

ST LUKE'S OXFORD
ACCOUNTS FOR THE YEAR ENDED
31 MARCH 1999

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Charity Registration No. 293522

Company No. 1989868



ST LUKE'S OXFORD

REPORT OF THE COUNCIL

The Members of the Council submit the thirteenth annual report and the accounts of the company for the year ending 31 March 1999 in compliance with current statutory requirements and the company's memorandum and Articles of Association.

ACTIVITIES

The company provides specialist hospital and medical services for inpatients, and consulting room accommodation for out-patients together with physiotherapy and radiography services. The results for the year are set out on page 4.

REVIEW OF RESULTS

A surplus of £72,207 (1998 surplus of £30,399) was made in the year to 31 March 1999. This improvement in performance to the previous year was the result of steady overall inpatient occupancy levels of 90% (1998: 92%) together with more appropriate pricing in all areas of the business.

MANAGEMENT CHANGES

There were no changes during the period, but subsequent to the year-end Mr David Perry's consultancy contract for the services of Chief Executive was not renewed. Miss Catherine Grogan was appointed General Manager in September 1999. During October, the Matron, Mrs Michelle Williams, resigned.

ESTATES ISSUES

During the period the Council authorised and contracted the replacement of the flat roof with a new steel pitched roof. As part of this work, a contract was also placed for the replacement of the fire monitoring and detection system. The total value of the contracted works was £233,000.

Planning permission has also been granted for internal conversion works which would relocate office space and thus create four additional patient bedrooms. This work has not yet been authorised by the Council.

Further enhancements to patient accommodation and common areas are ongoing.

Two state of the art patient baths have been purchased and patient hoisting facilities have been improved.

MEMBERS OF THE COUNCIL

Lady McLintock resigned as Chairman of the Council on 1 November 1999. Mrs Sue Homersham was elected Chairman and Mr Nicholas Morris was elected Chairman of the Finance and Estates Committee.

Members of the Council serving (who are also directors of the company) during the year were:-

* Lady McLintock	(Chairman) (resigned 1 November 1999)
* Mrs S B S Homersham	(elected Chairman 1 November 1999)
Mrs M I B McMaster OBE	(Founder and Life President)
Mr D J V Wright	
Miss A Dreydel OBE	
Mrs R L Hart	
Dr P J Cook	(resigned 26 April 1999)
* Mr N Wearne	(resigned 26 November 1998)
Mr R C N Thomas	
Lady Quinlan	
* Mr P D Nicholson	(resigned 28 June 1999)
Mr A J Wain	
* Mr N Morris	
Revd K Wilson	(resigned 8 July 1998)
Mr C Hobart	(appointed 27 July 1998)
Prof Sir J Grimley Evans	(appointed 28 June 1999)
* Mr P Tankard	(appointed 6 September 1999)

* Members of the Finance and Estates Committee

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

NON-EXECUTIVE OFFICERS

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

REGISTERED OFFICE AND ADDRESS FOR CORRESPONDENCE

4 Latimer Road
Headington
Oxford OX3 7PF

BANKERS

Lloyds TSB Bank plc, Oxford
Investec Bank (UK) Limited

During the year the long term loan was transferred from Investec Bank (UK) Limited to Lloyds TSB Bank Ltd.

AUDITORS

Critchleys,
Chartered Accountants
Boswell House
1-5 Broad Street
Oxford OX1 3AW

COMPANY STATUS

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

AUDITORS

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

ON BEHALF OF THE COUNCIL



13 March 2000

Mrs S B S Homersham
CHAIRMAN

ST LUKE'S OXFORD**STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES**

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

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

ON BEHALF OF THE COUNCIL



Mrs S B S Homersham
Chairman

13 March 2000

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

We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of council members and auditors

As described on page 2 the trustees, who are also the directors of St Luke's Oxford for the purposes of company law are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on the accounts and to report our opinion to you.

Basis of opinion

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

We planned and performed our audit so as to obtain all 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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the charitable company's affairs at 31 March 1999 and of its 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.

Oxford
13 March 2000



Critchleys
Chartered Accountants
Registered Auditors

ST LUKE'S OXFORD

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 MARCH 1999

		Total funds 1999 £	Total funds 1998 £
Income and Expenditure			
Incoming Resources			
Accommodation and Services		1,534,996	1,370,940
Legacies and donations	2	24,997	29,004
Investment income		250	330
Other income		27,082	23,279
Total incoming resources		<u>1,587,325</u>	<u>1,423,553</u>
Resources Expended			
Direct charitable expenditure	3	1,164,738	1,077,173
Fundraising and publicity	4	9,580	13,776
Management and administration	5	340,800	302,205
Total resources expended	7	<u>1,515,118</u>	<u>1,393,154</u>
Net Incoming resources for year		<u>72,207</u>	<u>30,399</u>
Net movement in funds		72,207	30,399
Balances brought forward at 1 April 1998		<u>1,174,297</u>	<u>1,143,898</u>
Balances carried forward at 31 March 1999		<u>1,246,504</u>	<u>1,174,297</u>

The notes on pages 7 to 13 form part of these accounts

All funds are unrestricted.

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

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

ST LUKE'S OXFORD

BALANCE SHEET AS AT 31 MARCH 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	9	<u>1,712,531</u>	<u>1,720,532</u>
CURRENT ASSETS			
Stocks	10	16,870	17,023
Debtors	11	135,520	72,877
Cash at bank and in hand		12,928	1,819
		<u>165,318</u>	<u>91,719</u>
CREDITORS			
Amounts falling due within one year	12	<u>(400,907)</u>	<u>(289,198)</u>
NET CURRENT LIABILITIES		<u>(235,589)</u>	<u>(197,479)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,476,942	1,523,053
CREDITORS			
Amounts falling due after more than one year	13 & 14	<u>(230,438)</u>	<u>(348,756)</u>
NET ASSETS		<u><u>1,246,504</u></u>	<u><u>1,174,297</u></u>
FUNDS			
Unrestricted		<u><u>1,246,504</u></u>	<u><u>1,174,297</u></u>

The notes on pages 7 to 13 form part of these accounts.

Approved by the Council on 13 March 2000.



..... MEMBER OF COUNCIL
MRS S B S HOMERSHAM

ST LUKE'S OXFORD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
Net cash inflow from operating activities	16	74,392	122,286
Return on investments and servicing of finance			
Interest receivable		250	330
Interest payable		(40,153)	(48,563)
Interest element of hire purchase payments		(3,138)	(1,627)
		<u> </u>	<u> </u>
Net cash outflow from return on investments and servicing of finance		(43,041)	(49,860)
Capital expenditure			
Payments to acquire tangible fixed assets		(27,481)	(35,716)
Receipts from sale of tangible fixed assets		-	150
		<u> </u>	<u> </u>
Net cash outflow from investing activities		(27,481)	(35,566)
Net cash inflow/(outflow) before financing		<u>3,870</u>	<u>36,860</u>
Financing			
Mortgage repayments		(77,109)	(71,558)
Capital element of hire purchase repayments		(5,408)	(6,145)
		<u> </u>	<u> </u>
Net cash outflow from financing		(82,517)	(77,703)
Decrease in cash	16	<u>(78,647)</u>	<u>(40,843)</u>

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

1 ACCOUNTING POLICIES

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

a) Basis of accounting

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

b) Presentation

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

c) Turnover

Turnover represents fee income from patients and rental income from consultants. Turnover does not include a subsidy of £67,668 (1998: £63,085). This subsidy is the contribution made by the Charity in meeting the full room rate of a number of patients.

d) Tangible fixed assets and depreciation

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

Mechanical and Electrical Equipment	5%
Furniture and Fittings	20%
Medical Equipment	20%
X-Ray Equipment	10% - 20%
Computer Equipment	25%
Leased assets	Over the term of the lease

The Council has decided not to depreciate Property and Improvements this year. The Council feels that the buildings are sufficiently maintained to maintain their current written down value.

In June 1997 an independent valuation of the property was commissioned. On a going concern basis, this resulted in a value of £2.25m, substantially in excess of the value shown in these accounts. The Council has decided not to adjust these accounts to reflect the revaluation.

e) Stocks

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

f) Leases and hire purchase contracts

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

g) Interest

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

2 VOLUNTARY INCOME

During the year various donations were received and fund raising events took place.

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999
(CONTINUED)**3 DIRECT CHARITABLE EXPENDITURE**

	Total funds 1999 £	Total funds 1998 £
Nursing services	781,047	718,580
Medical supplies	41,120	36,213
Hotel services including catering and domestic	222,627	202,782
Premises and plant	119,944	119,598
	<u>1,164,738</u>	<u>1,077,173</u>

4 FUNDRAISING AND PUBLICITY

Advertising	<u>9,580</u>	<u>13,776</u>
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5 MANAGEMENT AND ADMINISTRATION

	Total funds 1999 £	Total funds 1998 £
Salaries and office costs	178,294	167,697
Management fees	49,978	53,590
Audit fees	4,725	4,700
Finance costs (Note 6)	60,388	48,477
Insurance	7,692	8,705
Miscellaneous	39,723	19,036
	<u>340,800</u>	<u>302,205</u>

6 FINANCE COSTS

	1999 £	1998 £
Mortgage interest	35,388	42,771
Hire purchase interest	3,138	1,627
Other costs	21,862	4,079
	<u>60,388</u>	<u>48,477</u>

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999
(CONTINUED)

7 TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total 1999 £	Total 1998 £
Direct charitable expenditure	928,355	35,482	200,901	1,164,738	1,077,173
Fundraising and publicity	-	-	9,580	9,580	13,776
Management and administration	134,595	-	206,205	340,800	302,205
	<u>1,062,950</u>	<u>35,482</u>	<u>416,686</u>	<u>1,515,118</u>	<u>1,393,154</u>

1999
£

1998
£

Specific costs include:

Auditors' remuneration	4,725	4,700
Depreciation	<u>35,482</u>	<u>35,440</u>

Staff costs:

1999
£

1998
£

Wages and salaries	987,492	898,469
Social security costs	63,474	59,890
Pension costs	11,984	10,713
	<u>1,062,950</u>	<u>969,072</u>

No employee earned £40,000 p.a. or more.

The average number of employees analysed by function was:

	1999 No.	1998 No.
Direct charitable services	88	86
Management and administration	10	10
	<u>98</u>	<u>96</u>

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

Pension costs include pension contributions of £6,000 (1998: £3,000) payable to Mrs McMaster, life President, during the year. No other Members of Council received any remuneration or reimbursement of expenses.

8 TAXATION

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

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999
(CONTINUED)

9 TANGIBLE ASSETS

	Property and Improvements £	Assets in the course of construction £	Mechanical & electrical equipment £	Furniture & fittings £	Medical equipment £	X-Ray equip- ment £	Office & computer equipment £	Total £
Cost								
At 1 April 1998	1,847,210	-	269,899	195,427	55,750	87,232	42,914	2,498,432
Additions	-	7,984	570	7,511	11,360	-	56	27,481
At 31 March 1999	1,847,210	7,984	270,469	202,938	67,110	87,232	42,970	2,525,913
Depreciation								
At 1 April 1998	309,357	-	143,000	179,616	44,907	87,232	13,788	777,900
Charge for the year	-	-	8,459	5,874	11,579	-	9,570	35,482
At 31 March 1999	309,357	-	151,459	185,490	56,486	87,232	23,358	813,382
Net book value								
At 31 March 1999	1,537,853	7,984	119,010	17,448	10,624	-	19,612	1,712,531
At 1 April 1998	1,537,853	-	126,899	15,811	10,843	-	29,126	1,720,532

The net book value of fixed assets includes £17,059 (1998: £23,691) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge for the year in respect of these assets is £6,632 (1998: £2,344).

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

10	STOCKS	1999	1998
		£	£
	Food	1,000	1,000
	Medical, maintenance, crockery and domestic	15,870	16,023
		<u>16,870</u>	<u>17,023</u>
11	DEBTORS	1999	1998
		£	£
	Amounts due within one year:		
	Trade debtors	100,116	55,874
	Other debtors	2,243	13,954
	Prepayments and accrued income	33,161	3,049
		<u>135,520</u>	<u>72,877</u>
12	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1999	1998
		£	£
	Bank overdraft	155,834	66,078
	Mortgage (Note 14)	122,400	86,599
	Obligations under finance leases and hire purchase contracts (Note 14)	6,374	6,374
	Trade creditors	75,266	83,274
	Other taxation and social security	16,746	14,537
	Other creditors	24,287	32,336
		<u>400,907</u>	<u>289,198</u>
	The bank overdraft is secured on the property at 4 Latimer Road, Oxford.		
13	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1999	1998
		£	£
	Mortgage (Note 14)	222,330	335,240
	Obligations under finance leases and hire purchase contracts	8,108	13,516
		<u>230,438</u>	<u>348,756</u>

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999
(CONTINUED)

14	LOANS AND OBLIGATIONS UNDER FINANCE LEASES	1999 £	1998 £
	Loans		
	Mortgage	344,730	421,839
	Less: Amounts falling due within one year	(122,400)	(86,599)
		<u>222,330</u>	<u>335,240</u>
	Included above are the following:		
	Amounts repayable by instalments:		
	Wholly repayable within five years	<u>344,730</u>	<u>421,839</u>

During the year, the mortgage was transferred from Investec Bank (UK) Limited to Lloyds Bank plc.

The mortgage is secured on the property at 4 Latimer Road, Oxford and interest is payable at 2% above bank base rate. St Luke's Oxford have the option to draw down further amounts up to a maximum of £891,000 on or before 31 December 1999. On this date the repayments will be recalculated. It is anticipated that the final repayment of the loan will be made by December 2005. Since the year end a total of £145,198 has been drawn down.

On the current repayment terms with the current level of borrowing, the loan will be fully repaid within five years.

The mortgage represents 19% of the cost of the property used for security.

Obligations under finance leases and hire purchase contracts

	1999 £	1998 £
These are repayable over varying periods by instalments as follows:		
In the next year - see note 12	6,374	6,374
In the second to fifth years	8,108	13,516
	<u>14,482</u>	<u>19,890</u>

Hire purchase agreements are secured on the assets concerned.

15 FINANCIAL COMMITMENTS

As at 31 March 1999, the company had capital commitments totalling £218,000 for the re-roofing of the hospital and the installation of a new fire alarm and detection system.

ST LUKE'S OXFORD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

16 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Operating Profit to Net cash inflow from operating activities	1999 £	1998 £
Surplus of income for the year	72,207	30,399
Interest payable	43,291	50,190
Interest receivable	(250)	(330)
Depreciation	35,482	35,440
Decrease in stock	153	1,400
(Increase) in debtors	(62,643)	(17,746)
(Decrease)/Increase in creditors	(13,848)	23,083
Profit on sale of medical equipment	-	(150)
	<u>74,392</u>	<u>122,286</u>

Analysis of changes in net debt

	At 1 April 1998 £	Cash flows £	Other changes £	At 31 March 1999 £
Cash in hand, at bank	1,819	11,109	-	12,928
Overdrafts	(66,078)	(89,756)	-	(155,834)
Debt due within one year	(86,599)	77,109	(112,910)	(122,400)
Debt due after one year	(335,240)	-	112,910	(222,330)
Hire purchase	(19,890)	5,408	-	(14,482)
Total	<u>(505,988)</u>	<u>3,870</u>	<u>-</u>	<u>(502,118)</u>

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Decrease in cash in the year	(78,647)	(40,843)
Mortgage repayments/(increased borrowing)	77,109	71,558
New hire purchase	-	(26,035)
Capital element of hire purchase payments	5,408	6,145
Changes in net debt	<u>3,870</u>	<u>10,825</u>
Net debt at 1 April 1998	<u>(505,988)</u>	<u>(516,813)</u>
	<u>(502,118)</u>	<u>(505,988)</u>