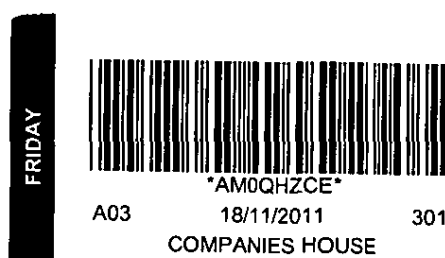


ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)

**Report and Financial Statements
For the Year Ended 31 March 2011**

**Charity number: 1080751
Company number: 3959483**



ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

Contents	Page
Legal and administrative information	1
Report of the trustees	2 to 8
Independent auditors' report	9 to 10
Statement of Financial Activities	11
Balance sheet	12
Cash flow statement	13
Notes forming part of the financial statements	14 to 22

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2011

The trustees present their report and the audited financial statements for the year ended 31 March 2011

Reference and administrative information

Charity name	St Mary's Convent and Nursing Home (Chiswick)
Charity registration number	1080751
Company registration number	3959483
Registered office and operational address	Burlington Lane Chiswick London W4 2QE

Trustees/directors

Miss Cynthia Boreham (Sister Cynthia Clare SSM)
Miss Jennifer Goodeve (Sister Jennifer Anne SSM)
Miss Barbara Brown (Sister Barbara SSM)
Miss Pamela Groombridge (Sister Mary Paul SSM)
Mr J B Randle
Mr R I Turner
Sir Graham Morgan

Company secretary

Mr Roger Claxton

Auditors

PKF (UK) LLP
Cedar House
105 Carrow Road
Norwich
NR1 1HP

Bankers

National Westminster Bank Plc
135 Bishopsgate
London
EC2M 3UR

Solicitors

Bircham Dyson Bell LLP
50 Broadway
Westminster
London
SW1H 0BL

Investment managers

Investec Wealth & Investment Limited (formerly Rensburg Sheppards Investment Management Limited)
2 Gresham Street
London
EC2V 7QP

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011

Structure, governance and management

Governing document

St Mary's Convent and Nursing Home (Chiswick) is a charitable company limited by guarantee incorporated on 24 March 2000 and registered as a charity on 16 May 2000. It was established under a Memorandum of Association which defined its objects and powers and is governed by its Articles of Association. In the event of the charitable company being wound up its members are required to contribute an amount not exceeding £1.

Recruitment and appointment of trustees/directors

The directors of the charitable company are also the charity trustees for the purposes of charity law.

The Reverend Mother of St Margaret's Convent (currently Sister Cynthia Clare SSM) and the Sister Superior of St Mary's Convent and Nursing Home (currently Sister Jennifer Anne SSM) are appointed as ex-officio trustees. The remaining trustees are elected and one-third (or the number nearest one-third) must retire at each annual general meeting and if eligible and willing to do so, offer themselves for re-election.

The trustees have great expertise and experience in a wide range of business, medical and care disciplines. Individuals with appropriate skills, ability and time are approached to offer themselves for election to the board of trustees.

Trustee induction and training

Prospective trustees are invited to meet existing trustees and the senior management at St Mary's Convent and Nursing Home and to see first hand the work of the home and its general atmosphere. They are provided with relevant documents relating to the governance of the charity and the latest financial statements and management accounts. The information and advice available from the Charity Commission is also made available to any prospective trustee who does not have previous experience of the duties and responsibilities placed on a charity trustee.

Organisational structure

The day to day running of St Mary's Convent and Nursing Home is carried out by Sister Jennifer Anne SSM, who is designated as the responsible person for statutory purposes, and Liz Smith, who is the registered manager and matron. They are assisted in their work by the deputy matron, the quality manager and the administrative staff.

The trustees meet four times a year and are responsible for the strategic direction and policy of St Mary's Convent and Nursing Home. At each meeting the trustees consider the key measures of operational and financial performance with the assistance of the appropriate members of the management team.

Risk management

The trustees 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 Convent and Nursing Home 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 Convent and Nursing Home, principally as a result of legislation change are also identified and controlled as far as

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011

possible. The issues relating to the proposed changes from open ward accommodation are a good example of external risk and the response to it.

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

Related parties

As shown in note 16 to the financial statements the voting members of the Chapter of St Margaret's Convent are the only members of the company limited by guarantee which constitutes St Mary's Convent and Nursing Home. As such St Margaret's Convent is regarded as the parent undertaking of St Mary's Convent and Nursing Home. The Sisters who are members of the board of trustees of St Mary's Convent and Nursing Home are also voting members of the Chapter of St Margaret's Convent and trustees of that charity.

The freehold of the premises from which St Mary's Convent and Nursing Home operates is owned by St Margaret's Convent and is occupied under the terms of a long lease at a peppercorn rent.

Objectives and activities

The object of St Mary's Convent and Nursing Home is 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.

St Mary's Convent and Nursing Home's 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 Health & Social Care Act 2008,
- 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, all of whom have NVQ qualifications at level 2, 3 or 4.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

- 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

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 Convent and Nursing Home adopts practices to protect these vulnerable adults, including

- Criminal Records Bureau checks for all staff and volunteers,
- Protection of Vulnerable Adults (PoVA) and Independent Safeguarding Authority (ISA) for all staff and volunteers,
- vulnerable adult policy – service wide agreement,
- training and induction for staff (video and 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

Public benefit

St Mary's Convent and Nursing Home reviews its aims, objectives and achievements each year and this report comments on achievements during the year ended 31 March 2011 and also considers plans for the future. In undertaking the review of aims, objectives and achievements the trustees have paid due regard to guidance issued by the Charity Commission in determining how St Mary's Convent and Nursing Home should carry out its activities for the public benefit.

St Mary's Convent and Nursing Home fulfils its charitable purposes for the public benefit in the following ways,

- providing the highest standards of care for its 61 residents,
- giving that care at fee rates materially lower than the rates charged by commercially operated homes of comparable quality,

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

- caring for those residents reliant on public funding at fee rates some £100 per week lower than St Mary's Convent and Nursing Home's normal rates. The trustees have elsewhere in this report expressed their concern about the extent of this public subsidy but it is the unfortunate reality of the inadequacy of funding for residential care for the elderly. St Mary's Convent and Nursing Home's status as a charity does ensure that residents are not prevented by lack of means from enjoying the high standard of care the home is able to provide,
- being a place of both public and private worship for residents, staff and visitors alike. The presence of the Chapel distinguishes St Mary's Convent and Nursing Home from most other care homes and provides a spiritual element to the atmosphere of the home which is much valued,
- although St Mary's Convent and Nursing Home is run by an Anglican Christian religious order the home is open to all irrespective of their religious beliefs

The charitable status of St Mary's Convent and Nursing Home substantially enhances its ability to fulfil its charitable purposes for the public benefit in a number of ways

- the Sisters resident at the home carry out a large number of duties, both in administering the home and caring for residents, which would otherwise have to be undertaken by paid staff at considerable cost,
- the trustees give freely of their time and expertise without payment,
- charitable status combined with the high regard and affection in which St Mary's Convent and Nursing Home is held, ensure the continued support of a host of volunteers. This support comes in the form of the donation of both time and money. The wide range of activities and outings enjoyed by the residents could not be provided without the considerable support of volunteers who give freely of their time. Such activities are an important contributor to the air of vitality at St Mary's Convent and Nursing Home,
- the work which is carried out by volunteers, the Sisters and trustees at no cost, coupled with the fact that as a charity there is no requirement for a commercial return on capital employed, enables St Mary's Convent and Nursing Home to operate with a much lower cost base than a commercial undertaking, resulting in the lower fee rates for residents to which reference has already been made

Achievements and performance

Because St Mary's Convent and Nursing Home operates in a highly regulated sector quality management is of paramount importance. There is a statutory requirement to fulfil the essential standards of quality and safety for care homes for older people (Care Standards Act 2008) and as a result St Mary's Convent and Nursing Home is subject to an unannounced external inspection to ensure compliance. Adherence to quality management is a fundamental part of compliance procedure and St Mary's Convent and Nursing Home uses the Blue Cross Mark of Excellence Quality Management System developed by the Registered Nursing Homes Association.

Recent inspections by the Care Quality Commission (CQC) have found St Mary's Convent and Nursing Home to be a home committed to safeguarding and promoting the health, welfare and safety of its residents, within an environment that is pleasant, lively and homely. Following CQC's last service review in December 2009 St Mary's Convent and Nursing Home was rated a good home.

The independent evidence provided by CQC reports indicates that St Mary's Convent and Nursing Home continues to achieve its aims set out in the section above detailing objectives and activities. It is gratifying that external authorities have recognised the high standard of the service provided by St Mary's Convent and Nursing Home but the staff has no sense of complacency about maintaining standards and constantly strives to enhance the standard of care provided to the home's residents.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011

Financial review

The financial statements cover the results for the year ended 31 March 2011

Incoming resources amounted to £2,316,444 (2010 £2,184,808) Of this amount £2,114,162 (2010 £2,044,656) arose from nursing and residential home fees Voluntary income increased to £143,056 (2010 £92,855) Total resources expended during the year amounted to £2,178,945 (2010 £2,038,709)

Net incoming resources, before realised and unrealised investment gains, amounted to £137,499 (2010 £146,099) This level of surplus was only achieved as a result of the generosity of donors and highlights the difficulty of maintaining financial stability against a background of inadequate local authority funding for those residents who are publicly funded The fees paid by local authorities are significantly below the economic costs of care Without the support of donors and without income arising from investments, resources expended would have exceeded incoming resources by £64,783 (2010 surplus of £5,947)

Had local authorities paid the same rates for residents in the nursing home as those paid by privately funded residents income would have been approximately £100,000 higher in the year ended 31 March 2011 A shortfall of this magnitude causes considerable difficulty and places greater demands upon the generosity of donors

Against this difficult background St Mary's Convent and Nursing Home has continued to achieve financial stability and the balance sheet at 31 March 2011 shows net assets of £4,961,945 (2010 £4,763,882)

Donations

The trustees wish to record their grateful thanks to all donors whose generosity has enabled the work of St Mary's Convent and Nursing Home to continue

Investment policy

The investment objective is to achieve a balanced return between income and capital growth within a moderate risk profile During the year the total return achieved on the investment portfolio was 7.9% (2010 39.4%) The total return shown by an appropriate customised portfolio index for the year ended 31 March 2011 was 8.5% (2010 43.2%) 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 £4,961,945 of which £2,987,408 is represented by tangible fixed assets A further £1,293,125 is represented by investments which provide a useful source of income Investments with a book value of £168,733 were sold in the year for £171,881 resulting in a profit of £3,148

This leaves free funds of £681,412 from the general funds The trustees 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 It is the policy of the trustees to maintain reserves equivalent to four months of budgeted operating expenditure and an additional amount of £500,000 as a building maintenance and improvement fund, a total of some £1,250,000 The free funds of £681,412 are materially less than this amount but a proportion of the investments could be realised if the need arose

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

Plans for future periods

The long-term care industry remains in a state of flux. The Care Quality Commission (CQC) has introduced 16 criteria detailed in the Health and Social Care Act 2008, the essential standards of quality and safety, which are now in place. The Home has successfully re-registered under these criteria in 2010. Homes providing nursing care are particularly challenged by inadequate local authority funding and care costs rising at a rate significantly higher than general measures of inflation. The costs of providing long-term care are being pushed up but without a matched increase in funding for those residents reliant on local authority funds. This is in spite of the allocation of funds from Government to reduce "bed-blocking" in hospitals. The allocation of NHS money to fund registered nursing input does not cover the cost of the nurses employed. The demand for the care provided by St Mary's Convent and Nursing Home comes from both privately funded individuals, who are now helped to some extent by the needs assessed registered nursing care contribution, and from local authority funded individuals.

There has continued to be a strong demand for the care provided by St Mary's Convent and Nursing Home and occupancy rates are 100% for practical purposes. A limit has had to be placed on the number of local authority funded residents in order for St Mary's Convent and Nursing Home to remain financially viable. This does present an ethical dilemma because of the commitment to remain an independent, not for profit charitable organisation for the foreseeable future. Despite efforts to contain costs local authority funding has not even kept pace with inflation. Ring fenced beds for use by local authority funded residents are subject to review.

As more care staff achieve NVQ qualifications they have an increasing role in unit management as well as care delivery in the home. The role of nurses is becoming that of more specialist intervention for the whole home, minimising the need for hospital admissions, and meeting end of life needs, in line with Government objectives.

Over recent years St Mary's Convent and Nursing Home has invested a great deal of time, money and effort to meet new statutory requirements ahead of the required deadlines in order to remain at the forefront of care provision in the Chiswick area. The aim has always been to provide care for the less wealthy but the challenge of local authority under funding is making this increasingly difficult. The increasing cost of providing nursing care, both in terms of staff costs and expensive equipment, also presents a continuing challenge. However St Mary's Convent and Nursing Home intends to continue to focus on providing an excellent service for its residents and the level of local support suggests there is a need for a care home in Chiswick.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2011

Responsibilities of the trustees

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing those financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

Each of the persons who are trustees at the time when this report of the trustees is approved has confirmed that

- so far as that trustee is aware there is no relevant audit information of which the charity's auditors are unaware and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information

Auditors

PKF (UK) LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees/directors on 27 July 2011 and signed on their behalf by


Sister Cynthia Clare SSM

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 2011 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept in respect of the charity, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements do not accord with the accounting records, or
- certain disclosures of trustee's remuneration specified by law are not made, or
- any information or explanation to which we are entitled has not been afforded to us

PKF (UK) LLP

Graham Randall (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Norwich

1st November 2011

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted funds	Restricted funds	Total funds 2011	Total funds 2010
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	125,261	17,795	143,056	92,855
Activities for generating funds	2	22,727	-	22,727	24,857
Investment income	2	36,499	-	36,499	22,440
Incoming resources from charitable activities					
	3	2,114,162	-	2,114,162	2,044,656
Total incoming resources		2,298,649	17,795	2,316,444	2,184,808
RESOURCES EXPENDED					
Charitable activities	4	2,046,673	-	2,046,673	1,911,427
Governance costs	4	132,272	-	132,272	127,282
Total resources expended		2,178,945	-	2,178,945	2,038,709
Net incoming resources before other recognised gains	5	119,704	17,795	137,499	146,099
Other recognised gains					
Realised gains on disposal of investments		3,148	-	3,148	24,257
Unrealised gains on revaluation of investments	10	57,416	-	57,416	201,274
Net movement in funds before transfers		180,268	17,795	198,063	371,630
Transfers	13	17,795	(17,795)	-	-
Net movement in funds		198,063	-	198,063	371,630
Total funds brought forward		4,763,882	-	4,763,882	4,392,252
Total funds carried forward		4,961,945	-	4,961,945	4,763,882

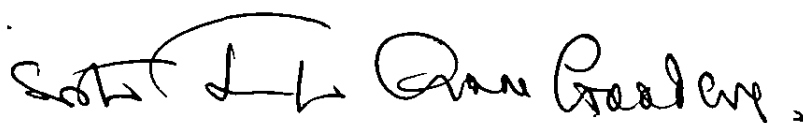
The Statement of Financial Activities includes all gains and losses in the year and resources expended derive from continuing activities All incoming resources and

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
 (A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31 MARCH 2011

	Notes	£	2011	£	£	2010	£
FIXED ASSETS							
Tangible assets	9		2,987,408			2,897,881	
Investments	10		1,293,125			1,222,162	
			<u>4,280,533</u>			<u>4,120,043</u>	
CURRENT ASSETS							
Debtors	11	52,387			53,419		
Cash on deposit		541,300			538,339		
Cash at bank and in hand		247,561			271,018		
		<u>841,248</u>			<u>862,776</u>		
CREDITORS amounts falling due within one year	12	(159,836)			(218,937)		
NET CURRENT ASSETS			<u>681,412</u>			<u>643,839</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,961,945</u>			<u>4,763,882</u>	
REPRESENTED BY							
General funds	13		4,961,945			4,763,882	
Restricted funds	13		-			-	
			<u>4,961,945</u>			<u>4,763,882</u>	

Approved by the trustees/directors on 27 July 2011 and signed on their behalf by


 Sister Cynthia Clare SSM


 Sister Jennifer Anne SSM

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Reconciliation of changes in resources from operating activities			
Net incoming resources		137,499	146,099
Depreciation of tangible fixed assets		138,695	138,768
Decrease/(increase) in debtors		1,032	(28,356)
(Decrease)/increase in creditors		(59,101)	83,840
		<hr/>	<hr/>
Net cash inflow from operating activities		218,125	340,351
		<hr/>	<hr/>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		218,125	340,351
Capital expenditure	14	(253,820)	(815,644)
		<hr/>	<hr/>
(Decrease) in net cash		(35,695)	(475,293)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds	15		
(Decrease) in cash in the year		(35,695)	(475,293)
Net funds at 1 April 2010		831,843	1,307,136
		<hr/>	<hr/>
Net funds at 31 March 2011		796,148	831,843
		<hr/>	<hr/>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to a grant,
- donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts,
- incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance,
- investment income is included when receivable,
- incoming resources from charitable activities are accounted for when earned.

(d) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- costs of generating funds comprise the costs associated with attracting voluntary income,
- charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them,
- governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity,

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

- all costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis for instance on a per capita basis or by estimated usage as set out in note 4

(e) 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.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

2. Incoming resources from generated funds

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Voluntary income				
Donations	96,542	17,795	114,337	65,501
Sisters' pensions	28,719	-	28,719	27,354
	<hr/>	<hr/>	<hr/>	<hr/>
	125,261	17,795	143,056	92,855
	<hr/>	<hr/>	<hr/>	<hr/>
Activities for generating funds				
Sundry sales	6,377	-	6,377	3,012
Rent received from staff accommodation	16,350	-	16,350	21,845
	<hr/>	<hr/>	<hr/>	<hr/>
	22,727	-	22,727	24,857
	<hr/>	<hr/>	<hr/>	<hr/>
Investment income				
Listed investments	-	-	-	-
Fixed interest	4,941	-	4,941	4,044
Equities	28,526	-	28,526	16,102
Deposit interest	3,032	-	3,032	2,294
	<hr/>	<hr/>	<hr/>	<hr/>
	36,499	-	36,499	22,440
	<hr/>	<hr/>	<hr/>	<hr/>
Total income from generated funds	184,487	17,795	202,282	140,152
	<hr/>	<hr/>	<hr/>	<hr/>

3. Incoming resources from activities to further the charity's objects

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Nursing and residential home fees	2,114,162	-	2,114,262	2,044,656
	<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources from charitable activities	2,114,162	-	2,114,262	2,044,656
	<hr/>	<hr/>	<hr/>	<hr/>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

4. Total resources expended

	Basis of allocation	Nursing and residential care £	Governance £	2011 Total £	2010 Total £
Costs directly allocated to activities					
Staff costs	Direct	1,461,740	52,140	1,513,880	1,420,071
Residential and household	Direct	150,394	-	150,394	131,781
Nursing and medical	Direct	14,705	-	14,705	20,331
Premises and garden	Direct	100,142	-	100,142	100,418
Chapel	Direct	456	-	456	1,144
Staff courses	Direct	21,511	-	21,511	31,508
Support costs allocated to activities					
Repairs and renewals	Usage	134,168	2,738	136,906	87,868
General office costs	Usage	-	30,649	30,649	33,466
Communications	Usage	-	6,202	6,202	4,227
Legal and professional	Direct	-	36,314	36,314	31,696
Hire and lease of equipment	Usage	27,637	1,454	29,091	37,431
Depreciation	Usage	135,920	2,775	138,695	138,768
Total resources expended		2,046,673	132,272	2,178,945	2,038,709

5. Net incoming resources for the year

This is stated after charging

	2011 £	2010 £
Depreciation	138,695	138,768
Auditors' remuneration - audit	9,600	8,366

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)

(A COMPANY LIMITED BY GUARANTEE)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

6. Staff costs and numbers

Staff costs were as follows

	2011 £	2010 £
Salaries and wages	1,411,132	1,326,399
Social security costs	102,748	93,672
	<hr/>	<hr/>
	1,513,880	1,420,071
	<hr/>	<hr/>

No employee received emoluments of more than £60,000

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows

	2011 Number	2010 Number
Nursing and residential care staff	69	64
Management and administration	3	3
	<hr/>	<hr/>
	72	67
	<hr/>	<hr/>

7. Trustee remuneration and related party transactions

None of the trustees received any remuneration during the year

A number of the Sisters live at St Mary's Convent and Nursing Home (Chiswick), including Sister Jennifer Anne SSM, who is the person in charge of the Home. In accordance with their vows of poverty the Sisters are provided with board, lodgings, travelling 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). If the work performed by the Sisters had to be carried out by lay employees the cost would exceed £85,000 per annum. The lay trustees receive no remuneration or reimbursement of expenses.

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 (Uckfield), 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.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

8. Taxation

No provision is made for taxation as the company is a charity entitled to the various exemptions afforded by the Corporation Tax Act 2010

9. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2010	2,879,581	1,471,472	40,533	4,391,586
Additions	72,737	155,485	-	228,222
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	2,952,318	1,626,957	40,533	4,619,808
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2010	363,732	1,098,048	31,925	1,493,705
Charge for the year	54,889	81,070	2,736	138,695
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	418,621	1,179,118	34,661	1,632,400
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2011	2,533,697	447,839	5,872	2,987,408
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	2,515,849	373,424	8,608	2,897,881
	<hr/>	<hr/>	<hr/>	<hr/>

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

10. Investments

	2011 £	2010 £
At 1 April 2010	1,199,676	482,049
Additions at cost	197,479	657,777
Disposals at opening market value (or cost if acquired in the year)	(168,733)	(141,424)
Net unrealised investment gains	57,416	201,274
	<hr/>	<hr/>
Market value at 31 March 2011	1,285,838	1,199,676
Add		
Cash awaiting investment	7,287	22,486
	<hr/>	<hr/>
At 31 March 2011	1,293,125	1,222,162
	<hr/>	<hr/>
Investments held at 31 March 2011 comprise the following		
UK listed investments	1,285,838	1,199,676
Cash balances	7,287	22,486
	<hr/>	<hr/>
	1,293,125	1,222,162
	<hr/>	<hr/>
Analysis of UK listed investments		
Fixed interest	109,976	113,162
Equities	1,175,862	1,086,514
	<hr/>	<hr/>
At 31 March 2011	1,285,838	1,199,676
	<hr/>	<hr/>
Historical cost of listed investments	1,145,844	1,114,740
	<hr/>	<hr/>

No individual investment represented over 5 per cent of the market value of the total portfolio at 31 March 2011

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

11. Debtors

	2011 £	2010 £
Trade debtors	14,880	12,055
Other debtors	3,050	1,700
Prepayments	23,549	28,361
Accrued income	10,908	11,303
	<hr/> 52,387 <hr/>	<hr/> 53,419 <hr/>

12. Creditors, amounts falling due within one year

	2011 £	2010 £
Trade creditors	56,735	114,192
Deferred income	42,864	39,915
Other creditors	2,672	1,630
Taxation and social security	27,361	24,610
Accruals	30,204	38,590
	<hr/> 159,836 <hr/>	<hr/> 218,937 <hr/>

13. Movements in funds

Fund	1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	Net investment gains £	31 March 2011 £
General	4,763,882	2,298,649	(2,178,945)	17,795	60,564	4,961,945
Restricted	-	17,795	-	(17,795)	-	-
	<hr/> 4,763,882 <hr/>	<hr/> 2,316,444 <hr/>	<hr/> (2,178,945) <hr/>	<hr/> - <hr/>	<hr/> 60,564 <hr/>	<hr/> 4,961,945 <hr/>

During the year St Mary's Convent & Nursing Home received a total of £17,795 of restricted fund donations where the donors specified the purpose of the donation as being for the purchase of particular items of equipment. As the equipment had been purchased by 31 March 2011 a transfer has been made and the equipment included within unrestricted funds.

ST MARY'S CONVENT AND NURSING HOME (CHISWICK)
(A COMPANY LIMITED BY GUARANTEE)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

14. Gross cash flows

	2011 £	2010 £
Capital expenditure		
Payments to acquire tangible fixed assets	(228,222)	(323,548)
Payments to acquire fixed asset investments	(197,479)	(657,777)
Receipts from sales of fixed asset investments	171,881	165,681
	<u>(253,820)</u>	<u>(815,644)</u>

15. Analysis of changes in net funds

	1 April 2010 £	Cash flows £	31 March 2011 £
Cash at bank and in hand	809,357	(20,496)	788,861
Cash awaiting investment	22,486	(15,199)	7,287
	<u>831,843</u>	<u>(35,695)</u>	<u>796,148</u>

16. 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 (Uckfield), an unincorporated charity (registered charity number 231926), is regarded as the parent undertaking of St Mary's Convent and Nursing Home (Chiswick).