnes	Finance Manager

Registered Office

4 Latimer Road
Headington
Oxford
OX3 7PF

St Luke's Oxford Report of the Council

Principal Bankers

Lloyds TSB plc, Oxford

Company Status

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

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 and of the surplus or deficit for that period. In preparing those accounts, the Council members are required to:

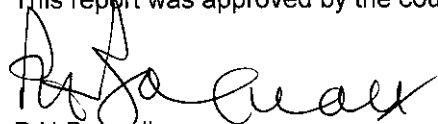
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council members are responsible for maintaining 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.

Auditors

Nick Westbury & Co. Limited offer themselves for re-appointment as auditors in accordance with section 384(1) of The Companies Act 1985.

This report was approved by the council on27.6.....2005.



P H Bagnall
Council member

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 2005 which comprise pages 5 to 13. 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 to them in an auditor's 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 Report of Council the company's directors (Council members) are responsible for the preparation of the 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 Report of Council 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 Report of Council and consider the implications for our report if we become aware of any apparent misstatements within it.

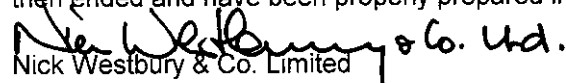
Basis of audit opinion

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 significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, 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 state of the company's affairs as at 31 March 2005 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.


Nick Westbury & Co. Limited
Registered auditors

2 Tuckers House
Market Place
Deddington
Banbury
Oxon OX15 0SA

28 June 2005

St Luke's Oxford
Statement of Financial Activities
for the year ended 31 March 2005

	Notes	Unrestricted 2005 £	2004 £
Incoming resources			
Donations, legacies and similar incoming resources		9,490	1,944
Activities in furtherance of the Charity's objects			
Patient Accommodation and services		1,879,231	1,862,306
Other incoming resources		2,458	19,875
Investment income		15,607	4,684
		<u>1,906,786</u>	<u>1,888,809</u>
Resources expended			
Charitable expenditure			
Cost of activities in furtherance of the charity's objects			
Patient services and facilities	3	1,372,661	1,338,412
Managing and administering the charity	4	252,377	359,170
		<u>1,625,038</u>	<u>1,697,582</u>
Net incoming resources		<u>281,748</u>	<u>191,227</u>
Net movements in funds			
At 1 April 2004		2,405,740	2,214,513
At 31 March 2005		<u>2,687,488</u>	<u>2,405,740</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 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	7	2,149,593	2,182,267
Current assets			
Stocks	8	4,183	4,746
Debtors	9	71,040	105,479
Cash at bank and in hand		588,891	326,686
		<u>664,114</u>	<u>436,911</u>
Creditors: amounts falling due within one year	10	(126,219)	(213,438)
Net current assets		<u>537,895</u>	<u>223,473</u>
		<u>2,687,488</u>	<u>2,405,740</u>
Funds			
Unrestricted		2,687,488	2,405,740
	12	<u>2,687,488</u>	<u>2,405,740</u>



Mrs S B S Homersham
 Director

Approved by the board on 27.6.2005

St Luke's Oxford
Cash Flow Statement
for the year ended 31 March 2005

	Notes	2005 £	2004 £
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming resources		281,748	191,227
Interest payable		1,195	7,081
Interest receivable		(15,607)	(4,684)
Depreciation charges		51,857	76,458
Decrease in stocks		563	4,324
Decrease in debtors		34,439	4,626
(Decrease)/increase in creditors		(16,289)	39,797
Net cash inflow from operating activities		337,906	318,829
CASH FLOW STATEMENT			
Net cash inflow from operating activities		337,906	318,829
Returns on investments and servicing of finance	13	14,412	(2,397)
Capital expenditure	13	(19,183)	(6,749)
		<u>333,135</u>	<u>309,683</u>
Financing	13	(70,930)	(114,750)
Increase in cash		<u>262,205</u>	<u>194,933</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		262,205	194,933
Decrease in debt and lease financing		70,930	114,750
Change in net debt	14	<u>333,135</u>	<u>309,683</u>
Net funds/(net debt) at 1 April		<u>255,756</u>	<u>(53,927)</u>
Net funds at 31 March		<u>588,891</u>	<u>255,756</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2005

1 Accounting policies

Accounting convention

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

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.

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 50 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 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.

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 2005

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.

2 Incoming resources

Incoming resources represents fee income from patients and rental income from consultants and others.

3 Patient services and facilities	2005 £	2004 £
Nursing services	809,498	803,090
Medical supplies	33,597	32,839
Hotel services including catering and domestic	299,403	266,008
Premises and plant	230,163	236,475
	<u>1,372,661</u>	<u>1,338,412</u>

4 Managing and administering the charity	2005 £	2004 £
Salaries and office costs	164,360	264,035
Audit and accountancy	3,000	4,700
Finance costs - mortgage	1,195	7,081
Finance costs - other	1,309	2,599
Insurance	32,083	28,410
Miscellaneous	50,430	52,345
	<u>252,377</u>	<u>359,170</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2005

5 Total resources expended	Staff costs £	Depreciation £	Other costs £	Total £
Patient services and facilities	917,052	51,857	403,752	1,372,661
Managing and administrating the charity	164,360	-	88,017	252,377
	<u>1,081,412</u>	<u>51,857</u>	<u>491,769</u>	<u>1,625,038</u>

	2005 £	2004 £
Specific costs include:		
Auditors' remuneration	3,000	4,700
Depreciation	51,857	76,458
	<u>54,857</u>	<u>81,158</u>

6 Staff costs	2005 £	2004 £
Wages and salaries	997,395	1,043,839
Employer's National Insurance	84,017	81,798
Pension contributions	8,085	8,278
	<u>1,089,497</u>	<u>1,133,915</u>

One employee earned £65,835 during the year, £8,085 of which were pension contributions to a personal pension scheme.

Average number of employees during the year	Number	Number
Patient services and facilities	66	73
Managing and administrating the charity	10	12
	<u>76</u>	<u>85</u>

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

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2005

7 Tangible fixed assets

	Freehold land and buildings £	Mechanical and electrical equipment £	Other assets £	Total £
Cost				
At 1 April 2004	2,250,000	285,370	453,571	2,988,941
Additions	-	7,018	12,887	19,905
Disposals	-	-	(2,010)	(2,010)
At 31 March 2005	<u>2,250,000</u>	<u>292,388</u>	<u>464,448</u>	<u>3,006,836</u>
Depreciation				
At 1 April 2004	125,000	240,112	441,562	806,674
Charge for the year	25,000	16,149	10,708	51,857
On disposals	-	-	(1,288)	(1,288)
At 31 March 2005	<u>150,000</u>	<u>256,261</u>	<u>450,982</u>	<u>857,243</u>
Net book value				
At 31 March 2005	<u>2,100,000</u>	<u>36,127</u>	<u>13,466</u>	<u>2,149,593</u>
At 31 March 2004	<u>2,125,000</u>	<u>45,258</u>	<u>12,009</u>	<u>2,182,267</u>

Freehold land at valuation included above not depreciated 1,000,000

Freehold land and buildings:	2005 £	2004 £
Historical cost	<u>2,070,897</u>	<u>2,070,897</u>
Cumulative depreciation based on historical cost	<u>-</u>	<u>-</u>

8 Stocks	2005 £	2004 £
Food	2,183	2,746
Medical, maintenance, crockery and domestic	<u>2,000</u>	<u>2,000</u>
	<u>4,183</u>	<u>4,746</u>

9 Debtors	2005 £	2004 £
Trade debtors	66,811	101,517
Other debtors	2,119	-
Prepayments	<u>2,110</u>	<u>3,962</u>
	<u>71,040</u>	<u>105,479</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2005

10 Creditors: amounts falling due within one year	2005 £	2004 £
Mortgage (Note 11)	-	70,930
Trade creditors	40,238	46,856
Other taxes and social security costs	21,010	22,238
Accruals and deferred income	64,971	73,414
	<u>126,219</u>	<u>213,438</u>

11 Mortgage	2005 £	2004 £
Analysis of maturity of debt:		
Within one year or on demand	<u>-</u>	<u>70,930</u>

The mortgage was secured on the property at 4 Latimer Road, Oxford.

12 Unrestricted funds	Unrestricted £	Designated £
At 1 April 2004	2,405,740	-
Income	1,906,786	-
Expenditure	(1,625,038)	-
Transfers	<u>(120,000)</u>	<u>120,000</u>
At 31 March 2005	<u>2,567,488</u>	<u>120,000</u>

During the year, £120,000 of funds were designated by Council to provide for the major refurbishment and alteration works which are expected to take place during the year ended 31 March 2006.

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2005

13 Gross cash flows	2005	2004
	£	£
Returns on investments and servicing of finance		
Interest received	15,607	4,684
Interest paid	(1,195)	(7,081)
	<u>14,412</u>	<u>(2,397)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(19,905)	(6,749)
Receipts from sales of tangible fixed assets	722	-
	<u>(19,183)</u>	<u>(6,749)</u>
Financing		
Loan repayments	<u>(70,930)</u>	<u>(114,750)</u>

14 Analysis of changes in net debt	At 1 Apr	Cash flows	Non-cash	At 31 Mar
	2004		changes	2005
	£	£	£	£
Cash at bank and in hand	326,686	262,205		588,891
Debt due within 1 year	(70,930)	70,930		-
Total	<u>255,756</u>	<u>333,135</u>	<u>-</u>	<u>588,891</u>

15 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.

16 Indemnity insurance

The company holds a charities management risks insurance policy at an annual cost £6,089.