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Accountants and business advisors

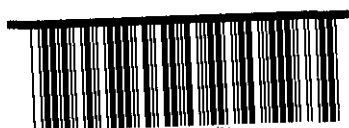
ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

FINANCIAL STATEMENTS

Registered Charity Number: 1080751

Company Number: 3959483

YEAR ENDED 31 MARCH 2004



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ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
LIST OF DIRECTORS, ADVISORS AND MAIN ADDRESSES

DIRECTORS	Miss Cynthia Boreham (Sister Cynthia Clare SSM) Mr T R Dibley Miss Jennifer Goodeve (Sister Jennifer Anne SSM) Mr J B Randle Mr R I Turner Miss Barbara Brown (Sister Barbara SSM) Miss Pamela Groombridge (Sister Mary Paul SSM)
SECRETARY	Mr D Darvill
ADDRESS	St Mary's Convent and Nursing Home (Chiswick) Burlington Lane Chiswick London W4 2QE
AUDITORS	PKF Cedar House 105 Carrow Road Norwich NR1 1HP
SOLICITORS	Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL
BANKERS	National Westminster Bank Plc 135 Bishopsgate London EC2M 3UR
INVESTMENT MANAGERS	Carr Sheppards Crosthwaite 2 Gresham Street London EC2V 7QN

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

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ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2004

INTRODUCTION

The accounts accompanying this report are those of St Mary's Convent and Nursing Home (Chiswick).

CHARITY CONSTITUTION AND OBJECTS

The charitable company was incorporated on 24 March 2000 as a company limited by guarantee and is governed by its Memorandum and Articles of Association. The charitable company is a registered charity with registration number 1080751.

The principal office of the charitable company is located at Burlington Lane, Chiswick, London.

The charitable company's objects are for the advancement of the Anglican Christian religion in particular:

- by providing residential home accommodation, nursing and other care facilities to members of the public, to members of the convent and to members of the charity;
- by the promotion and maintenance of public worship;
- by the promotion of religious and spiritual teaching.

The Directors, who also act as Trustees for the charitable activities of the charitable company, are shown at the front of the financial statements

PRINCIPAL ACTIVITIES

St Mary's Convent and Nursing Home, which has for many years been part of St Margaret's Convent (East Grinstead) has provided residential home and nursing home facilities in Chiswick since 1910. The residential home provides single rooms for retired residents. The nursing home provides care for the very old and those suffering from progressively disabling diseases.

HISTORY AND BACKGROUND

The Anglican Sisterhood of St Margaret was founded by John Mason Neale, who was warden of almshouses in East Grinstead, Sussex in 1855. He recruited and arranged training for women volunteers to go into the cottages of rural families to do nursing and welfare work. In 1910, the Society joined with another nursing sisterhood, the Community of St Mary and St John Evangelist, which had been actively supported by Florence Nightingale in its early years, and which ran a hospital for 'incurables' in Kensington Square.

Previously, in 1896, to give their 48 patients an environment free of London's soot and dust, the Community of St Mary and St John Evangelist bought a piece of land from the Duke of Devonshire in then-rural riverside Chiswick, and built the convent and hospital we see today. Today, there are 38 residents in the Nursing Home and 23 in the residential part of St Mary's cared for by 8 Sisters and 81 staff. The residents are aged from 55 to 103.

There is a full programme of activity – music and movements, art classes, hairdressing, physio, walks to the river or to Chiswick House, and expeditions in the Convent's minibus to nearby Wimbledon or Richmond Park. Friends of St Mary's organise entertainment – concerts in the chapel, visiting animals, magicians and talks on a variety of subjects. There is a convent cat and dog. The garden is well maintained and during the summer is a pleasure for all. It is the only Nursing Home of this kind within the Chiswick wards of the Borough of Hounslow, its local authority and one of the few in West London. There is considerable effort made to ensure the residents, where possible, are able to maintain their integration in the local community.

Locally St Mary's is known to provide comforting and caring surroundings for elderly relatives. Its reputation is high. There is a sense of community, of involvement of sharing their last days together with warm companionship. Some of the residents are paid for by Social Services, some pay from their own funds. Fees at St Mary's are kept well below levels at comparable facilities, consistent with our strictly not-for-profit charitable status. One of the major factors which enables fees to be kept well below levels at comparable homes is that the Sisters carry out many tasks which would otherwise have to be undertaken by lay employees. Without the work of the Sisters St Mary's expenditure on staff costs would increase considerably.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2004
(Continued)

AIMS

St Mary's Convent and Nursing Home aims are to:

- provide excellent personal and nursing care to its 61 older residents, in a homely environment, where they live as part of an extended Christian family, whilst also having the right to privacy and independence;
- provide care, delivered by skilled staff, underpinned by the core values of privacy, dignity, choice, rights, proper assessment of risk, respect, equality, fulfilment, independence and security, to a standard, which embraces fundamental principles of good practice and meets the requirements of the Care Standards Act 2000;
- recognise each resident as an individual and enable the resident to achieve the highest possible quality of life throughout their stay. Family and friends are welcome and are involved in care planning and delivery, providing the resident gives consent;
- enable the resident to experience a comfortable and peaceful death, surrounded by loved ones and caring staff.

The activities and fundamental ethos of St Mary's Convent and Nursing Home are:

- to provide nursing and residential care for elderly residents, who are physically frail, disabled or require supervision due to mental and/or physical deterioration. The Home is staffed by registered nurses and care assistants, some of whom are undertaking NVQ level 2 and 3 in care, to provide this care;
- to provide holistic care for the residents, including meeting social and spiritual needs and this involves a varied activity programme throughout the week, both inside the Home and out. Staff, volunteers and paid contributors are involved in providing the programme;
- to provide a local Care Home for the older people of Chiswick and surrounding areas, so they do not have to move away for this facility, and can maintain local links and involvement if they wish. It is the only Care Home providing nursing in Chiswick;
- to enable the residents to live as independently as possible, in their own rooms, respecting their choices for decoration and room layout where practically possible;
- to provide assistance to residents if they need it, but to limit interventions to suit their needs and desires, ensuring they maintain control over their lives and enable them to take risks within a monitored and safe environment;
- to provide a homely, flexible and accepting environment where resident and their family and friends feel able to continue their relationships and enjoy family life, arranging and participating in any activities that are important to the resident's cultural, social or religious needs.

DEVELOPMENTS IN THE YEAR

In the Directors' reports for the years ended 31 March 2002 and 31 March 2003 the background to the decision to construct an extension to accommodate additional single rooms and make changes to existing buildings was set out. A major fund raising appeal was launched in September 2001 to raise a substantial proportion of the budgeted cost of construction. Building work commenced on 23 September 2002 and was completed in March 2004. The total cost of the project was £1.84 million.

The extension, known as St Andrew's Wing, was officially opened by the Bishop of Kensington on 25 June 2003, having been brought into use a few weeks earlier. Other facilities have come into use gradually since June 2003.

Completion of the construction project has allowed St Mary's to be rebuilt as a fit and proper facility for the 21st century. The work has avoided the possibility of the closure of a caring home with a rich history and an established place in the community of West London. Closure would have been a devastating event for many of St Mary's elderly and often quite sick residents. St Mary's can now continue to offer care and a safe community to the elderly as it has for over 100 years in Chiswick.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2004
(Continued)

FUND RAISING APPEAL

Since being launched in September 2001, the appeal has been successful in attracting donations from a very wide range of sources, with contributions from many local churches, schools, private supporters, businesses and the local Area Committee of the Hounslow Borough Council. In addition, a number of local events were run on St Mary's behalf by many local supporters. Of particular note, there were donations from a number of trusts and foundations. St Mary's would like to extend its most grateful appreciation to the following Trusts and Foundations who, together with others, have contributed so generously to the Appeal throughout its existence:

The Albert Hunt Trust
The Charles Haywood Foundation
The Childwick Trust
The Clothworkers' Foundation
The Foyle Foundation
The Garfield Weston Foundation
The Henry Smith Charity
The Lazards Charitable Trust
The Linbury Trust
The Mason Charities Trust
The McAlpine Foundation
The Mercers' Company
The Old Chiswick Protection Society
The Smith Charitable Trust
The Trusthouse Charitable Foundation
The Tudor Trust
The Vincent Housing Association
The Wates Foundation
The Wolfson Foundation

St Mary's would also like to extend its most grateful appreciation to the Fund Raising Committee, lead so ably by Mr Alan Martin. Committee members gave very generously of their time and skill and without their efforts the Appeal would not have attracted such wide ranging and generous support.

The appeal was officially closed in December 2003.

REVIEW OF THE YEAR

The financial statements cover the year ended 31 March 2004.

The property used by St Mary's Convent and Nursing Home is owned by St Margaret's Convent (East Grinstead) and occupied by St Mary's Convent and Nursing Home under a long lease at a peppercorn rent.

Incoming resources for the period amounted to £2,435,862 (2003: £1,955,076). The overall net movement in funds amounted to a surplus £888,920 (2003: £521,940) for the period.

RISK MANAGEMENT

The Directors have identified and considered the major risks to which St Mary's Convent and Nursing Home is exposed. Systems have been established to mitigate those risks and the risk policies which have been developed will be regularly updated and adapted as circumstances change.

St Mary's operates in a highly regulated field of activity and as such is subject to regular inspection by a number of agencies. The result of this degree of scrutiny is that operational risk policies are very well developed in the areas of quality of service, health and safety of residents and employees and employment issues. External risks to the work of St Mary's, principally as a result of legislation change are also identified and controlled as far as possible. The issues relating to the proposed changes from open ward accommodation are a good example of external risk and the response to it.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2004
(Continued)

In the areas of governance, financial and compliance risk the Directors have considered both the systems controlling risk and the quality of St Mary's senior staff and professional advisers who implement and monitor the risk control systems. The Directors consider that the risk systems in place combined with the skills of those responsible for implementing the policies minimise the exposure to risk.

PROTECTION POLICY

St Mary's Convent and Nursing Home recognises that its clients (customers) are vulnerable. Many of them are physically and or mentally frail. They may be unable to give informed consent or make appropriate choices or judgements. Some are not able to recognise risks to themselves or maintain their own safety.

As an ethical business, based on Christian values, St Mary's adopts practices to protect these vulnerable adults, including:

- Criminal Records Bureau checks for all staff and volunteers;
- Protection of Vulnerable Adults (PoVA) checks to be introduced in July 2004 (or as directed by government) for all staff and volunteers;
- Vulnerable Adult Policy – service wide agreement;
- training and induction for staff (video & questionnaire, NVQ);
- gifts and gratuities policy;
- restraint policy and regular medication review;
- accident/incident policy;
- Nursing and Midwifery Council register checked (registered nurses only);
- Supervision.

INVESTMENT POLICY

Until such time as the funds may be required, the objectives will be to maintain a balance between income and capital appreciation. Eligible investments will comprise fixed interest securities and equities, quoted on a Recognised Investment Exchange, and unit trusts which are authorised under the Financial Services and Markets Act 2000.

RESERVES POLICY

The balance sheet shows general reserves of £894,131 and restricted reserves of £2,082,613. Of the general reserves, £345,183 is represented by tangible fixed assets used in the nursing and residential homes.

Of the general reserves a further £141,178 is represented by investments which provide a useful source of income. Investments with a book value of £6,451 were sold in the year for £8,252 resulting in a gain of £1,801.

This leaves free funds of £407,770 from the general fund which represents approximately 4 months expenditure. The Directors do not consider this level of free funds is excessive given the unpredictable nature of cash flows, the continuing expenditure on repairs and renewals and the current inadequacy of Government funding for patients in nursing homes without private means. Because fees paid by local authorities in no way meet the cost of providing care a contingency fund is needed to meet that shortfall.

The restricted fund represents donations earmarked by the Directors for the funding of the construction project. The extent to which this has been expended on the construction project is represented by fixed assets allocated to restricted funds. The remainder is represented by net current assets, these funds being invested in CAF deposit accounts.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2004
(Continued)

AUDITORS

A resolution to reappoint PKF as auditors of the charitable company will be proposed at the Annual General Meeting.

For and on behalf of the Directors

Cynthia Clare SSM.

Sister Cynthia Clare SSM

Sister J. L. Anne

Sister Jennifer Anne SSM

20 December 2004

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing those financial statements, the Directors are required:

- to select suitable accounting policies and then apply them consistently;
- to make judgments and estimates that are reasonable and prudent;
- to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable it 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.

The Directors are also responsible for ensuring that their report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ST MARY'S CONVENT AND NURSING HOME (CHISWICK)**

We have audited the financial statements of St Mary's Convent and Nursing Home (Chiswick) for the year ended 31 March 2004 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under 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 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.

Respective responsibilities of Directors and auditors

The responsibilities of the Directors (who also act as trustees for the charitable activities of St Mary's Convent and Nursing Home (Chiswick)) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Directors' Report is not consistent with the financial statements, if the charitable 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 is not disclosed regarding the remuneration of the officers and Directors and any transactions with the charitable company.

We read the Directors' Report 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 Directors 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 state of affairs of the charitable company at 31 March 2004 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Norwich, UK.

7.1. 2005

PKF

PKF

Registered Auditors

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2004

	<u>Notes</u>	<u>General funds</u> £	<u>Restricted funds</u> £	<u>Total funds</u> <u>31 March</u> <u>2004</u> £	<u>Total funds</u> <u>31 March</u> <u>2003</u> £
INCOMING RESOURCES					
Donations and legacies - fundraising		-	902,738	902,738	551,954
Sisters' contributions	2	26,000	-	26,000	21,877
Activities in furtherance of the charity's objects					
Nursing and residential home fees		1,447,903	-	1,447,903	1,307,087
Other income	3	26,807	-	26,807	33,734
Activities for generating funds:					
Investment income	4	32,414	-	32,414	40,424
		<hr/>	<hr/>	<hr/>	<hr/>
		1,533,124	902,738	2,435,862	1,955,076
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Charitable expenditure					
Activities in furtherance of the charity's objects					
Nursing and residential care		1,472,426	39,314	1,511,740	1,278,917
Management and administration costs		56,098	-	56,098	110,326
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	5	1,528,524	39,314	1,567,838	1,389,243
		<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources	6	4,600	863,424	868,024	565,833
Other recognised gains and losses					
Realised gain on sale of investments		1,801	-	1,801	6,867
Unrealised gains/(losses) on investments		19,095	-	19,095	(50,760)
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		25,496	863,424	888,920	521,940
Funds as at 31 March 2003		868,635	1,219,189	2,087,824	1,565,884
		<hr/>	<hr/>	<hr/>	<hr/>
Funds as at 31 March 2004	15	894,131	2,082,613	2,976,744	2,087,824
		<hr/>	<hr/>	<hr/>	<hr/>

All of the above results are derived from continuing operations.

There are no recognised gains and losses other than those included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year of £888,920.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
BALANCE SHEET
31 MARCH 2004

	<u>Note</u>	<u>£</u>	<u>2004</u>	<u>£</u>	<u>2003</u>	<u>£</u>
FIXED ASSETS						
Tangible assets	8		2,248,088		1,064,092	
Investments	9		141,178		119,099	
			<hr/>		<hr/>	
			2,389,266		1,183,191	
CURRENT ASSETS						
Debtors	10	48,347		51,725		
Cash on deposit		772,093		933,924		
Cash at bank and in hand		48,385		125,446		
		<hr/>		<hr/>		
		868,825		1,111,095		
CREDITORS: amounts falling due within one year						
	11	(281,347)		(206,462)		
		<hr/>		<hr/>		
NET CURRENT ASSETS			587,478		904,633	
			<hr/>		<hr/>	
TOTAL ASSETS LESS CURRENT LIABILITIES			2,976,744		2,087,824	
			<hr/>		<hr/>	
RESPRESENTED BY						
General funds	15		894,131		868,635	
Restricted funds	15		2,082,613		1,219,189	
			<hr/>		<hr/>	
			2,976,744		2,087,824	
			<hr/>		<hr/>	

The financial statements were approved by the Board of Directors on

20 December 2004.

Signed on behalf of the Board by

Cynthia Clare SSM.

Sister Cynthia Clare SSM - Director

Sister Jennifer Anne SSM

Sister Jennifer Anne SSM - Director

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2004

	<u>Notes</u>	Year ended 31 March <u>2004</u> £	Year ended 31 March <u>2003</u> £
Reconciliation of changes in resources from operating activities			
Net incoming resources		868,024	565,833
Depreciation of tangible fixed assets		107,757	66,749
Loss on disposal of tangible fixed assets		-	460
Decrease/(increase) in debtors		3,378	(23,800)
Increase in creditors		74,887	86,164
		<hr/>	<hr/>
Net cash inflow from operating activities		1,054,046	695,406
		<hr/>	<hr/>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,054,046	695,406
Capital expenditure	12	(1,283,501)	(298,202)
		<hr/>	<hr/>
(Decrease)/increase in net cash		(229,455)	397,204
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds	13		
(Decrease)/increase in cash in the period		(229,455)	397,204
Net funds at 1 April 2003		1,097,453	700,249
		<hr/>	<hr/>
Net funds at 31 March 2004		867,998	1,097,453
		<hr/>	<hr/>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities, issued by the Charity Commission for England and Wales in October 2000.

(b) Income

Nursing and residential home fees are recognised on an accruals basis.

Income from donations and legacies is included in the accounts on a receivable basis.

Legacies are included in the Statement of Financial Activities when the charitable company becomes entitled to the income and there is certainty of receipt and the amount is quantifiable.

(c) Resources expended

Management and administration comprises the cost of managing the Charity. It represents the salaries of administrative staff employed, accountancy and legal costs and other general charges.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Leasehold improvements	- 2% per annum;
Furniture and fittings	- 10% per annum;
Motor vehicles	- 20% per annum.

Depreciation is provided on leasehold improvements once the assets have been brought into use. Until this point the assets are stated at cost.

During this year the depreciation rate for the leasehold improvements was changed from 10% straight line to 2%. The effect of this change is to reduce the depreciation charge by £157,253. This change was deemed necessary to reflect more accurately the term over which economic benefit will be consumed.

(e) Fund accounting

General funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity.

Designated funds are those funds set aside by the Directors out of unrestricted funds for specific future purposes or projects.

Restricted funds are those funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

(f) Investments

Investments are included at market value. Gains and losses on revaluation are taken to the Statement of Financial Activities.

Dividend income is recognised as income on the date that the related investments are marked ex-dividend. Deposit interest is included on an accruals basis.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

2	SISTERS' CONTRIBUTIONS	<u>2004</u> £	<u>2003</u> £
	Sisters' pensions	26,000	21,877
		<hr/>	<hr/>
3	OTHER INCOME	<u>2004</u> £	<u>2003</u> £
	Sundry sales	945	10,169
	Rent received from staff accommodation	25,862	23,565
		<hr/>	<hr/>
		26,807	33,734
		<hr/>	<hr/>
4	INTEREST AND INVESTMENT INCOME	<u>2004</u> £	<u>2003</u> £
	Listed investments		
	- Fixed interest	362	1,612
	- Equities	3,045	5,730
	Deposit interest	29,007	33,082
		<hr/>	<hr/>
		32,414	40,424
		<hr/>	<hr/>

Following the abolition of Advance Corporation Tax on 6 April 1999, distributions paid by UK companies will only carry tax credits of 10% and tax credits will no longer be payable to shareholders with no tax liability.

Charities can claim transitional relief until 5 April 2004. The relief takes the form of a payment of a percentage of the distribution received by the Charity, the percentage being scaled down each year.

5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	<u>Staff</u> <u>costs</u> £	<u>Other</u> <u>costs</u> £	<u>Depreciation</u> £	<u>2004</u> £	<u>2003</u> £
Nursing and residential care	1,093,777	310,206	107,757	1,511,740	1,278,917
Management and administration	8,065	48,033	-	56,098	110,326
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	1,101,842	358,239	107,757	1,567,838	1,389,243
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

5 ANALYSIS OF TOTAL RESOURCES EXPENDED (Continued)

	<u>2004</u> £	<u>2003</u> £
Other costs related to the following:		
Residential and household	86,256	68,501
Nursing and medical	7,209	13,665
Premises and garden	81,825	65,667
Chapel	(21)	40
Repairs and renewals	81,089	74,856
Hire and lease of equipment	24,962	25,082
Sundries	28,886	28,220
	<u>310,206</u>	<u>276,031</u>
Management and administration costs consist of:		
Professional fees	38,413	52,349
Printing and stationery	4,375	7,329
Postage and telephone	5,245	4,971
Loss on disposal of tangible fixed assets	-	460
	<u>48,033</u>	<u>65,109</u>

6 NET INCOMING RESOURCES

	<u>2004</u> £	<u>2003</u> £
This is stated after:		
Auditors' remuneration - audit	11,175	11,750
- accountancy and financial advice	8,519	13,500
Depreciation	<u>107,757</u>	<u>66,749</u>

7 INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	<u>2004</u> £	<u>2003</u> £
Wages and salaries	1,021,012	915,975
Employer's National Insurance	80,830	65,379
	<u>1,101,842</u>	<u>981,354</u>

The average number of employees in the year was 81 (2003: 81) of which 4 (2003:5) related to management and administration and 77 (2003:76) related to nursing and residential staff.

The number of employees whose emoluments exceeded £50,000 was £NIL (2003: nil over £50,000).

A number of the Sisters live at St Mary's Convent and Nursing Home (Chiswick), including Sister Jennifer Anne SSM, who is the manager of the home. In accordance with their vows of poverty the Sisters are provided with board, lodgings, travel and personal expenses. Pensions received by the Sisters are given to the charity. The Sisters receive no other benefit in money or in kind. They receive no salary for the work they do at St Mary's Convent and Nursing Home (Chiswick).

The lay Directors receive no remuneration or reimbursement of expenses.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

8 TANGIBLE FIXED ASSETS	<u>Leasehold improvements</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost				
At 1 April 2003	786,557	894,721	23,362	1,704,640
Additions	1,180,279	100,639	10,835	1,291,753
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	1,966,836	995,360	34,197	2,996,393
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2003	16,769	600,417	23,362	640,548
Charge for period	39,315	66,275	2,167	107,757
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	56,084	666,692	25,529	748,305
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2004	1,910,752	328,668	8,668	2,248,088
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	769,788	294,304	-	1,064,092
	<hr/>	<hr/>	<hr/>	<hr/>
9 FIXED ASSET INVESTMENTS			<u>2004</u> £	<u>2003</u> £
1 April 2003			81,016	527,793
Additions at cost			-	12,044
Disposals at opening market value (or cost if acquired in the year)			(6,454)	(408,061)
Net unrealised investments gains/(losses)			19,095	(50,760)
			<hr/>	<hr/>
Market value at 31 March 2004			93,657	81,016
Add:				
Cash awaiting investment			47,521	38,083
			<hr/>	<hr/>
At 31 March 2004			141,178	119,099
			<hr/>	<hr/>
Investments held at 31 March 2004 comprise the following:			<u>2004</u> £	<u>2003</u> £
UK listed investments			93,657	81,016
Cash balances			47,521	38,083
			<hr/>	<hr/>
			141,178	119,099
			<hr/>	<hr/>
Analysis of UK Listed investments:				
Fixed interest			5,106	4,359
Equities			88,551	76,657
			<hr/>	<hr/>
At 31 March 2004			93,657	81,016
			<hr/>	<hr/>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

9 FIXED ASSET INVESTMENTS (continued)

The following UK Listed investment details are given for those investments which represent over 5 per cent of the total portfolio.

<u>Fixed Interest</u>	<u>Nominal holdings</u> £	<u>Market value</u> <u>31 March 2004</u> £
General Accident 7.875% preference shares	4,600	5,106
<u>Equities</u>	shares	£
ICI Ordinary £1	2,127	4,802
BP Co Ordinary 25p	5,400	24,624
Glaxo Ordinary 25p	800	8,544
Aviva Ordinary 25p	2,880	15,206
BT Ordinary 25p	2,600	4,602
Tesco Ordinary 25p	3,200	7,864
Standard Chartered Ordinary US\$	640	5,830
British Sky Broadcasting Ordinary 25p	950	6,446

10 DEBTORS	<u>2004</u> £	<u>2003</u> £
Trade debtors	10,029	30,878
Other debtors	18,073	2,567
Prepayments and accrued income	20,245	18,280
	48,347	51,725

11 CREDITORS	<u>2004</u> £	<u>2003</u> £
Amounts falling due within one year:		
Trade creditors	128,815	169,913
Other creditors	48,134	4,961
Taxation and social security	18,932	16,904
Accruals	85,466	14,684
	281,347	206,462

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
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12	GROSS CASH FLOWS		<u>2004</u> £	<u>2003</u> £		
	Capital expenditure					
	Payments to acquire tangible fixed assets		(1,291,753)	(702,486)		
	Payments to acquire fixed asset investments		-	(12,044)		
	Receipts from sales of fixed asset investments		8,252	414,928		
	Receipt from sale of tangible fixed assets		-	1,400		
			<hr/>	<hr/>		
			(1,283,501)	(298,202)		
			<hr/>	<hr/>		
13	ANALYSIS OF CHANGES IN NET FUNDS					
		At 1 April <u>2003</u> £	Cash <u>flows</u> £	At 31 March <u>2004</u> £		
	Cash at bank and in hand	1,059,370	(226,816)	832,554		
	Bank overdraft		(12,077)	(12,077)		
	Cash awaiting investment	38,083	9,438	47,521		
		<hr/>	<hr/>	<hr/>		
	Total	1,097,453	(229,455)	867,998		
		<hr/>	<hr/>	<hr/>		
14	ANALYSIS OF NET ASSETS BETWEEN FUNDS					
		General <u>funds</u> £	Restricted <u>funds</u> £	Total <u>funds</u> £		
	Fund balances at 31 March 2004 represented by:					
	Tangible fixed assets	345,183	1,902,905	2,248,088		
	Fixed asset investments	141,178	-	141,178		
	Net current assets	407,770	179,708	587,478		
		<hr/>	<hr/>	<hr/>		
		894,131	2,082,613	2,976,744		
		<hr/>	<hr/>	<hr/>		
15	MOVEMENTS IN FUNDS					
		At 1 April <u>2003</u> £	Incoming <u>resources</u> £	Outgoing <u>resources</u> £	Transfers £	At 31 March <u>2004</u> £
	General funds	868,635	1,554,020	(1,528,524)	-	894,131
	Restricted fund	1,219,189	902,738	(39,314)	-	2,082,613
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		2,087,824	2,456,758	(1,567,838)	-	2,976,744
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Directors have treated all donations received, except Sisters' pensions, as restricted funds to be used only for the purpose of the construction work at St Mary's Convent and Nursing Home.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

16 TAXATION

St Mary's Convent and Nursing Home (Chiswick) is a registered charity and therefore is not liable for income or corporation tax or capital gains tax on income and gains derived from charitable activities, as they fall within the various exemptions available to registered charities.

17 PARENT UNDERTAKING

The voting members of the Chapter of St Margaret's Convent are the only members of St Mary's Convent and Nursing Home (Chiswick). Accordingly St Margaret's Convent (East Grinstead), an unincorporated charity (registered charity number 231926) is regarded as the parent undertaking of St Mary's Convent and Nursing Home (Chiswick).

18 RELATED PARTY TRANSACTIONS

The charitable company has taken advantage of the exemption given by Financial Reporting Statement No. 8 and has therefore not given details of transactions with its parent undertaking. The exemption has been given because the consolidated accounts of the parent undertaking, St Margaret's Convent (East Grinstead), which includes St Mary's Convent and Nursing Home, have been prepared and are available from the Charity Commission or on application to the auditors.

19 CAPITAL COMMITMENTS

The charitable company entered into a contract for the construction of an extension to its long leasehold premises to comply with the Care Standards Act 2000. Costs of £1,180,279 have been incurred in the year to 31 March 2004 and have been included as leasehold improvements. In addition to this amount a further £19,087 has been contracted for at 31 March 2004.