

3683208

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE**
t/a "THE ETHOX FOUNDATION"
(A company limited by guarantee)

**Report of the Trustees and
Financial Statements for the year ended 31 December 2002**



**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Contents of the Financial Statements
for the year ended 31 December 2002**

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**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

Legal and Administrative Information

STATUS

The organisation is a charitable company limited by guarantee, incorporated on 14 December 1998 and registered as a charity on 13 January 1999.

The company was established under a Memorandum of Association which established the objectives and powers of the charitable company, and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the AGM to serve a period of 3 years.

TRUSTEES:	Mrs C Miles (Chairman) Mrs M Judge Mr D Perry Dr R C Repp Prof. A Stein Mr A J Wain (resigned 30 April 2002) Dr A Banerji (appointed 30 May 2002) Lady Carolyn Roberts (appointed 6 September 2002) Prof. A Coulter (appointed 1 October 2002)
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SECRETARY:	Mr J T Gould
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REGISTERED OFFICE:	51 Henley Avenue Oxford OX4 4DJ
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COMPANY NUMBER:	3683208 (England and Wales)
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CHARITY NUMBER:	1073289
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AUDITORS:	Morgan Cameron, Chartered Accountants Registered Auditors Wittas House, Two Rivers Station Lane Witney Oxfordshire OX28 4BL
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BANKERS:	National Westminster Bank plc 121 High Street Oxford OX1 4DD
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**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Report of the Trustees
for the year ended 31 December 2002**

The trustees present their report and the audited financial statements for the year ended 31 December 2002.

STATEMENT OF AIMS

The aim of the charity is to improve patient care through;

1. enhancing the ethical and communication skills of health professionals; and
2. developing effective ways in which organisations involved in the delivery of health care can promote high ethical standards.

OPERATING POLICY

In order to achieve this aim, the Ethox Foundation focuses on three areas of activity:

1. The development and delivery of undergraduate and postgraduate **education and training** with the object of equipping health professionals to care for the whole patient.
2. **Research** into a range of key ethical and communication issues which affect the practice of medicine.
3. Working with both the purchasers and providers of health care in establishing **clinical ethics consultation** services including clinical ethics committees.

In pursuit of these aims the Ethox Foundation has powers to employ its own staff on a full or part time basis; to engage consultants; to make grants to universities and other educational institutions; plan and manage training courses, seminars etc. alone or in collaboration with other bodies, and to provide support facilities for scholars working in the Foundation's area of interest.

ORGANISATIONAL STRUCTURE

The charity is managed by the trustees with the support of an administrator. Professor Tony Hope, Professor of Medical Ethics in the University of Oxford and Director of the Ethox Centre in the Department of Primary Care acts as Advisor to the Ethox Foundation.

REVIEW OF THE YEAR

The Foundation continues to support specific programmes of work carried out by the Ethox Centre. Work on communication skills has continued to develop, funded by a further grant to the Foundation from the Dulverton Trust. This grant is enabling work on two topics: the assessment of medical students' communication skills in a clinical setting, and a survey of the range of patients' decision-making preferences in a general practice consultation, combined with a assessment of the extent to which these varying preferences are being met. The Foundation has also received a grant from the Department of Health to support the setting up of a national Network of Clinical Ethics committees and support services, based on preliminary work carried out in 2001, funded by the Foundation and the Nuffield Trust.

There are now seventeen people working in the Centre, five of whom are funded by the Foundation directly or via grants received. Mike Parker and Catherine Hood, both of whom were initially funded by the Foundation, now hold university funded posts within the Centre.

RESULTS AND FINANCIAL POSITION

During 2002 the Foundation received £10,000 in donations, £67,280 in grants, £12,449 of bank interest and £5,396 from other sources. Resources expended totalled £25,265, before the write-back of a grant made in a previous year but no longer required amounting to £26,770. The bulk of this expenditure was on support costs (£12,461). The net result of all these transactions was income exceeded expenditure by £31,357 on general funds, and by £65,273 on restricted funds. The value of the general fund at 31 December 2002 was £291,071 and the bank balance was £352,633.

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Report of the Trustees
for the year ended 31 December 2002**

FUTURE STRATEGY

The Foundation is increasingly assuming a national and international role in the development of clinical ethics in day-to-day practice. Its focus remains on the contribution that ethically aware and trained professionals can make to the care of patients and their families.

The Foundation continues to seek out sources of funding in support of this important work.

RESERVES POLICY

As stated above, at 31 December 2002 general reserves stood at £291,071. A further £65,273 was held in a restricted fund for the development of the Clinical Ethics Network. The Board regularly compares planned expenditure with the level of the reserves to ensure that activities can continue for at least two years ahead.

RISK REVIEW

The Board believes that the main external risk to the foundation is the level of donations it receives. To mitigate this risk the Board is currently developing plans to increase the number of donations received. Internal risks are minimised by the use of procedures for authorising payments and signing cheques. The records are also audited annually.

TRUSTEES

The trustees - who are directors for the purpose of company law - who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of such guarantees at 31 December 2002 was 6 (2001 : 6).

RESPONSIBILITIES OF THE TRUSTEES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

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

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

AUDITORS

The auditors, Morgan Cameron, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities, and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

ON BEHALF OF THE BOARD:



Mrs C Miles - TRUSTEE

Dated: 12 June 2003

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Report of the Independent Auditors to the Members of
The Oxford Foundation for Ethics and Communication in Health Care Practice**

We have audited the financial statements of The Oxford Foundation for Ethics and Communication in Health Care Practice for the year ended 31 December 2002 on pages 5 to 10. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 7.

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 trustees and auditors

As described on page 3 the company's trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 the Trustees is not consistent with the financial statements, 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 trustees' remuneration and transactions with the company is not disclosed.

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

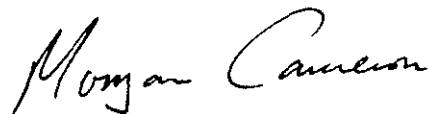
Basis of audit opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 December 2002 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Morgan Cameron, Chartered Accountants
Registered Auditors
Wittas House, Two Rivers
Station Lane
Witney
Oxfordshire
OX28 4BL

Dated: 18 June 2003

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE**
t/a "THE ETHOX FOUNDATION"

**Statement of Financial Activities
for the year ended 31 December 2002**

		2002			2001
		Unrestricted Funds	Restricted Funds	Total	Total
	Notes	£	£	£	£
Incoming resources					
Donations from charitable foundations		10,000	-	10,000	10,000
Grant receivable from Department of Health		-	67,280	67,280	-
Activities to further the charity's objectives:					
Fees for courses		5,396	-	5,396	2,850
Sundry income		-	-	-	1,864
Investment income: interest		12,449	-	12,449	19,889
Total incoming resources		27,845	67,280	95,125	34,603
Resources expended					
Costs of generating funds:					
Fund-raising and publicity		-	-	-	3,216
Charitable expenditure:					
Grants payable to institutions	2	(26,770)	-	(26,770)	82,440
Training course		-	-	-	1,032
Course development		7,160	-	7,160	18,674
Clinical Ethics Network development		-	2,007	2,007	-
Support costs		12,461	-	12,461	45,035
Management and administration		3,637	-	3,637	3,616
Total resources expended	3	(3,512)	2,007	(1,505)	154,013
Net incoming resources/(resources expended)		31,357	65,273	96,630	(199,410)
Total funds at 1 January 2002		259,714	0	259,714	379,124
Total funds at 31 December 2002		£291,071	£65,273	£356,344	£259,714

The notes form part of these financial statements

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Balance Sheet
31 December 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		8,804		12,778
Current assets					
Cash at bank		352,633		365,204	
Debtors		<u>41,030</u>		<u>-</u>	
		393,663		365,204	
Creditors: amounts falling due within one year	7	<u>44,670</u>		<u>86,443</u>	
Net current assets			<u>348,993</u>		<u>278,761</u>
Total assets less current liabilities			357,797		291,539
Creditors: amounts falling due after more than one year	8		<u>1,453</u>		<u>31,825</u>
Net assets			<u><u>£356,344</u></u>		<u><u>£259,714</u></u>
Funds					
Unrestricted general charitable funds	10		291,071		259,714
Restricted funds			<u>65,273</u>		<u>-</u>
			<u><u>£356,344</u></u>		<u><u>£259,714</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



Mrs C Miles - TRUSTEE

Approved by the Board on 12 June 2003

The notes form part of these financial statements

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Notes to the Financial Statements
for the year ended 31 December 2002**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.

Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers (including trustees) is not included.

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Resources expended

Resources expended are recognised in the period in which they are incurred, and include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Where costs cannot be directly attributed to particular headings they are allocated to activities on a basis consistent with the use of resources.

Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over instalments, the outstanding balance is disclosed as a liability.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The following rates are used:

Office equipment and web site	25% on reducing balance
Furniture and fittings	20% on reducing balance

Items of equipment are capitalised where the purchase price exceeds £200.

Unrestricted funds

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

2. GRANTS PAYABLE TO INSTITUTIONS

	<u>2002</u>	<u>2001</u>
	£	£
All unrestricted		
University of Oxford re:		
Release of grant not taken up	(26,770)	-
Non-clinical lectureship in medical ethics	-	27,440
Research post in communication skills	-	55,000
	<u>(26,770)</u>	<u>82,440</u>

**THE OXFORD FOUNDATION FOR ETHICS AND
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**Notes to the Financial Statements
for the year ended 31 December 2002**

3. TOTAL RESOURCES EXPENDED

	2002	2001
	£	£
Staff costs (note 4)	9,160	22,642
Lectureship funding	-	27,440
Delegate and research grants	(26,770)	55,000
Course development and presentation	7,439	20,298
Travel	59	592
Premises	-	11,063
Brochure development	-	3,216
Office overheads	805	5,699
Legal and professional	1,698	1,912
Audit fees	1,939	1,704
Bank charges	191	98
Depreciation	3,974	4,349
	<u>(1,505)</u>	<u>154,013</u>

No expenses were reimbursed to trustees during the year.

4. STAFF COSTS AND NUMBERS

	2002	2001
	£	£
Wages and salaries	<u>9,160</u>	<u>22,642</u>

No employee received emoluments of more than £50,000.

The trustees neither received nor waived any emoluments during the year (2001 : £nil).

The average monthly number of employees during the year was as follows:

	2002	2001
Administration	<u>1</u>	<u>1</u>

5. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Notes to the Financial Statements
for the year ended 31 December 2002**

6. TANGIBLE FIXED ASSETS

	Office equipment	Furniture and fittings	Web site	Totals
	£	£	£	£
Cost				
At 1 January 2002	7,575	3,180	11,050	21,805
Additions	-	-	-	-
At 31 December 2002	<u>7,575</u>	<u>3,180</u>	<u>11,050</u>	<u>21,805</u>
Depreciation				
At 1 January 2002	4,072	1,502	3,453	9,027
Charge for year	<u>876</u>	<u>336</u>	<u>2,762</u>	<u>3,974</u>
At 31 December 2002	<u>4,948</u>	<u>1,838</u>	<u>6,215</u>	<u>13,001</u>
Net book value				
At 31 December 2002	<u>2,627</u>	<u>1,342</u>	<u>4,835</u>	<u>8,804</u>
At 31 December 2001	<u>3,503</u>	<u>1,678</u>	<u>7,597</u>	<u>12,778</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Trade creditors	12,110	10,629
Grant commitments	28,919	64,421
Accrued expenses	<u>3,641</u>	<u>11,393</u>
	<u>44,670</u>	<u>86,443</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Grant commitments	<u>1,453</u>	<u>31,825</u>

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds	Restricted funds	Totals
	£	£	£
Tangible fixed assets	8,804	-	8,804
Current assets	326,383	67,280	393,663
Current liabilities	(42,663)	(2,007)	(44,670)
Long term liabilities	<u>(1,453)</u>	<u>-</u>	<u>(1,453)</u>
	<u>291,071</u>	<u>65,273</u>	<u>356,344</u>

**THE OXFORD FOUNDATION FOR ETHICS AND
COMMUNICATION IN HEALTH CARE PRACTICE
t/a "THE ETHOX FOUNDATION"**

**Notes to the Financial Statements
for the year ended 31 December 2002**

10. RESTRICTED FUND

The restricted fund represent a grant received from the Department of Health for the development of a network for clinical ethics committees. Two members of staff have been employed specifically to implement this development, and salary costs over the period of the grant are expected to be in the region of £54,000. Other direct expenditure is expected to amount to at least the remaining total of the fund.

11. FINANCIAL COMMITMENTS

At the year end the company had the following financial commitments:

	2002 £	2001 £
Charitable:		
University of Oxford re:		
Non-clinical lectureship in medical ethics	-	46,088
Research post in communication skills	<u>30,372</u>	<u>50,158</u>
	<u>30,372</u>	<u>96,246</u>

The charitable commitments relate to grants made prior to the year end which remained unpaid at 31 December 2002, and are shown as grant commitments in notes 7 and 8.