

**Registered Company Number: 1141676 (England & Wales)**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016  
FOR  
THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Trustees, who are also directors of the Company for the purposes of the Companies Act 2006, present their Annual Report together with the Financial Statements for the year ended 31st December 2016. The Guy Pilkington Memorial Home (the Company) is a charitable Company limited by guarantee established under a Memorandum of Association and governed by its Articles of Association. The Company operates Fairfield Independent Hospital in order to meet its objectives. The Trustees confirm that the Annual Report and Financial Statements of the Company comply with the current statutory requirements, the requirements of the Company's governing document and the provisions of the Charities SORP (FRS102). The Annual Report has also been reviewed based on the guidance issued by the Charity Commission on 20 January 2014 on the Strategic Report.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

1141676 (England and Wales)

**Registered Charity number**

502791

**Registered and principal office**

Fairfield Independent Hospital  
Crank  
St Helens  
Merseyside  
WA11 7RS

**Trustees**

Mr J D Watts	Chair of Trustees
Mr C Barratt	Chair of Audit Committee
Mr C Bridge	Chair of the Integrated Governance Committee
Ms R Floyd	
Dr C S Ince	
Mr G Hammond	Deputy Chair and Chair of the Remuneration Committee
Ms C Roberson	Chair of the Capital Developments Committee
Mr K Suraliwala	Chair of the Medical Advisory Committee
Ms P Johnson	Appointed March 2016
Mr L Marlow	Appointed March 2016

**Key Management Personnel:**

Ms C Nolan  
Chief Executive Officer

Sister J Ollerton  
Chief Nurse

Mr A Jones  
Director of Hospital Services

Mr T Harrison, IPFA  
Director of Finance, IT and Performance

Ms Claire Williams  
Assistant Director – Governance, appointed 15<sup>th</sup> March 2016

**Medical Advisory Committee:**

Chairman: Mr K Suraliwala

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**REFERENCE AND ADMINISTRATIVE DETAILS** continued

**Company Secretary** Ms C Nolan

Ms Nolan is also the Hospital's Registered Manager which is one element of the Hospital's Registration with the Care Quality Commission.

**Auditors**

Crowe Clark Whitehill LLP  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**Solicitors**

Tickle Hall Cross  
Carlton Chambers  
25 Hardshaw Street  
St Helens  
WA10 1RP

**Bankers**

National Westminster Bank plc  
5 Ormskirk Street  
St Helens  
Merseyside  
WA10 1OT

***Introduction and Chairman's Reflections***

We have continued in our endeavour to provide an important role in the provision of healthcare in the North West of England in accordance with our Mission. The year 2016 has seen us provide healthcare to over 12,800 patients which, as in 2015, is an increase on the previous year. Patients continue to be attracted to the Hospital from a wide area and we are the Hospital of choice for patients due to our location and the standard of healthcare services provided. We continue our strong relationship with the NHS, all of our commissioners and also patients seeking private treatment either through insured or self pay routes.

In July and August 2016 the Hospital was subject to an announced and unannounced inspection by the Care Quality Commission (CQC). As a result of this inspection the overall rating for the Hospital was "Good" and this was in respect of every standard relating to the services of the Hospital. The full report can be found on our web site and I was particularly impressed by the comments relating to our staff being "caring, compassionate and treated patients with dignity". This I believe has always been the Fairfield way and it is pleasing to see it recognised. We will continue to build on our programme of clinical governance involving our staff and Trustees to ensure that they have a greater understanding of the departments and activities of the Hospital.

2016 saw continued capital investment involving medical and non medical equipment and the Capital Development Committee formed in 2015 has been heavily involved in looking at further improvements to the Hospital facilities with a brief to report at the appropriate time to the Board with their proposals. This Committee is a good example of Trustees, the Executive team and staff working alongside each other in the development of the Hospital for the future and for the long term benefit of our patients.

I thank the Executive Team and all Staff and the Consultants for their support for as always this is vital to the progress of the Hospital and in a particularly important year with our CQC Inspection and for the future of the Hospital and the service we wish to provide to our patients. I must also thank the support received from my fellow Trustees in attending Board and Committee meetings which is likewise so important as we work together in the progress and development of our Hospital.

John Watts

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Objectives and Aims**

The Company's objectives are to promote, manage and maintain a nursing and residential home to relieve sickness, injury, poor health and old age amongst the sick, convalescent and disabled and infirm and to promote and preserve good physical and mental health.

Our principle activities are to provide a broad range of clinical and health services to the public. We provide consulting rooms, imaging and scanning functions, treatment rooms, operating facilities and the ancillary facilities necessary to fulfil this role.

Our vision, as the leading charitable Hospital in the area is to provide the highest possible standards of safe and effective care that is accessible and affordable to all, delivered by a highly committed workforce.

**Governing Document**

The Guy Pilkington Memorial Home (the Company) is a charitable Company limited by guarantee established under a Memorandum of Association and governed by its Articles of Association. The Company has no share capital being a company limited by guarantee. The guarantee of each member is limited to £1.

**Trustees**

The Trustees may appoint replacement or additional directors at any time. However, the Members at the next Annual General Meeting must formally elect these members. The Trustees who served during the year are set out on the Company Information page at the start of the Annual Report.

The Trustees meet every two months. The Director Appointments Committee assists the Board in assessing its skills and identifying new Trustees. New trustees spend time with the Hospital Management having the aims and objectives and the policies and procedures of the Company explained to them and are issued with an induction pack. A Medical Advisory Committee (MAC) and an Adverse Events Committee also form part of the governance framework with the Chair of the MAC serving as a Board member. In total there are five Board committees and these are:

- Director Appointments,
- Integrated Governance,
- Audit,
- Capital Development,
- Remuneration.

Board members may also meet outside the formal meetings to review and advise on particular areas of interest or opportunity.

**Organisational Structure**

The Chief Executive has responsibility for the leadership and strategic development of the organisation. The Chief Executive ensures that the organisation is financially stable and that it meets its aims and objects. The Chief Executive will ensure that the staff team is recruited and supported to provide the skills, expertise and competencies required in order to run and develop a successful organisation.

The Governance of the Company is the responsibility of the Board with support from the Medical Advisory Committee and the Executive. The Board provides independent oversight and stewardship for the range of services delivered. The Board monitors the discharge of its responsibilities via its regular meetings and the other Board sub committees that make up the Company's framework for integrated governance. The framework of integrated governance spans all our services and means that we put our patients at the heart of everything we do. The Board are all volunteers and have experience of this and other hospitals as professionals or users of services.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Organisational Structure** continued

Procedures for identifying and assessing risks are in place and are reviewed at Board Meetings. The assessment of these reviews ensures that the Company has the ability to deliver its objectives and identifies where controls could be strengthened.

Our core business is health and optimising outcomes for patients and we have created an integrated governance framework for delivering excellence and the best possible clinical results. We work in partnership with our consultants to ensure optimum care for our patients.

The Remuneration Committee reviews the pay, reward and organisation structure for all the Hospital staff. The arrangements for setting pay and remuneration of key management personnel is similar to that applied to the whole staff team and the Committee uses benchmarks provided by the salary levels set in the National Health Service. The Remuneration Committee makes recommendation to the Board on the setting of salaries for the whole staff team including the key management personnel.

The Trustees are responsible for preparing the annual report and financial statements. Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the Company's affairs. Trustees' responsibilities extend to ensuring that the assets of the organisation are safeguarded and that all reasonable steps have been taken to protect the organisation against fraud or other irregularities.

**Public Benefit**

The Trustees have considered the extent to which their activities and plans meet the objectives of the Company and contribute to the public benefit and have considered the Charity Commission's published guidance on public benefit. As part of the processes of review, the Trustees have considered in detail the services currently provided and their accessibility and affordability to all members of the public. The Trustees are satisfied that the activities of the Company are consistent with the public benefit criteria. As a result of their review they identified the following as key areas by which the Company meets its objectives and serves the public benefit:

Patients who are members of friendly societies and other mutual societies are able to access services at Fairfield Independent Hospital by making modest weekly or monthly contributions, which are not related to their medical needs or their financial means. Similarly patients funded by the NHS also benefit from the same levels of care and treatment but do not pay directly for the treatment they receive. In addition the Company participates in local health initiatives, the training of health workers and the planning of new health services.

**Risk Management**

The Company has a strong culture of risk awareness. All activities both new and continuing are regularly subject to a risk assessment which includes issues of clinical matters, health and safety, financial impact, operational effectiveness and continuity and reputation threats. There are clear policies and guidelines in place as part of the Company's risk management framework. We participate in our own local clinical audits and also participate in many national ones and there is a clear incident reporting mechanism. Risk management training has been rolled out to all members of staff and forms part of the induction process. The Trustees acknowledge that they have a duty to identify and review the risks to which the Company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**ACHIEVEMENTS AND PERFORMANCE**

Governance

We have continued to develop a range of policies and procedures that will further strengthen our governance framework. The risk register continues to be populated and reported to the Board, identifying the top risks and the actions that have been put in place to mitigate those risks. With the appointment of an Assistant Director of Governance we have been able to put a more formal structure around our risk management framework and KPI reporting dashboard, providing support for staff on all aspects of governance including the CQC inspection regime.

The announced CQC inspection took place at the end of July 2016 with a further unannounced inspection in August 2016. A CQC report was issued in January 2017 and rated the Hospital as "good" for outpatient, diagnostic and surgical services. The audit programme for 2016 was agreed by the Board and the Medical Advisory Committee. The programme was linked into any incidents/adverse events that may have occurred and we also demonstrated the learning that took place as a result of incident investigations. The audit plan has been regularly reported on to our NHS commissioners as part of the suite of reporting we need to complete on a monthly basis.

The Integrated Governance Committee was established in 2015 and continues to meet quarterly. The Committee looks at all aspects of clinical governance across the organisation, promoting good risk management and ensuring effective governance, both clinical and non-clinical across all services. The Committee provides assurance to the Board and oversees key assurance and risk systems and processes in order that the Hospital is compliant with its statutory requirements and be able to ensure sound internal control arrangements.

Leadership and Training

The Executive Team headed by the CEO continue to access Continuing Professional Development and other opportunities relevant to their roles including membership of other charitable boards.

Student nurses continue on placement. A further two staff members have undertaken Mentorship training and as a result of having more mentors, our partner Universities have asked if we would place two more students in our Outpatient Department for a thirteen week placement, to which we have agreed. During 2016, 100% of staff accessed training.

Training and education continues to be actively monitored to ensure that all training is up to date, current and relevant. A further 16 staff completed their ALERT training in 2016. The course aims to develop and enhance existing skills and competencies in order to quickly and effectively identify a deteriorating patient in order that corrective action can be taken quickly.

Listening and acting on patients' views/patient satisfaction

We continually audit and benchmark our services and we are continually reviewing how we provide our services. Our managers routinely audit how patients flow through the system by shadowing patients, with their consent, and 'walking in their shoes'.

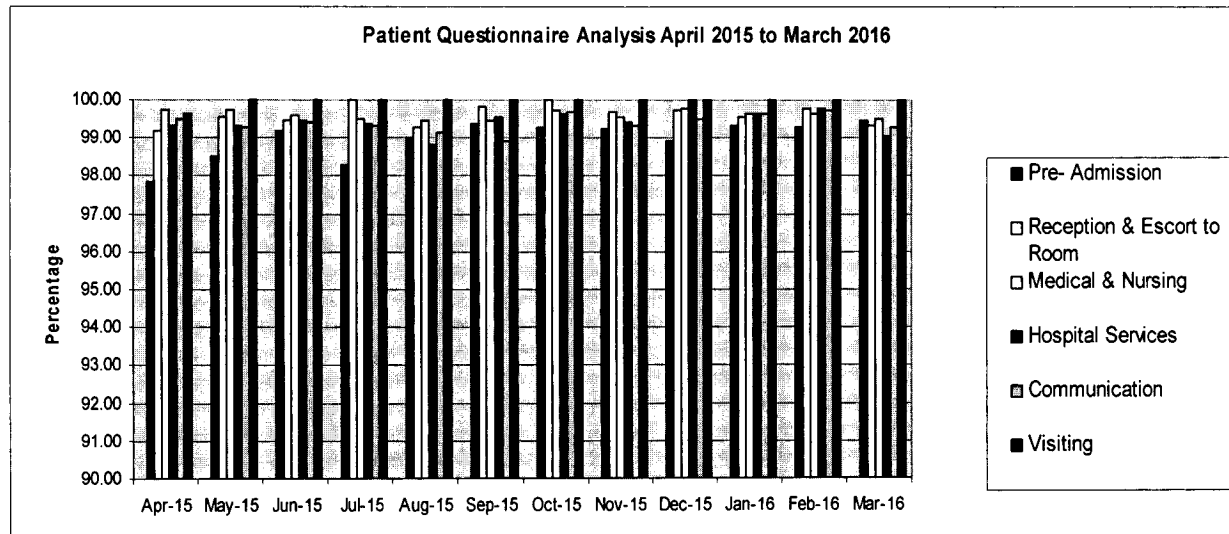
We continue to participate in the NHS Friends and Family Test and we also participate in the Private Health Information Network Friends and Family Test.

All our internal patient questionnaire responses are reviewed by the Chief Executive on a daily basis which means our results are assessed quickly and any actions that are needed can be taken promptly. We are delighted that patients rate our services highly.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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The results for 2016 are shown below:



### Nursing

The Hospital continues to keep patients at the heart of everything we do. New ward staff have completed laser training in order to maintain a 'walk in walk out' service for our patients who require varicose vein surgery.

Public Health England has continued to publish MRSA, MSSA, E.coli and Cloestridium difficile infection rates for the independent sector. The Hospital remains below the national figures for the independent sector across all areas which is very good news for our patients and a real credit to our staff in all areas of the organisation.

### Stakeholder Engagement

As well as our own internal questionnaire we also do ad hoc audits where members of the team speak with patients, ask questions about how their experience has been, if we are getting it right and if there could be any improvements.

We obtain the views of our consultants and discuss areas of good practice and concerns via the Medical Advisory Group (MAC). The MAC has a direct line of accountability to the Board and the Chairman of the Board of Directors meets regularly with the MAC Chair. The MAC Chair is also a Board member. The MAC provides advice and guidance on how we take specific areas of the business forward and they also advise on development opportunities for the Hospital and implementing new initiatives based on best practice.

### Quality

Our core values compliment the increased emphasis from all of our commissioners on the need to evidence and demonstrate our commitment to the provision of quality services. We strongly believe that the quality of the clinical and non clinical services that we provide allows us to demonstrate this.



**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Infection Control**

We are extremely proud of our infection rates and the fact that we are maintaining such good rates is testament to how seriously all our staff take the issue of making sure that our Hospital is free from infection. During 2016 we continued to maintain our average monthly infection rate at below one percent. We continue to maintain our zero rates for MRSA, MSSA, C-difficile infection organisms. Our hand washing compliance audits show 100% compliance across the Hospital.

**Refurbishments and New Equipment Programme 2016**

The Hospital has continued to invest in all areas of the Hospital which includes medical and non medical equipment, patient facilities and Information technology.

The most significant capital investments for the year include:

Item	Cost
Refurbishment of the physiotherapy department	£50,000
Endoscope Stacker System	£61,231
Endoscopy reporting system	£36,000
General refurbishment work, including updates to two more bed rooms	£12,500
Replacement of the medical gas plant	£34,679
General replacement of medical equipment	£19,748
Electronic system for sharing information with GPs, other Hospitals etc	£15,600
Enhancements to the Hospital Wi-Fi system for patients and organisation	£11,000
Upgrades to water systems throughout the Hospital	£20,000
Fitting of the new control panel for the main lift	£7,500

**Productivity and Efficiency**

During 2016 we have continued with the work on reducing our cost base and making sure that we utilise our resources to their maximum effect. A Cost Improvement programme has been implemented and the results from these initiatives will be detailed to the Board.

Where there are reductions in the prices paid to us from any of our commissioners, we in turn have had to reduce what we pay out. We will continue with our evidence based approach with regard to service provision as we do need to ensure that we remain profitable and that all new services that are proposed for introduction are assessed in terms of what they can bring to the organisation.

**NHS Work**

During 2016 we continued to participate in NHS Choices. The NHS accounts for at least 75% of our work via NHS Choices. The NHS work is bringing in valuable resources albeit at tight margins but we are extremely mindful of our reliance on the NHS as a source of income.

As an independent Hospital we are very aware that having over 70% of our income from one source is a financial risk. Like many private providers the NHS work has become a main income stream for us. Patients choose to come to Fairfield and we do not see this changing in the foreseeable future. However, we will continue to look at areas of diversification so that the Hospital continues to be a sustainable and financially viable organisation and will also cease providing services which we cannot offer in accordance with current best practice.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Private Market**

Our share of the private market during 2016 has not been as good as we would have liked. Whilst there have been some small increases, especially around self pay, we have seen a small increase in private sector activity. However, across most of the private provider sector there has been a decline so we are not alone in wanting to increase the variety of funding sources. The commissioners are being far more rigorous in what they will approve and what they will pay for. The Hospital has seen a continued pressure on the margin between costs and income.

**Marketing and Communication**

2016 saw the Hospital launch a completely new website and we are regularly analysing the website performance and tailoring it to maximise marketing opportunities and improve the information we are providing to patients.

Our social media channels have all been branded and various communications are posted regularly. We have received a large number of very positive communications on social media and NHS Choices and have fed these back to the staff.

**FINANCIAL REVIEW AND STRATEGIC REPORT**

The Company has made a surplus of £438,000 (2015 £257,000) which provides an improvement on previous years and reflects the growth in the numbers of patients treated at the Hospital.

As noted above the Company has continued to invest significant amounts in patient care and safety and has increased the number of treatments it provides by investing in new equipment and improved services.

The stock increase at year end is because of a significant purchase of orthopaedic prosthesis as a method of achieving cost savings in advance of NHS tariff reductions in 2017 and 2018. The Company will eliminate its reliance on private loans early in 2017.

The Company also made the decision in 2016 to reclassify its investments in improving the Hospital activities and patient services. This recognises the changing nature of the spending by many modern healthcare providers in that we are now investing in systems and services which use digital systems to improve healthcare. Examples in 2016 include increased use of electronic documentation distribution systems both within the Hospital and to GP practices, and the use of voice recognition systems for clinicians. 2017 will bring further investments and developments in digital systems.

**Key Policies**

**Reserves policy**

The movement in reserves in the year is set out in Note 23 to the accounts. Total reserves at 31 December 2016 were £13,084,278. Note 24 analyses how the Company's trustees have allocated past reserves to acquire and develop the Hospital. To the extent that past reserves have been used for this purpose, at the end of the year some £3,000,000 (2015 £2,400,000) is held as unallocated or free reserves.

However, only £568,000 (2015 £610,000) of that sum is held as cash and this sum provides the working capital of the Hospital. The Trustees aim to maintain the Company's cash and free reserves at levels which enable them to fund capital expenditure, meet liabilities when they fall due, and provide an appropriate level of risk protection in the event of an unforeseen emergency. The Company's reserves policy is reviewed in the light of the budgets presented annually to the Board and the longer-term projections prepared to support the refurbishment and redevelopment of the Hospital.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Investment policy**

The investment policy of the Company is to deposit reserves with recognised banking organisations in an interest bearing account, therefore achieving an investment strategy with low risk.

**Strategic Report**

The Company provides its charitable functions in a highly regulated industry. The quality of its services are assessed and evaluated every day by the patients who are treated in the Hospital, by the professional, clinical and administrative staff who provide part or all of those services and by the commissioners who order and pay for the services provided at the Hospital. In addition it has corporate and specific regulators who monitor and inspect the services throughout the year.

The Company's main strengths are its links to the local communities that it serves through its connections to General Practitioners, to the local health commissioners and its role with the major private health insurers as their local provider. The Hospital's ethos of continuous improvement ensures it can respond to changes in clinical standards or clinical practice quickly and effectively. Guidance and advice from the hundred strong consultancy body and other healthcare professionals who work here is key to the Hospital's effective governance. A further strength is the location of the Hospital as it has no similar competitor provider within the St Helens and Wigan Boroughs. The Hospital owns the site it operates from and has an excellent relationship with its bank and its other professional advisors and partners.

The financial position of the Company has also continued to strengthen over the years since 2008 when it last made a loss. Each year since then, while the surplus has not grown significantly, it has made a surplus and continually reduced its dependence on external short and medium term finance. It has also made significant investments in patient safety, comfort and the range of treatments it can provide. This has included since 2009 – major investments in imaging, theatre facilities and equipment, decontamination works and equipment, outpatient equipment and facilities and the more mundane investments in buildings, boilers, roofing and car parking which are all vital elements of sound and prospering organisation.

The major risks the Company faces are:

- Decline in demand because commissioners are forced to continue their policy of reducing the funding they provide for patient treatments.
- Growth in alternative providers – as an example, we have seen local clinics opening up to provide limited services in specific areas – while these will not individually threaten the Company's existence, the cumulative effect of the services they offer may reduce the need for the Hospital's services.
- Increases in the cost of service provision and regulatory requirements – against a background of low or no increase in income the Company has to commit more of its incoming resources to meeting these demands and as in other social and charitable sectors, for example the care industry, the cost of higher standards can force a withdrawal of provision by the high quality providers.
- Retention and recruitment of high calibre staff and consultants. The Hospital has had to rely on agency staff in some of its clinical areas for the last three years and there is a continuing shortage of qualified staff. The Hospital is looking at a variety of ways of filling these skill shortages

The Board considers the future of the Company is secure as it provides a high quality, valued and popular service to people from the local area and across the North West. The Board's strategic intention is that the Company should:

- Invest in new techniques and treatments to provide the latest health treatments and support.
- Extend our provision into early diagnosis and support for GP services.
- Enhance our role in providing a complete package of health care for the people of Merseyside and Greater Manchester so that we can meet most of their health needs at this location.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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In 2015 the Company made some strategic links with charities operating in the wider health and rehabilitation sectors. These provide a range of opportunities to build on the medical skills and experiences at the Hospital and to extend the services provided in the Hospital and the other accommodation resources owned by the Company. During 2016 and 2017 we will continue to develop our rehabilitation services and develop specific treatment packages for these patients.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees, who are also the directors of The Guy Pilkington Memorial Home Limited (A Company limited by guarantee) for the purposes of company law are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

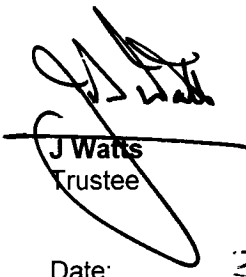
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors will be proposed for appointment at the forthcoming Annual General Meeting.

The Report of the Trustees and the Strategic Report were approved by the Board and signed on its behalf.

  
J Watts  
Trustee

Date:

3/7/17

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

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We have audited the financial statements of The Guy Pilkington Memorial Home Limited for the year ended 31 December 2016 set out in pages 13 to 27.

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 charitable company'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 charitable company'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 charitable 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 trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 charitable company'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 Report of the Trustees and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31 December 2016 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.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

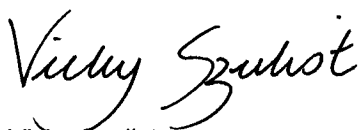
- the information given in the Strategic report and the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Report of the Trustees and Strategic Report have been prepared in accordance with the applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit we have not identified material misstatements in the Strategic Report and Directors Report.

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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Vicky Szulist  
Senior Statutory Auditor  
For and on behalf of  
Crowe Clark Whitehill LLP  
Statutory Auditor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

6th July 2017

**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

		<b>2016</b>	2015
		<b>Unrestricted</b>	Unrestricted
		<b>funds</b>	funds
		<b>£</b>	£
	Notes		
<b>INCOME</b>			
Donations and legacies	3	2,203	22,120
Investment income	4	3,101	2,871
<b>Incoming resources from charitable activities</b>			
Medical services provided	5	12,773,287	12,082,739
<b>Other income</b>		<u>43,591</u>	<u>28,360</u>
<b>Total income</b>		<u>12,822,182</u>	<u>12,136,090</u>
 <b>EXPENDITURE</b>			
<b>Charitable activities</b>			
Medical services provided	6	<u>12,383,351</u>	<u>11,878,878</u>
<b>Total expenditure</b>		<u>12,383,351</u>	<u>11,878,878</u>
 <b>NET INCOME</b>		438,831	257,212
 Total funds brought forward		<u>12,645,447</u>	<u>12,388,235</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>13,084,278</u>	<u>12,645,447</u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**Registered Number: 1141676**  
**BALANCE SHEET**  
**AT 31 DECEMBER 2016**

	Notes	2016 Unrestricted funds £	2015 Unrestricted funds £
<b>FIXED ASSETS</b>			
Intangible assets	13	54,369	13,228
Tangible assets	14	12,935,971	13,073,148
Total Fixed Assets		<u>12,990,340</u>	<u>13,086,376</u>
<b>CURRENT ASSETS</b>			
Stocks	15	221,999	144,952
Debtors: amounts falling due within one year	16	1,462,069	968,268
Cash at bank		<u>568,307</u>	<u>610,207</u>
		2,252,375	1,723,427
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(1,161,236)</u>	<u>(1,030,552)</u>
<b>NET CURRENT ASSETS</b>		<u>1,091,139</u>	<u>692,875</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,081,479	13,779,251
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(988,330)	(1,054,773)
<b>PROVISIONS FOR LIABILITIES</b>	21	(8,871)	(79,031)
<b>NET ASSETS</b>		<u>13,084,278</u>	<u>12,645,447</u>
<b>FUNDS</b>			
Unrestricted funds – general	23	8,066,107	7,627,276
Unrestricted funds – revaluation reserve	23	<u>5,018,171</u>	<u>5,018,171</u>
<b>TOTAL FUNDS</b>		<u>13,084,278</u>	<u>12,645,447</u>

The financial statements were approved and authorised for issue by the Board of Trustees and were signed on its behalf by:

  
**J Watts**  
Trustee

31/7/17

The notes on pages 16 to 27 form part of these financial statements



**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>Cash flow from operating activities</b>			
Net cash provided by operating activities	1	361,264	685,948
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	5,507
Purchase of intangible assets		(52,106)	-
Purchase of property, plant and equipment		(325,622)	(388,509)
Interest received		3,101	2,871
Interest paid		(725)	(2,742)
<b>Net cash used in investing activities</b>		<u>(375,352)</u>	<u>(382,873)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in the year		(27,812)	(26,799)
<b>Net cash used in financing activities</b>		<u>(27,812)</u>	<u>(26,799)</u>
Change in cash and cash equivalents in the reporting period		(41,900)	276,276
Cash and cash equivalents at the beginning of the reporting period		610,207	333,931
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>568,307</u>	<u>610,207</u>

The notes on pages 16 to 27 form part of these financial statements

**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
<b>Net income for reporting period (as per the statement of financial activities)</b>	438,831	257,212
Amortisation of intangible assets	10,965	1,202
Depreciation charges	406,689	373,642
Interest received	(3,101)	(2,871)
Interest paid	725	2,742
Decrease in provisions	(34,676)	(5,562)
Payments made from provision	(35,486)	(35,484)
(Increase)/Decrease in stocks	(77,047)	423
(Increase)/Decrease in debtors	(493,800)	340,483
Increase/(Decrease) in creditors	148,164	(245,839)
<b>Net cash provided by operating activities</b>	<u>361,264</u>	<u>685,948</u>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Cash in hand	<u>568,307</u>	<u>610,207</u>

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**Company information**

The Charity is a company limited by guarantee (registered number 1141676) which is incorporated and domiciled in the UK. The address of the registered office is Crank, St. Helens, Merseyside, WA11 7RS.

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Guy Pilkington Memorial Home Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

**Going concern**

The Charity has net incoming resources for the year and budget and cash flow projections indicate that the Charity will be able to continue to operate for the foreseeable future. The Charity maintains its position as an approved provider with all the private and mutual health insurers and with the NHS. The Charity enjoys a strong relationship with its main provider of private finance and is able to access a range of funding routes for further developments. The Charity has a waiting list of consultants who are seeking practicing privileges. The trustees are satisfied that it is appropriate to continue to prepare the accounts on a going concern basis and consider that there were no material uncertainties over the charity's financial viability.

**Incoming resources**

Voluntary income – including donations, gifts, legacies and grants – provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- a) The donor specifies that the grant or donation must only be used in future accounting periods; or
- b) The donor has imposed conditions which must be met before the Company has unconditional entitlement.

Donations received are accounted for when the resources are receivable or when the Company's entitlement is legally enforceable. No gifts in kind are received.

Income from medical services is recognised as earned as the related goods and services are provided). Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided).

Investment income is recognised on a receivable basis.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**1. ACCOUNTING POLICIES** continued

**Resources expended**

Expenditure is accounted for on an accruals basis. Contractual arrangements and performance related grants are recognised as goods or services as supplied. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in charitable activities.

Charitable activities include expenditure with the operation of the Charity.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory arrangements.

**Intangible fixed assets**

Intangible fixed assets are non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible fixed assets for the Charity comprise acquisition of software licenses and external software development time in enhancing patient services. Although such assets lack physical substance they provide an on-going economic benefit to the Company. The Company only includes payments to third parties in this asset category and does not include staff costs even though their contribution to the implementation of these systems may be significant.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Software	25% straight line
----------	-------------------

**Tangible fixed assets**

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	2% on cost/valuation
Fixtures, fittings & equipment	10% to 25% straight line

Individual assets costing £1,000 or more are capitalised at cost.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

As a registered Charity the Company is not liable to corporation tax on its income.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. All the Charity's funds are unrestricted income funds.

No separate statement of changes in reserves has been included in these financial statements as there is no movement on reserves except for the surplus for the year.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**1. ACCOUNTING POLICIES continued**

**Operating leases**

The Charity classifies the lease of specialist medical equipment as operating leases; the title to this equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter. The interest element of these obligations is charged to the statement of financial activities over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The Charity operates a defined contribution scheme approved by the Pension Schemes Office of the Inland Revenue. The Charity also runs a stakeholder pension scheme for the benefit of the employees. Contributions are charged to salaries and wages in the Statement of Financial Activities as they become payable. The assets of the two schemes are held separately from the assets of the company.

**Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources for which it was incurred.

**Financial instruments**

Fairfield Hospital has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below.

The Charity holds a bad debt provision in case any of the outstanding debt is not collected. The bad debt provision has been created by making charges against each year's income.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. DONATIONS AND LEGACIES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Legacies and Donations	2,203	22,120

In 2015 the Company received a £20,000 donation from Fairfield Future as a contribution to the provision of a mammography system.

**4. INVESTMENT INCOME**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest	3,101	2,871

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Medical services provided	12,773,287	12,082,739

**6. CHARITABLE ACTIVITIES COSTS**

	<b>Direct Medical costs (see note 7) £</b>	<b>Support costs (see note 12) £</b>	<b>Governance Costs (see note 8) £</b>	<b>Total £</b>
Medical services provided	9,206,261	3,159,590	17,500	12,383,351

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Staff costs	2,096,148	2,085,469
Direct medical costs	6,519,009	6,194,335
Insurance	138,526	167,647
Patient services	139,554	147,390
Medical Equipment Maintenance and Repair	313,024	299,947
	9,206,261	8,894,788

Direct medical costs includes the amount of inventories recognised as an expense as £850,799 (2015 £986,911).

**8. GOVERNANCE COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	17,500	18,000

**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**9. NET INCOMING RESOURCES**

Net resources are stated after charging/(crediting):

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Auditor's remuneration	17,500	18,000
Amortisation of intangible assets	10,965	1,202
Depreciation of owned assets	406,689	373,642
	<u>                    </u>	<u>                    </u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Payments of £224 (2015 £672) were paid to one trustee for the year ended 31 December 2016 for trustee travel expenses.

**11. STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL**

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Salaries and wages:		
- Nursing and other clinical staff	2,120,457	2,062,741
- Catering	151,094	133,964
- Management and administration	1,395,366	1,390,526
	<u>3,666,917</u>	<u>3,587,231</u>
Wage and salaries	3,370,737	3,293,618
Social security costs	247,644	235,044
Pension costs	48,536	58,569
	<u>3,666,917</u>	<u>3,587,231</u>

The following number of employees received remuneration falling within the following ranges:

	<b>2016</b>	2015
	<b>Number</b>	<b>Number</b>
£80,001 - £90,000	1	-
£70,001 - £80,000	<u>-</u>	<u>1</u>

One of the higher paid employees (2015: 1) were accruing benefits under defined contribution schemes. The amounts paid to defined contribution schemes on behalf of these employees were £4,137 (2015: £3,931).

The key management personnel of the charity comprise the Hospital Executive and are listed in the Report of the Trustees and Strategic Report. The total employee benefits of the key management personnel of the Company were £319,000 (2015: £304,000).

**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

Average number employed (including temporary staff):

Nursing and other clinical	98	93
Management, clerical and domestic	93	92
	<u>191</u>	<u>185</u>

**12. SUPPORT COSTS**

Support costs incurred in the year in relation to charitable activities were as follows:

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Management	2,029,138	1,933,370
Finance	80,457	90,436
Information Technology	228,906	227,321
Property	821,089	714,963
	<u>3,159,590</u>	<u>2,966,090</u>

**13. INTANGIBLE FIXED ASSETS**

	<b>Totals</b>
	<b>Software</b>
	<b>£</b>
<b>COST</b>	
At 1 January 2016	14,430
Additions	52,106
	<u>66,536</u>
At 31 December 2016	<u>66,536</u>
<b>DEPRECIATION</b>	
At 1 January 2016	1,202
Charge for year	10,965
	<u>12,167</u>
At 31 December 2016	<u>12,167</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	54,369
	<u>54,369</u>
At 31 December 2015	<u>13,228</u>



**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**14. TANGIBLE FIXED ASSETS**

	Freehold land	Freehold property	Medical Equipment, Fixtures, Fittings, Computer Equipment	Totals
	£	£	£	£
<b>COST</b>				
At 1 January 2016 restated	3,366,366	8,288,791	2,117,109	13,772,266
Additions	-	14,240	255,272	269,512
	<u>3,366,366</u>	<u>8,303,031</u>	<u>2,372,381</u>	<u>14,041,778</u>
At 31 December 2016	<u>3,366,366</u>	<u>8,303,031</u>	<u>2,372,381</u>	<u>14,041,778</u>
<b>DEPRECIATION</b>				
At 1 January 2016 restated	-	329,945	369,173	699,118
Charge for year	-	168,000	238,689	406,689
	<u>-</u>	<u>497,945</u>	<u>607,862</u>	<u>1,105,807</u>
At 31 December 2016	<u>-</u>	<u>497,945</u>	<u>607,862</u>	<u>1,105,807</u>
<b>NET BOOK VALUE</b>				
At 31 December 2016	<u>3,366,366</u>	<u>7,805,086</u>	<u>1,764,519</u>	<u>12,935,971</u>
At 31 December 2015 restated	<u>3,366,366</u>	<u>7,958,846</u>	<u>1,747,936</u>	<u>13,073,148</u>

On adoption of FRS102 we have elected to apply the fair value of land and buildings at 31<sup>st</sup> March 2013 as the deemed cost. In 2016, the charity purchased new software that has been recognised in the accounts as an intangible asset in note 13. The 2015 brought forward values have been restated to transfer the software costs included in the brought forward cost and depreciation figures.

**15. STOCKS**

	2016 £	2015 £
Consumable medical supplies	202,800	128,866
Pharmacy	<u>19,199</u>	<u>16,086</u>
	<u>221,999</u>	<u>144,952</u>

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,309,674	859,497
Prepayments and accrued income	152,395	108,771
	<u>1,462,069</u>	<u>968,268</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 19)	2,344	28,542
Trade creditors	812,170	824,000
Lease deposits (see note 19)	154,450	23,500
Social security and other taxes	73,544	64,105
Accruals and deferred income	118,728	90,405
	<u>1,161,236</u>	<u>1,030,552</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 19)	-	1,619
Lease deposits (see note 19)	988,330	1,053,154
	<u>988,330</u>	<u>1,054,773</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand:		
Bank overdraft	-	-
Bank loans	2,344	28,542
	<u>2,344</u>	<u>28,542</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	-	1,619
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	-
Amounts falling due in more than five years:	-	-
Repayable by instalments:		
Bank loans more 5 years	-	-

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**19. LOANS continued**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Lease deposits	1,142,780	1,076,654

Lease deposits are amounts advanced by tenants of the bungalows at Fairfield Gardens as security for their leases. They are repayable on termination of the leases or sale of the property.

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans	2,344	30,161
	<u>2,344</u>	<u>30,161</u>

Bank loans and overdrafts are secured by a legal charge over Fairfield Hospital, Crank Road, Crank, St Helens, Merseyside.

**21. PROVISIONS FOR LIABILITIES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2016	79,031	120,077
Release of provision	(34,674)	(5,560)
Amounts used	(35,486)	(35,486)
Balance at 31 December 2016	<u>8,871</u>	<u>79,031</u>

The provision relates to pension deficit contribution payments and is explained in more detail in the note below – Note 22.

**22. PENSIONS**

The Company formerly participated in a pension scheme that covers a number of current and former employees.

Federated Flexiplan No 1 ("the Plan") is a defined benefit pension scheme. However, because of the non associated multi-employer nature of the Plan, the Company is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the Company's contributions payable to the Plan in respect of the accounting period.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent Recovery Plan required the Company to contribute £37,014.29 per annum for the three years commencing 1st April 2011 in respect of its share of the deficit.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**22. PENSIONS continued**

The latest actuarial valuation at 31 March 2015 shows that the overall deficit at that date is approximately £4.9 million which represents a 94% Funding Level. In line with the approach used for earlier valuations, the basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer. A new Recovery Plan was put in place which required a change to the payments made by the Company.

Following the outcome of a further Court case, the Trustee of the Plan decided, in 2015, to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The outcome of this Court ruling gave rise to the provision transactions recorded in Note 21 for the 2015 financial year.

The Trustee of the plan announced on 15<sup>th</sup> March 2017 that Aviva would fully insure the benefits provided by the plan and that employers would only be required to contribute until 31<sup>st</sup> March 2017. This announcement immediately serves to remove the risk of further shortfalls to the Company and enables the provision to be reduced to a level reflecting the amount outstanding to March 2017.

**23. MOVEMENT IN FUNDS**

	At January 2016	Incoming Resources	Resources Expended	Funds transferred	Gains and Losses	At December 2016
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General fund	7,627,276	12,822,182	(12,383,351)	-	-	8,066,107
Revaluation Reserve	5,018,171	-	-	-	-	5,018,171
<b>Total Funds</b>	<u>12,645,447</u>	<u>12,822,182</u>	<u>(12,383,351)</u>	<u>-</u>	<u>-</u>	<u>13,084,278</u>

No separate statement of changes in reserves has been included in these financial statements as there is no movement on reserves except for the surplus for the year.

**24. ANALYSIS OF RESERVES**

	2016 £	2015 £
Total reserves	13,084,278	12,645,447
Less: Land and buildings	(11,171,452)	(11,325,212)
Add: Lease deposits relating to land and buildings	<u>1,142,780</u>	<u>1,076,654</u>
Freely available reserves	<u>3,055,606</u>	<u>2,396,889</u>

**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**25. CAPITAL COMMITMENTS**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Contracted for but not provided in these financial statements	<u>Nil</u>	<u>Nil</u>

**26. FINANCIAL INSTRUMENTS**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Financial assets measured at amortised cost	<u>1,877,981</u>	<u>1,469,704</u>
Financial liabilities measured at amortised cost	<u>1,957,294</u>	<u>1,930,815</u>

Financial assets consist of cash and trade debtors.

Financial liabilities consist of loans, trade creditors and other creditors.

**27. RELATED PARTY TRANSACTIONS**

During the year certain trustees of the Company were patients at the Hospital. The trustees were treated on the same terms as all other patients.

There are no other related party transactions that need to be disclosed in the financial statements.