

ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Company No: 2141770

FINANCIAL STATEMENTS

- for the year ended -

31st December 2000



ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

DIRECTORS

Mr J.A. Corner	Chairman
Mrs S.J. Diamond	
Mrs C. English	(Appointed 27/02/2001)
Mrs J. Gaffin	
Mrs H.N. McNair	
Mr A.J. Perrin	(Appointed 27/02/2001)
Mr J.A. Shrimpton	Vice Chairman
Mr T.P. Taylor	Hon. Treasurer
Rev. H. Young	(Appointed 27/02/2001)

SECRETARY

Mr M.R. Coward

REGISTERED OFFICE

Kenton Grange
Kenton Road
Harrow
Middlesex
HA3 0YG

AUDITORS

Sproull & Company
Chartered Accountants
31/33 College Road
Harrow
Middlesex HA1 1EJ

PRINCIPAL BANKERS

National Westminster Bank Plc
567 Kingsbury Road
Kingsbury
London NW9 9EL

PRINCIPAL OFFICERS

Chief Executive & Company Secretary:	Michael Coward
Director of Patient Services:	Geraldine Burke
Medical Director:	Dr. Charles Daniels
Director of Fundraising	Sue Hind Woodward
Sister-in-Charge Inpatient:	Jan Haines
Sister-in-Charge Day Care:	Ann Hatswell

ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

INDEX TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

Page

1-3	Report of the Directors
4	Auditor's report
5	Consolidated statement of financial activities
6	Balance sheets
7	Consolidated cashflow statement
8-12	Notes to the financial statements

ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

REPORT OF THE DIRECTORS

The Directors of St. Luke's Hospice (Harrow & Brent) Limited, present their report and the audited financial statements for the year ended 31st December 2000.

STATUS

St. Luke's Hospice (Harrow & Brent) Limited is a registered charity, number 298555. It is also a company registered in England, number 2141770. It was incorporated on 22nd June 1987 and has no share capital, being limited by guarantee.

PRINCIPAL ACTIVITIES AND REVIEW OF ACTIVITIES

(a) Objects

St. Luke's Hospice is dedicated to the provision of first-class hospice care in partnership with other healthcare, social and voluntary organisations for and in the community of Harrow and Northern Brent.

(b) Review of development

St. Luke's opened a new hospice at Kenton Grange on 28 February 2000 moving its daycare operation from its previous premises at 59 Harrow View, Harrow which have been sold. During the year, work continued to commission the new building and deal with a number of major construction faults which delayed the full opening. Registration for in-patient care was finally achieved on 19th July 2000. The first in-patient was admitted on 21st August 2000 and, since then 49 in-patients have benefited from this new service. In addition, St. Luke's continued to fund in full a nurse working with the Harrow Continuing Care Team and 50% of the costs of employing two nurses operating in North Brent with the Parkside NHS Trust.

(c) Significant Events from 1 January 2000 to the date of this report

1. The New Opportunities Fund granted £598,000 to fund a project to develop culturally sensitive palliative care pathways for the ethnic minority and socially disadvantaged communities.
2. Macmillan Cancer Relief agreed to fund a Clinical Psychologist in partnership with the Harrow & Hillingdon Healthcare NHS Trust and Northwick Park Hospital NHS Trust.

(d) Contribution to Funds

The Directors acknowledge with gratitude the important contribution to funds made by the following charitable trusts:

Dignity
G.F. Dixon Trust

A service contract with the Health Authority was agreed at £530,000 for the year ending 31st March 2001. The National Lottery Charities Board granted £148,000 towards the cost of furnishing the in-patient unit. The Brent & Harrow Health Authority granted £200,000 towards commissioning costs

(e) Funding of further operations

The Directors assess that the annual operational costs will be in the order of £2,154,000. This is £200,000 above the income for 2000 once adjustments have been made for the set up grant from the Health Authority and the National Lottery Charities Board grant. Negotiations are in hand with the Health Authority for a new service agreement. The directors remain confident that the improved services at Kenton Grange will stimulate additional funds. A new Director of Fundraising has been appointed.

SALIENT FEATURES OF ACCOUNTS

Introduction

The accounts for the year are presented in the form required by the Statement of Recommended Practice issued in October 1995.

ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

REPORT OF THE DIRECTORS (continued)

Statement of financial activities

The consolidated statement of financial activities show that the incoming resources for the year totalled £2,288,000 an increase of £975,000 over the previous year. This includes the set-up grant and Lottery Funding mentioned above. Total resources used amounted to £1,266,000 compared with £474,000 in 1999. This meant that the net income for the year was £1,022,000, an increase of £183,000 from the previous year. The Directors closed the Grange restricted fund having achieved practical completion of the Grange. The Harrow View designated fund was also closed on the sale of that property.

Funds

The fund balances at the year end were:

The Kenton Grange Hospice Project	£
Restricted fund	2,690,000
Designated fund	<u>1,798,000</u>
	4,488,000
Other Funds	
Endowment fund	18,000
Other unrestricted funds	<u>2,006,000</u>
	<u>6,512,000</u>

Further information on funds is in notes 12 to 14.

Performance of subsidiary company

The trading subsidiary operates charity shops in support of the Hospice. It opened its eighth shop in Wembley on 2nd October 2000. During the year the subsidiary contributed £244,000 to group profits an increase of £33,000 over 1999. Sales of donated goods rose by £48,000. However, administration expenses increased by £65,000 reflecting the employment of new staff for the Wembley shop and a restructuring of rates of pay for the staff to bring them into line with the local employment market. Additional assistant managers are also employed. As a result the net operating profit fell by £15,000 for 1999. The Weekly Draw, which in 1999 made a loss of £29,000 reflecting the start up costs, produced a profit of £19,000 in 2000. As in previous years, the profits of this operation were due to the dedication and hard work of the staff and volunteers who operate to a very high standard. The Directors continue to seek additional premises to help offset the increased costs of the company following the opening of Kenton Grange.

Balance Sheets

Freehold land and buildings are capitalised at cost of acquisition, including professional fees, together with costs incurred in developing the properties.

The balance sheet of the charity shows that, apart from fixed assets, assets are kept in liquid form. This is the deliberate policy of the Directors since the assets have been used for the short-term purposes of financing running costs and the development of Kenton Grange. Longer-term investments have therefore been thought inappropriate but the best interest rates compatible with security and availability of cash have been sought. The Directors are currently reviewing this policy now that the Kenton Grange development is complete. The group balance sheet follows similar lines but the fixed assets are greater because of the inclusion of assets of the trading subsidiary.

LEGAL AND ADMINISTRATIVE INFORMATION

The Directors of the Company are also Trustees of the Charity. No other body or person has the right to appoint Directors.

ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

REPORT OF THE DIRECTORS (continued)

The Directors who held office during the year were:

John Corner	Fr. Philip Cross (resigned 15/8/2000)
Sue Diamond	Dr. David Fermont (resigned 15/8/2000)
Jean Gaffin	Stephen Giles-Medhurst (resigned 15/8/00)
Hilary McNair	Dr. E. Milne (died 15/12/2000)
Jack Shrimpton	Tom Taylor
Isobel Wilson (resigned 10/11/2000)	

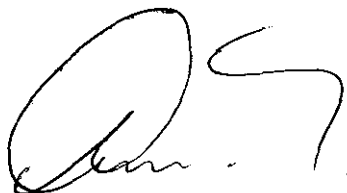
No Director has any beneficial interest in the company. The Trustees noted with deep regret the death of Dr Elizabeth Milne, a founder trustee who had made a large contribution to St. Luke's over the years. They also wish to record their warm appreciation for the support of Fr Philip Cross, Isobel Wilson and Stephen Giles-Medhurst.

Hilary McNair retired by rotation in accordance with article 43 of the Company's Articles of Association and, being eligible, was re-elected at the Annual General Meeting held on 15th August 2000.

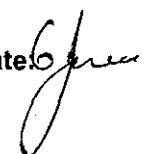
CONCLUSION

2000 was another successful year for St. Luke's marred only by the delays in commissioning Kenton Grange caused by construction faults. Income improved dramatically in the year even after allowance is made for one-off grants. Services improved as the Day Care Centre took advantage of the new facilities to care for more people and the in-patient unit opened its doors. In common with other hospices and indeed the NHS, we suffered from a shortage of nurses and other medical staff. Nevertheless, St. Luke's has made an excellent start in its new premises and the Directors are confident of continuing success.

BY ORDER OF THE BOARD



Secretary

Date:  2001

ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ST. LUKE'S HOSPICE (HARROW & BRENT) LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of the Directors and Auditors

As described in the Directors' Report the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

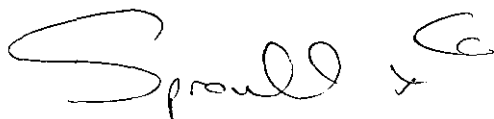
Basis of opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group'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 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 financial statements, and of whether the accounting policies are appropriate to the Group's circumstances.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Group as at 31st December 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sproull & Co.
Chartered Accountants
and Registered Auditor
31/33 College Road
Harrow
Middlesex HA1 1EJ

Date: " JUNE 2001

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31st December 2000

	Notes	Unrestricted funds £000	Designated funds £000	Restricted/ Endowment funds £000	Totals 2000 £000	Totals 1999 £000
<u>Income and expenditure</u>						
Incoming resources						
Donations		678			678	527
Legacies		473			473	203
Grants		804			804	311
Interest		89			89	59
Market value decrease (Endowment)	12			-1	-1	2
Income (Endowment)	12			1	1	
Net income of trading subsidiary	2	244			244	211
Total incoming resources		<u>2288</u>		<u>0</u>	<u>2288</u>	<u>1313</u>
Resources used						
Direct charitable expenditure						
Homecare services		48			48	53
Inpatient services		255			255	0
Daycare services		96			96	112
Support costs		553			553	167
	3	<u>952</u>		<u>0</u>	<u>952</u>	<u>332</u>
Other expenditure						
Fundraising		113		0	113	79
Administration		201			201	63
	3	<u>314</u>		<u>0</u>	<u>314</u>	<u>142</u>
Total resources used		<u>1266</u>		<u>0</u>	<u>1266</u>	<u>474</u>
Net incoming(outgoing)resources before transfers						
		1022			1022	839
Transfers between funds	13	153	-153			0
Net incoming(outgoing)resources for the year		<u>1175</u>	<u>-153</u>	<u>0</u>	<u>1022</u>	<u>839</u>
Other recognised gains & losses	4	57			57	0
Net movement in funds		<u>1232</u>	<u>-153</u>	<u>0</u>	<u>1079</u>	<u>839</u>
Balances brought forward		774	1951	2708	5433	4594
Balances carried forward		<u>2006</u>	<u>1798</u>	<u>2708</u>	<u>6512</u>	<u>5433</u>

None of the Group's activities was acquired or discontinued during the above two financial years with the exception of a weekly draw which was started in July 1999.

The Group has no recognised gains or losses other than those dealt with in the statement of financial activities.

The notes on pages 8 to 12 form part of these financial statements.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

BALANCE SHEETS at 31st December 2000

	Notes	Group <u>2000</u> £000	Group <u>1999</u> £000	Charity <u>2000</u> £000	Charity <u>1999</u> £000
Fixed assets					
Tangible assets	6	4551	4693	4488	4640
Investments	7	17	18	17	18
Current assets					
Stocks	8	2	5		
Debtors	9	295	119	316	162
Cash at bank & in hand	10	1879	726	1843	707
		2176	850	2159	869
Creditors: amounts falling due within one year	11	-232	-128	-179	-86
Net current assets		1944	722	1980	783
Net assets		6512	5433	6485	5441
Endowment fund					
Alice Wisbey Legacy	12	18	18	18	18
Income funds	13				
Restricted funds		2690	2690	2690	2690
Unrestricted funds:-					
Designated funds		1798	1951	1798	1951
Other charitable funds		1979	782	1979	782
Non-charitable trading funds		27	-8		
Total funds	13	6512	5433	6485	5441

The notes on pages 8 to 12 form part of these financial statements.

The financial statements were approved by the Board on 6th June 2001 and signed on its behalf by:-

J.A.Corner

T.P.Taylor

) Directors

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

CONSOLIDATED CASHFLOW STATEMENT for the year ended 31st December 2000

	<u>2000</u>	<u>1999</u>
	£000	£000
Net cash inflow from operating activities	1030	655
Interest	89	60
Investing activities		
Purchase of tangible fixed assets	-312	-1512
Sale of tangible fixed assets	346	
	<u>1153</u>	<u>-797</u>
Opening cash balance	726	1523
Closing cash balance	<u>1879</u>	<u>726</u>

Reconciliation of increase in resources to net cash inflow from operating activities

Increase in resources	991	777
Depreciation	108	22
Change in stocks	3	-2
Change in debtors	-176	-69
Change in creditors	104	-73
	<u>1030</u>	<u>655</u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2000

1. Accounting policies

1.1 Statement of Recommended Practice (SORP)

The financial statements have been prepared in accordance with the SORP on accounting by Charities issued in October 1995.

1.2 Basis of accounting

The financial statements have been prepared under the historical cost convention.

1.3 Covenant and Gift Aid income

This income represents net sums received during the year together with tax repaid.

1.4 Taxation

No tax is payable due to the charitable status of the parent company and the covenant arrangement with the subsidiary company (see note 2).

1.5 Donated fixed assets

Fixed assets acquired by specific donation are shown where material.

1.6 Depreciation

Depreciation is provided as follows:-

Freehold properties	Nil
Leasehold properties	Straight line over term of lease.
Fixtures & equipment	20% straight line

Parent company equipment was depreciated at 100% until 31st December, 1998.

No depreciation is charged on freehold property as the Directors' policy is to maintain it to a high standard so as to extend its useful working life.

1.7 Stock

Stocks of purchased goods, other than minor items, are valued at the lower of cost and net realisable value.

No value is attributed to stocks of donated goods.

1.8 Pension costs

The Company does not operate its own pension fund but contributes to group personal pension plans. Contributions payable to the plans are charged to the statement of financial activities in the period to which they relate.

1.9 Grants received

All grants received are spent only for the purposes for which they were approved.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2000

2. Net income from trading subsidiary

The charity owns the whole ordinary share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the hospice appeal.

The subsidiary covenants not less than its taxable profits to the charity and also pays interest on loans.

A summary of its trading results is shown below. Audited accounts have been prepared in respect of its 2000 trading period which was the 52 weeks ended 30th December 2000.

	2000 £000	1999 £000
Turnover	22	18
Cost of sales	-16	-14
Gross profit	6	4
Sales of donated goods	637	589
	643	593
Administrative expenses	-418	-353
Operating profit	225	240
Weekly draw profit	19	-29
Profit before deed of covenant	244	211
Deed of covenant	-210	-224
Profit for the year	34	-13

3. Analysis of total resources used

	Staff costs £000	Other £000	Deprec- iation £000	Total £000
Direct charitable expenditure				
Homecare costs (See note 5)		48		48
Inpatient services	141	78	36	255
Daycare costs	80	12	4	96
Support costs	308	198	47	553
	529	336	87	952
Other costs				
Fundraising	48	65		113
Administration	146	55		201
	194	120		314

The first inpatients were admitted in August 2000 and the hospice became fully operational during the rest of the year. Support and administration costs have not been apportioned to clinical areas but represent the costs of running the hospice and its services as a whole. Also, until 1999 some salary costs were allocated to the Grange Hospice Project (See note 5). Therefore some of the totals for 2000 are not comparable with the totals for 1999.

4. Other recognised gains

This represent surpluses on sale of 59, Harrow View and minor items of equipment.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2000

5. Directors & employees

	2000 £000	1999 £000
Employee costs are analysed as follows:-		
Wages & salaries	646	307
Social security costs	53	27
Pension costs	24	13
	<u>723</u>	<u>347</u>
Less charged to Grange Hospice Project	Nil	-65
	<u>723</u>	<u>282</u>
Average number of employees	<u>30</u>	<u>16</u>

The employees are supported by unpaid volunteers. In addition, the Company receives the services of nurses who are employed by NHS Trusts, and reimburses all or part of the cost of those services to the employers.

These nurses and their salary costs are not included in the employee information above.

None of the Directors receives any remuneration or benefits from the Company.

6. Tangible fixed assets

	Freehold properties £000	Leasehold properties £000	Equipment Parent £000	Subsid £000	Vehicles £000	Total £000
Cost						
Opening balance	4629	81	108	27	27	4872
Transfer	-267		267			0
Additions	126	22	153	2	9	312
Disposals	-344		-2			-346
Closing balance	<u>4144</u>	<u>103</u>	<u>526</u>	<u>29</u>	<u>36</u>	<u>4838</u>
Depreciation						
Opening balance		42	97	20	20	179
Additions		13	87	2	8	110
Disposals			-2			-2
Closing balance		<u>55</u>	<u>182</u>	<u>22</u>	<u>28</u>	<u>287</u>
Net book value						
2000	<u>4144</u>	<u>48</u>	<u>344</u>	<u>7</u>	<u>8</u>	<u>4551</u>
1999	<u>4629</u>	<u>39</u>	<u>11</u>	<u>7</u>	<u>7</u>	<u>4693</u>

No allocation of fixed assets between charity and other use has been made since this would involve arbitrary divisions of the cost of freehold properties.

Part of the total shown as 'Freehold properties' in 1999 represented items of equipment purchased and installed by the builders. This has now been re-allocated to 'Equipment'. Depreciation has been charged from 2000 when the equipment came into use.

7 Investments

The investment relates to money invested in a COIF charities investment fund in respect of a legacy

See note 12. The market value of the investment at 31 December 2000 was £17,000.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2000

	Group 2000 £000	Group 1999 £000	Charity 2000 £000	Charity 1999 £000
8.Stocks				
Charity Christmas cards,etc	2	5		
9.Debtors				
Prepayments & accrued income	32	60	2	30
General debtors	263	59	260	59
Amounts owed by group undertaking			54	73
	295	119	316	162
10.Cash at bank & in hand				
CAFCASH and COIFdeposit accounts	1834	646	1834	646
Bank accounts	45	80	9	61
	1879	726	1843	707
11.Creditors				
Amounts falling due within one year:-				
General creditors	232	128	179	86

12.Endowment fund

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff.

	Opening balance	Increase in year	Closing balance
Capital fund	18	-1	17
Income fund	0	1	1

No material part of the income was expended during the year.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2000

13. Income funds and funds summary

The restricted fund and one of the designated funds have been used for the building the Grange Hospice. The other designated fund was used for the acquisition & development of 59, Harrow View as a daycare centre and office. This property was sold in 2000 so the fund has been closed.

	Opening balance £000	Income/ transfer £000	Utilised £000	Closing balance £000
The Grange Hospice Project				
Restricted fund	2690			2690
Designated fund	1607	191		1798
	4297	191	0	4488
Endowment fund	18			18
Designated fund: 59, Harrow View	344	-344		0
Other unrestricted funds	774	2498	-1266	2006
Total income funds	5433	2345	-1266	6512

Restricted funds can be spent only in accordance with the donors' wishes. Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Practical completion of the conversion and extension of Kenton Grange was achieved on 22nd November, 1999. The Grange restricted fund has therefore been closed. Any further adjustments to the cost will be reflected in transfers to the designated fund.

14. Analysis of group net assets between funds

	Restricted /Endowment £000	Designated £000	Unrestricted £000	Totals 2000 £000	Totals 1999 £000
Closing fund balances are represented by:-					
Tangible fixed assets	2690	1798	63	4551	4693
Investments & net current assets	18	0	1943	1961	740
Net assets	2708	1798	2006	6512	5433

15. Capital commitments

	Group 2000 £000	Group 1999 £000	Charity 2000 £000	Charity 1999 £000
Expenditure contracted for but not provided in the financial statements	Nil	150	Nil	150

16. Contingent liability

Negotiations with the builders who converted Kenton Grange are continuing with a view to finalising their account. It is possible that this will lead to the establishment of a liability greater than the amount of retention already included in creditors.

17. Status

The Company is limited by guarantee and does not have a share capital. The number of members registered is 24, each of whose liability in any winding up of the Company may not exceed £1.