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ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

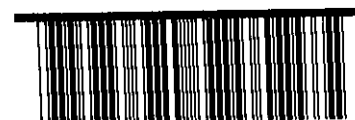
FINANCIAL STATEMENTS

Registered Charity Number: 1080751

Company Number: 3959483

YEAR ENDED 31 MARCH 2003

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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) (appointed 1 April 2003)
Miss Pamela Groombridge (Sister Mary Paul SSM) (resigned 1 April 2003)

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 2003

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**ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2003**

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 76 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 2003
(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 residents, aged over 65 years, 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 last year's Directors' report attention was drawn to the Care Standards Act 2000 and the associated National Minimum Standards for Care Homes for Older People. The Care Standards Act required all nursing home residents to have individual rooms with en-suite bathroom facilities. Because St Mary's had two open wards it was believed that it would lose its licence to operate as a nursing home unless the accommodation was altered to conform to the requirement of the Care Standards Act. After considering a number of studies prepared by Williams Surveyors and Richard Heath Architects Limited the Directors decided it would be necessary to construct an extension to accommodate the additional single rooms and at the same time make other changes to the existing structure to enhance the physical environment for residents and staff.

Planning permission was obtained for the construction work and in September 2001 a major fund raising effort was launched in order to raise a proportion of the budgeted cost of the project. The total cost of the project is expected to be £1.7 million and building work commenced on 23 September 2002.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2003
(Continued)

On 23 July 2002 the health secretary, Alan Milburn, made a statement to the House of Commons which suggested some relaxation of the prescriptive guidelines laid down by the Care Standards Act and the National Minimum Standards for Care Homes for Older People. It is the Directors' view that the relaxation will not affect the need for residents to have individual rooms with en-suite bathroom facilities. Potential residents, their families and local authorities are increasingly reluctant to accept accommodation in an open ward and accordingly the need for the construction work remains as strong as ever. Whatever the relaxation of guidelines by central government the Directors are of the opinion that St Mary's would not retain its registration as a care home if it kept its open wards.

The current project will allow St Mary's to be rebuilt as a fit and proper facility for the 21st century. It will avoid the closure of a caring facility with a rich history and an established place in the West London community. Closure would be a devastating change for many of the elderly and often quite sick residents. The construction project will avert the threat of closure and ensure that St Mary's Convent and Nursing Home is able to continue to offer care and a safe community to the elderly as it has for over 100 years in Chiswick.

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 during this financial year:

The Albert Hunt Trust
The Clothworkers' Foundation
The Garfield Weston Foundation
The Lazards Charitable Trust
The Linbury Trust
The Mason Charities Trust
The Mercers' Company
The Old Chiswick Protection Society
The Smith Charitable Trust
The Vincent Housing Association
The Wates 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 have given very generously of their time and skill and without their efforts the Appeal would not have attracted such wide ranging and generous support.

REVIEW OF THE YEAR

The financial statements cover the year ended 31 March 2003.

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 £1,955,076. The overall net movement in funds amounted to a surplus £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 to 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 2003
(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.

INVESTMENT POLICY

Until such time as the funds may be required to help finance building works, 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 £868,635 and restricted reserves of £1,219,189. Of the general reserves, £302,475 is represented by tangible fixed assets used in the nursing and residential homes.

Of the general reserves a further £119,099 is represented by investments which provide a useful source of income. Investments worth £408,061 were sold in the year for £414,928 resulting in a gain of £6,867. These investments were sold to finance the construction project.

This leaves free funds of £447,061 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 likely demands of the construction project 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.

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 F. Boeham

Sister Cynthia Clare SSM

Sister Jennifer Anne SSM

Sister Jennifer Anne SSM

14 July 2003

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 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.

PKF

**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 2003 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 2003 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.

PKF

PKF
Registered Auditors

22.7. 2003

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2003

	<u>Notes</u>	<u>General funds</u> £	<u>Designated funds</u> £	<u>Restricted funds</u> £	<u>Total funds</u> <u>31 March</u> <u>2003</u> £	<u>Total funds</u> <u>31 March</u> <u>2002</u> £
INCOMING RESOURCES						
Donations and legacies		-	-	551,954	551,954	129,246
Sisters' contributions	2	21,877	-	-	21,877	28,962
Activities in furtherance of the charity's objects						
Nursing and residential home fees		1,307,087	-	-	1,307,087	1,258,724
Other income	3	33,734	-	-	33,734	28,612
Activities for generating funds:						
Investment income	4	40,424	-	-	40,424	54,607
		<u>1,403,122</u>	<u>-</u>	<u>551,954</u>	<u>1,955,076</u>	<u>1,500,151</u>
RESOURCES EXPENDED						
Charitable expenditure						
Activities in furtherance of the charity's objects						
Nursing and residential care		1,278,917	-	-	1,278,917	1,342,792
Management and administration costs		110,326	-	-	110,326	98,284
		<u>1,389,243</u>	<u>-</u>	<u>-</u>	<u>1,389,243</u>	<u>1,441,076</u>
Total resources expended	5	1,389,243	-	-	1,389,243	1,441,076
Net incoming resources	6	13,879	-	551,954	565,833	59,075
Realised gain on sale of investments		6,867	-	-	6,867	-
Unrealised losses on investments		(50,760)	-	-	(50,760)	(25,731)
		<u>(30,014)</u>	<u>-</u>	<u>551,954</u>	<u>521,940</u>	<u>33,344</u>
NET MOVEMENT IN FUNDS		(30,014)	-	551,954	521,940	33,344
Transfer from general fund to restricted fund		(531,571)	-	531,571	-	-
Transfer from designated fund to restricted fund		-	(135,664)	135,664	-	-
Funds as at 31 March 2002		<u>1,430,220</u>	<u>135,664</u>	<u>-</u>	<u>1,565,884</u>	<u>1,532,540</u>
Funds as at 31 March 2003	15	<u>868,635</u>	<u>-</u>	<u>1,219,189</u>	<u>2,087,824</u>	<u>1,565,884</u>

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 £521,940.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
BALANCE SHEET
31 MARCH 2003

	<u>Note</u>	<u>2003</u>	<u>2002</u>
		£	£
FIXED ASSETS			
Tangible assets	8	1,064,092	430,215
Investments	9	119,099	575,783
		<u>1,183,191</u>	<u>1,005,998</u>
CURRENT ASSETS			
Debtors	10	51,725	27,925
Cash on deposit		933,924	521,951
Cash at bank and in hand		125,446	130,308
		<u>1,111,095</u>	<u>680,184</u>
CREDITORS: amounts falling due within one year	11	<u>(206,462)</u>	<u>(120,298)</u>
NET CURRENT ASSETS		<u>904,633</u>	<u>559,886</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,087,824</u>	<u>1,565,884</u>
RESPRESENTED BY			
General funds	15	868,635	1,430,220
Designated funds	15	-	135,664
Restricted funds	15	1,219,189	-
		<u>2,087,824</u>	<u>1,565,884</u>

The financial statements were approved by the Board of Directors on 14 July 2003

Signed on behalf of the Board by

Cynthia F. Baeham

Sister Cynthia Clare SSM - Director

Sister Jennifer Anne

Sister Jennifer Anne SSM - Director

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2003

	<u>Notes</u>	Year ended 31 March <u>2003</u> £	Year ended 31 March <u>2002</u> £
Reconciliation of changes in resources from operating activities			
Net incoming resources		565,833	59,075
Depreciation of tangible fixed assets		66,749	98,810
Loss on disposal of tangible fixed assets		460	-
(Increase)/decrease in debtors		(23,800)	17,186
Increase in creditors		86,164	31,164
		<hr/>	<hr/>
Net cash inflow from operating activities		695,406	206,235
		<hr/>	<hr/>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		695,406	206,235
Capital expenditure	12	(298,202)	(125,911)
		<hr/>	<hr/>
Increase in net cash		397,204	80,324
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds	13		
Increase in cash in the period		397,204	80,324
Net funds at 1 April 2002		700,249	619,925
		<hr/>	<hr/>
Net funds at 31 March 2003		1,097,453	700,249
		<hr/>	<hr/>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

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 or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Leasehold improvements	- 10% 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.

(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 2003

2	SISTERS' CONTRIBUTIONS	<u>2003</u> £	<u>2002</u> £
	Sisters' pensions	21,877	28,962
		<u> </u>	<u> </u>
3	OTHER INCOME	<u>2003</u> £	<u>2002</u> £
	Sundry sales	10,169	10,336
	Rent received from staff accommodation	23,565	18,276
		<u> </u>	<u> </u>
		33,734	28,612
		<u> </u>	<u> </u>
4	INTEREST AND INVESTMENT INCOME	<u>2003</u> £	<u>2002</u> £
	Listed investments		
	- Fixed interest	1,612	20,993
	- Equities	5,730	5,063
	Deposit interest	33,082	28,551
		<u> </u>	<u> </u>
		40,424	54,607
		<u> </u>	<u> </u>

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>2003</u> £	<u>2002</u> £
Nursing and residential care	936,137	276,031	66,749	1,278,917	1,342,792
Management and administration	45,217	65,109	-	110,326	98,284
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	981,354	341,140	66,749	1,389,243	1,441,076
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

5 ANALYSIS OF TOTAL RESOURCES EXPENDED (Continued)

	<u>2003</u> £	<u>2002</u> £
Other costs related to the following:		
Residential and household	68,501	66,863
Nursing and medical	13,665	19,019
Premises and garden	65,667	59,921
Chapel	40	563
Repairs and renewals	74,856	67,382
Hire and lease of equipment	25,082	23,680
Sundries	28,220	47,334
	<u>276,031</u>	<u>284,762</u>
Management and administration costs consist of:		
Professional fees	52,349	38,422
Printing and stationery	7,329	6,453
Postage and telephone	4,971	7,122
Loss on disposal of tangible fixed assets	460	-
	<u>65,109</u>	<u>51,997</u>

6 NET INCOMING RESOURCES

	<u>2003</u> £	<u>2002</u> £
This is stated after:		
Auditors' remuneration - audit	11,750	10,000
- accountancy and financial advice	13,500	11,200
Depreciation	<u>66,749</u>	<u>98,810</u>

7 INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	<u>2003</u> £	<u>2002</u> £
Wages and salaries	915,975	936,030
Employer's National Insurance	65,379	69,477
	<u>981,354</u>	<u>1,005,507</u>

The average number of employees in the period was 81 of which 5 related to management and administration and 76 related to nursing and residential staff.

The number of employees whose emoluments exceeded £50,000 was nil (2002: 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 2003

8	TANGIBLE FIXED ASSETS	Leasehold	Fixtures and	Motor	Total
		<u>improvements</u>	<u>fittings</u>	<u>vehicles</u>	
		£	£	£	£
	Cost				
	At 1 April 2002	114,483	864,309	28,012	1,006,804
	Additions	672,074	30,412	-	702,486
	Disposals	-	-	(4,650)	(4,650)
	At 31 March 2003	786,557	894,721	23,362	1,704,640
	Depreciation				
	At 1 April 2002	15,416	535,021	26,152	576,589
	Charge for period	1,353	65,396	-	66,749
	Disposals	-	-	(2,790)	(2,790)
	At 31 March 2003	16,769	600,417	23,362	640,548
	Net book amounts				
	At 31 March 2003	769,788	294,304	-	1,064,092
	At 31 March 2002	99,067	329,288	1,860	430,215
9	FIXED ASSET INVESTMENTS			<u>2003</u>	<u>2002</u>
				£	£
	1 April 2002			527,793	563,480
	Additions at cost			12,044	26,753
	Disposals at opening market value				
	(or cost if acquired in the year)			(408,061)	(37,955)
	Net unrealised investments losses			(50,760)	(24,485)
	Market value at 31 March 2003			81,016	527,793
	Add:				
	Cash awaiting investment			38,083	47,990
	At 31 March 2003			119,099	575,783
	Investments held at 31 March 2003 comprise the following:			<u>2003</u>	<u>2002</u>
				£	£
	UK listed investments			81,016	527,793
	Cash balances			38,083	47,990
				119,099	575,783
	Analysis of UK Listed investments:				
	Fixed interest			4,359	399,511
	Equities			76,657	128,282
	At 31 March 2003			81,016	527,793

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

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 2003</u> £
General Accident 7.875% preference shares	4,600	4,359
<hr/>		
<u>Equities</u>	shares	£
BP Co Ordinary 25p	5,400	21,668
Glaxo Ordinary 25p	800	8,904
Aviva Ordinary 25p	2,880	10,138
BT Ordinary 25p	2,600	4,082
Tesco Ordinary 25p	5,700	10,160
Standard Chartered Ordinary US\$	640	4,310
British Sky Broadcasting Ordinary 25p	950	5,952
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10 DEBTORS

	<u>2003</u> £	<u>2002</u> £
Trade debtors	30,878	9,870
Other debtors	2,567	881
Prepayments and accrued income	18,280	17,174
	<hr/>	<hr/>
	51,725	27,925
	<hr/>	<hr/>

11 CREDITORS

	<u>2003</u> £	<u>2002</u> £
Amounts falling due within one year:		
Trade creditors	169,913	36,098
Other creditors	4,961	7,753
Taxation and social security	16,904	23,563
Nursing care contributions from DSS	-	32,884
Accruals	14,684	20,000
	<hr/>	<hr/>
	206,462	120,298
	<hr/>	<hr/>

Nursing care contributions represents contributions from DSS received before the year end and paid over to residents after that date.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

12 GROSS CASH FLOWS

	<u>2003</u> £	<u>2002</u> £
Capital expenditure		
Payments to acquire tangible fixed assets	(702,486)	(135,868)
Payments to acquire fixed asset investments	(12,044)	(26,753)
Receipts from sales of fixed asset investments	414,928	36,710
Receipt from sale tangible of fixed assets	1,400	-
	<u>(298,202)</u>	<u>(125,911)</u>

13 ANALYSIS OF CHANGES IN NET FUNDS

	<u>At 1 April</u> <u>2002</u> £	<u>Cash</u> <u>flows</u> £	<u>At 31 March</u> <u>2003</u> £
Cash at bank and in hand	652,259	407,111	1,059,370
Cash awaiting investment	47,990	(9,907)	38,083
	<u>700,249</u>	<u>397,204</u>	<u>1,097,453</u>

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>General</u> <u>funds</u> £	<u>Restricted</u> <u>funds</u> £	<u>Total</u> <u>funds</u> £
Fund balances at 31 March 2003 represented by:			
Tangible fixed assets	302,475	761,617	1,064,092
Fixed asset investments	119,099	-	119,099
Net current assets	447,061	457,572	904,633
	<u>868,635</u>	<u>1,219,189</u>	<u>2,087,824</u>

15 MOVEMENTS IN FUNDS

	<u>At 1 April</u> <u>2002</u> £	<u>Incoming</u> <u>resources</u> £	<u>Outgoing</u> <u>resources</u> £	<u>Transfers</u> £	<u>At 31 March</u> <u>2003</u> £
General funds	1,430,220	1,403,122	(1,433,136)	(531,571)	868,635
Designated fund	135,664	-	-	(135,664)	-
Restricted fund	-	551,954	-	667,235	1,219,189
	<u>1,565,884</u>	<u>1,955,076</u>	<u>(1,433,136)</u>	<u>-</u>	<u>2,087,824</u>

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. The designated fund of £135,664 set aside last year for the same purpose has now been transferred to restricted funds. A further £531,571 was transferred from general funds to restricted funds for construction work.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
NOTES TO THE FINANCIAL STATEMENTS
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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 has entered into a contract for the construction of an extension to its long leasehold premises to comply with the Care Standards Act 2000. The total cost of the project is expected to be £1.7million and building work commenced on 23 September 2002. Costs of £672,074 have been incurred in the year to 31 March 2003 and have been included as leasehold improvements.

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