

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

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017  
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 2017**

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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 2017**

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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 2017. 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 Finance and Audit Committee
Mr C Bridge	Chair of the Integrated Governance Committee
Ms C Dodwell	Chair of the Capital Developments Committee
Ms R Floyd	Resigned March 2018
Mr RG Hammond	Deputy Chair and Chair of the HR and Remuneration Committee
Dr C S Ince	
Ms P Johnson	Resigned January 2018
Mr L Marlow	
Mr K Suraliwala	Chair of the Medical Advisory Committee
Ms S Watson	Joined March 2018

**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 C Williams                      Resigned April 2018

Assistant Director Governance

**Medical Advisory Committee:**

Chairman: Mr K Suraliwala

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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***

The Hospital has continued to provide what it sees as its vital role in the provision of healthcare in the North West of England. During the past year we have provided treatment and care for over 13,500 patients and that these patients continue to travel to the Hospital from our local community and further afield reflects very well on the standard of healthcare provided. Our relationship with the NHS and our other commissioners remains strong together with patients seeking private treatment through insured schemes and the self-pay route.

We have, as always, continued our programme of capital investment and 2017 has seen this continue with investment in new and replacement equipment. The Hospital has also undergone a major refurbishment of the outpatient department and reception which has been important for our patients, staff and consultants and we have been quietly pleased with the positive comments received. I thank our staff and the Trustees as members of the Capital Development Group for their hard work in planning and organising the scheme over many months.

The support of the Executive Team, all Staff and Consultants is as always so important to ensure the smooth running of the Hospital and as we look and plan for the Hospital's future, I also appreciate the support provided by my fellow Trustees who have consistently attended Board and Committee meetings working together and with our Executive Team. I was sorry that Rachael Floyd and Pauline Johnson, due to work and other commitments have found it necessary to resign from our Board but I am pleased to welcome Sharon Watson to the Board.

John Watts

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**Objectives and Aims**

The charitable 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 Framework for the Future is made up of:

**Our Mission:** To improve the health and quality of life through the provision of a high quality and affordable service to the people of Merseyside and the North West of England.

**Our Vision:** High quality medical services which help improve health and wellbeing through the provision of a professional, safe, caring and affordable service.

**Our Values** underpin everything we do and describe the way we expect our staff to behave towards our patients, their families and carers, colleagues and staff. Our Hospital has identified five core values. These are:

- *Working together for patients* – Patients come first in everything we do at Fairfield. Everyone at Fairfield should act and collaborate in the interests of patients, putting patient interest before organisational interest and uniting in the patients' best interests. Working with each other, patients and carers and involving local communities, we can ensure we are providing services that meet local needs.
- *Respect and dignity* – Every individual who comes into contact with Fairfield will be treated with respect and dignity. We will value and respect different needs, cultures, aspirations and priorities. We will foster a spirit of candour – admitting our mistakes when they happen and work within a culture of humility, openness and honesty where staff communicate clearly and openly with patients, relatives and carers.
- *Commitment to quality care* – We will aspire to the highest possible standards of excellence and professionalism in the provision of high quality, safe care. Quality will not be compromised in the pursuit of safe and compassionate care. It will be a collective endeavour at every level of the system. We will continue to actively pursue and welcome feedback from patients and staff to identify and drive forward areas of improvement, showing patients that we care about them as individuals.
- *Compassion* – Patients, their careers and relatives will be treated at all times with sensitivity and kindness. Our services extend beyond providing clinical care and include alleviating pain and distress and making people feel valued and recognising that their concerns are important. We will also show compassion and care to each other.
- *Improving lives* – This is our core function. We will continue to seek to help improve the health and wellbeing of our patients, our staff and our local communities, ensuring that we help people and their communities take responsibility for living healthier lives.

**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 charitable company has no share capital being a company limited by guarantee. The guarantee of each member is limited to £1.

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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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## **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 charitable 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 the Directors who serve on them:

Committees	Director Appointments	Integrated Governance	Finance and Audit	Capital Development	HR and Remuneration
Mr J D Watts	Chair		x		x
Mr C Barratt		x	Chair		
Mr C Bridge		Chair			
Ms C Dodwell				Chair	
Mr R G Hammond	x			x	Chair
Dr C S Ince	x	x			
Mr L Marlow			x	x	
Mr K Suraliwala		x			

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 objectives. 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 charitable 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 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 or other hospitals as professionals or users of services.

Procedures for identifying and assessing risks are in place and are reviewed at Board Meetings. The assessment of these reviews ensures that the charitable 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 HR and 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 HR and Remuneration Committee makes recommendation to the Board on the setting of salaries for the whole staff team including the key management personnel.

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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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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 charitable 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 charitable company, contribute to the public benefit and 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 charitable company are consistent with the public benefit criteria. As a result of their review they identified the following as key areas by which the charitable 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 subjected to a risk assessment which includes issues of clinical matters, health and safety, financial impact, operational effectiveness, 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.

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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 Integrated Governance Committee was established in 2015 and continues to meet quarterly. The Committee looks at all aspects of 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 able to ensure sound internal control arrangements.

The Hospital has also been preparing for the implementation of the General Data Protection Regulations and has been enhancing its IT security environment with a variety of new software, programmes of education and cyber awareness and improvements to procedures and policies.

### Leadership and Training

The Executive Team headed by the Chief Executive 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 2017, 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.

### Quality

In 2017, we maintained our externally validated quality assurance standards. We were re-accredited in May 2017 for ISO27001 and during 2017 we maintained our ISO9001 standard with formal re-accreditation being achieved in February 2108.

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. Our scores on all these tests are high but we know that we can only maintain these scores by continual improvement, attention to detail and investment in staff development, medical equipment, and the fabric of the Hospital.

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.



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As well as our own internal questionnaire we 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.

We are extremely proud of our infection rates. The fact that we are maintaining such good rates is testament to how seriously all our staff take the issue of ensuring that our Hospital is free from infection. During 2017 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 2017**

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 included:

	Cost £
Colonoscopy Scopes	121,000
Outpatient's Reception and associated accommodation	116,000
Anaesthetic Machines and Monitors for Theatre and Recovery	59,000
Improved Airflow in Theatre Areas	25,000
Servers for IT system	24,000
Improved Water Supply for Theatre Usage	22,000

**NHS Work**

During 2017 we continued to participate in NHS Choices. The NHS accounts for around 75% of our work via NHS Choices and we work closely with our lead commissioners to make sure our services match the requirements of the local health economy. NHS Patients choose to come to Fairfield and we do not see this changing in the near future. However, we will continue to look at areas of diversification so that the Hospital continues to be a sustainable and financially viable organisation.

**FINANCIAL REVIEW AND STRATEGIC REPORT**

The charitable company made a surplus of £327,129 (2016 £438,831). The Hospital's income grew by 4.8% to £13,433,872 (2016: £12,822,182) and its costs grew by 5.8% to £13,106,743 (2016: £12,383,351). During the year, the proportion of patients paying for their own treatment has increased and the Hospital has worked hard to make it easy for patients to find out about their options for diagnosis and treatment at Fairfield.

In 2017, we extended our website functions and we increased our use of social media to explain the services we provide at the Hospital. These mechanisms have become an increasingly important way in which we communicate with our patients and the wider public.

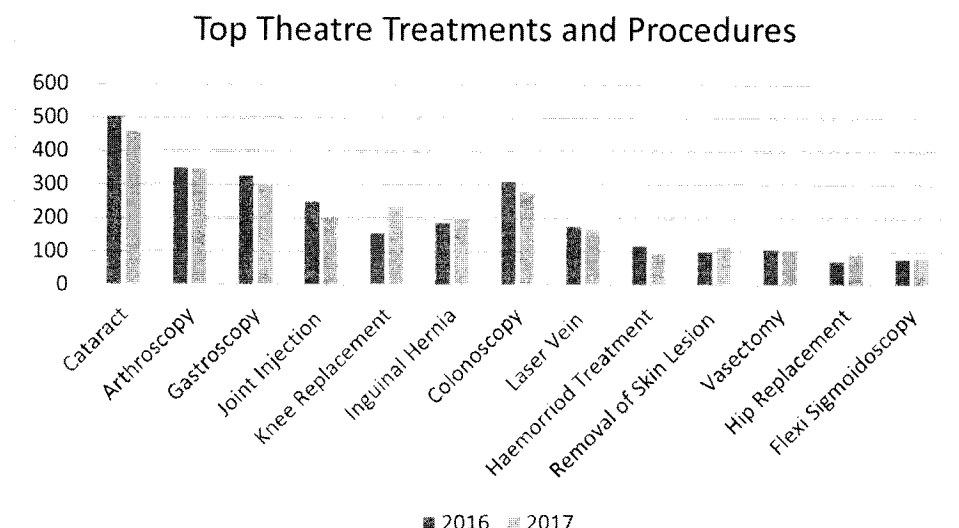
A significant element of the cost growth was in staff costs which was driven by both the need to pay all staff a reasonable salary, the cost of recruiting and retaining key clinical staff and the shortage of qualified clinical staff.

The stock increase at year end is because of a further significant purchase of orthopaedic prosthesis as a method of achieving cost savings in advance of NHS tariff reductions in 2017 and 2018.

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The Hospital provided 5,111 theatre procedures in 2017 which was a fall of 1.6% on 2016's number. The most performed operations are set out in the table below though in all, 373 different theatre procedures were provided.



## **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 2017 were £13,411,407 (2016 £13,084,278). Note 24 analyses how the 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 £3,259,225, (2016 £3,055,606) is held as unallocated or free reserves. The charitable company's policy is to hold reserves sufficient to manage the risks involved in providing its medical services and to provide resources to invest in new activities. However, only £776,871 (2016 £568,307) of that sum is held as cash to cover the short-term requirements of the charitable company.

The charitable company also has access to overdraft facilities with its bank. The Trustees aim to maintain the 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 charitable company reviews its reserves policy in the light of the budgets presented annually to the Board and the longer-term projections prepared to support the investment needs, refurbishment and redevelopment of the Hospital.

### **Investment policy**

The investment policy of the charitable 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 charitable company provides its services 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.

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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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The charitable company's main strengths are its links to the local communities that it serves through its connections with 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 charitable company has also continued to strengthen over the years. It is now self-financing and generating sufficient financial resources to meet its investment needs. Because of its financial strength, it has 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 a sound and prospering organisation.

The major risks the charitable company faces are:

- decline in demand because commissioners reduce 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 charitable 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 Hospital's estate is varied but there is little room for expansion of services or the provision of extra car parking as demand for our services grows;
- the threats of cyber-attacks, data theft and the consequent operational disruption.

The Board considers the future of the charitable 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 charitable 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 the North West so that we can meet most of their health needs at this location.

Since 2015, the charitable company has been working with a rehabilitation Charity to provide services for their clients. This includes a range of opportunities to build on the medical skills and expertise at the Hospital and to extend the services provided in the Hospital and the other accommodation resources owned by the charitable company. During 2017 we provided treatments for 2 patients who helped us further develop our services in this area and in 2018 we hope to support more than twelve similar patients.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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**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: 1st June 2018

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE GUY PILKINGTON MEMORIAL HOME LIMITED**

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**Opinion**

We have audited the financial statements of The Guy Pilkington Memorial Home Limited for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 and of its incoming resources and application of resources 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE GUY PILKINGTON MEMORIAL HOME LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters 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 trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE GUY PILKINGTON MEMORIAL HOME LIMITED

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



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

*21st June* 2018

**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 2017**

	Notes	2017 Unrestricted funds £	2016 Unrestricted funds £
<b>INCOME</b>			
Donations and legacies	3	2,250	2,203
Investment income	4	785	3,101
<b>Incoming resources from charitable activities</b>			
Medical services provided	5	13,399,462	12,773,287
<b>Other income</b>		<u>31,375</u>	<u>43,591</u>
<b>Total income</b>		<u>13,433,872</u>	<u>12,822,182</u>
 <b>EXPENDITURE</b>			
<b>Charitable activities</b>			
Medical services provided	6	<u>13,106,743</u>	<u>12,383,351</u>
<b>Total expenditure</b>		<u>13,106,743</u>	<u>12,383,351</u>
 <b>NET INCOME</b>		327,129	438,831
 Total funds brought forward		<u>13,084,278</u>	<u>12,645,447</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>13,411,407</u>	<u>13,084,278</u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

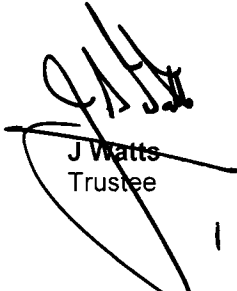
The notes on pages 17 to 26 form part of these financial statements



**THE GUY PILKINGTON MEMORIAL HOME LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**Registered Number: 1141676**  
**BALANCE SHEET**  
**AT 31 DECEMBER 2017**

	Notes	2017 Unrestricted funds £	2016 Unrestricted funds £
<b>FIXED ASSETS</b>			
Intangible assets	13	51,235	54,369
Tangible assets	14	12,958,837	12,935,971
Total Fixed Assets		<u>13,010,072</u>	<u>12,990,340</u>
<b>CURRENT ASSETS</b>			
Stocks	15	373,019	221,999
Debtors: amounts falling due within one year	16	1,099,765	1,462,069
Cash at bank		<u>776,871</u>	<u>568,307</u>
		2,249,655	2,252,375
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(842,120)</u>	<u>(1,161,236)</u>
<b>NET CURRENT ASSETS</b>		<u>1,407,535</u>	<u>1,091,139</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,417,607	14,081,479
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(1,006,200)	(988,330)
<b>PROVISIONS FOR LIABILITIES</b>	21	-	(8,871)
<b>NET ASSETS</b>		<u>13,411,407</u>	<u>13,084,278</u>
<b>FUNDS</b>			
Unrestricted funds – general	23	8,393,236	8,066,107
Unrestricted funds – revaluation reserve	23	<u>5,018,171</u>	<u>5,018,171</u>
<b>TOTAL FUNDS</b>		<u>13,411,407</u>	<u>13,084,278</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  
1 June 2018

The notes on pages 17 to 26 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 2017**

	Notes	2017 £	2016 £
<b>Cash flow from operating activities</b>			
Net cash provided by operating activities	1	647,625	361,264
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(16,000)	(52,106)
Purchase of property, plant and equipment		(421,502)	(325,622)
Interest received		785	3,101
Interest paid		-	(725)
<b>Net cash used in investing activities</b>		<u>(436,717)</u>	<u>(375,352)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in the year		(2,344)	(27,812)
<b>Net cash used in financing activities</b>		<u>(2,344)</u>	<u>(27,812)</u>
Change in cash and cash equivalents in the reporting period		208,564	(41,900)
Cash and cash equivalents at the beginning of the reporting period		568,307	610,207
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>776,871</u>	<u>568,307</u>

The notes on pages 17 to 26 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 2017**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income for reporting period (as per the statement of financial activities)</b>	327,129	438,831
Amortisation of intangible assets	19,135	10,965
Depreciation charges	451,013	406,689
Interest received	(785)	(3,101)
Interest paid	-	725
Decrease in provisions	-	(34,676)
Payments made from provision	(8,871)	(35,486)
Increase in stocks	(151,020)	(77,047)
Decrease/(increase) in debtors	362,304	(493,800)
(Decrease)/increase in creditors	(351,280)	148,164
<b>Net cash provided by operating activities</b>	<u>647,625</u>	<u>361,264</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash	<u>776,871</u>	<u>568,307</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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 2017**

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**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
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**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 2017**

**1. ACCOUNTING POLICIES** continued

**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.

**3. DONATIONS AND LEGACIES**

	2017 £	2016 £
Legacies and Donations	<u>2,250</u>	<u>2,203</u>

**4. INVESTMENT INCOME**

	2017 £	2016 £
Bank interest	<u>785</u>	<u>3,101</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	2017 £	2016 £
Medical services provided	<u>13,399,462</u>	<u>12,773,287</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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	9,796,806	3,293,497	16,440	13,106,743

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	<b>2017 £</b>	<b>2016 £</b>
Staff costs	2,368,126	2,096,148
Direct medical costs	6,796,337	6,519,009
Insurance	168,537	138,526
Patient services	150,599	139,554
Medical Equipment Maintenance and Repair	313,207	313,024
	<u>9,796,806</u>	<u>9,206,261</u>

Direct medical costs includes the amount of inventories recognised as an expense as £879,284 (2016 £850,799).

**8. GOVERNANCE COSTS**

	<b>2017 £</b>	<b>2016 £</b>
Auditors' remuneration	<u>16,440</u>	<u>17,500</u>

**9. NET INCOME**

Net income is stated after charging/(crediting):

	<b>2017 £</b>	<b>2016 £</b>
Auditor's remuneration	16,440	17,500
Amortisation of intangible assets	19,135	10,965
Depreciation of owned assets	<u>451,013</u>	<u>406,689</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Payments of £360 (2016 £224) were made in the year ended 31 December 2017 for trustee travel expenses.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Salaries and wages:		
- Nursing and other clinical staff	2,368,126	2,120,457
- Catering	142,665	151,094
- Management and administration	1,438,377	1,395,366
	<u>3,949,168</u>	<u>3,666,917</u>
Wage and salaries	3,632,833	3,370,737
Social security costs	264,442	247,644
Pension costs	51,893	48,536
	<u>3,949,168</u>	<u>3,666,917</u>

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

	<b>2017</b>	2016
	<b>Number</b>	<b>Number</b>
£100,001 - £110,000	1	-
£90,001 - £100,000	-	-
£80,001 - £90,000	-	1

One of the higher paid employees (2016: 1) accrued benefits under a defined contribution scheme. The amounts paid to defined contribution schemes on behalf of this employee were £4,967 (2016: £4,137).

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 £361,000 (2016: £319,000).

Average number employed (including temporary staff):

	<b>2017</b>	2016
Nursing and other clinical	101	98
Management, clerical and domestic	95	93
	<u>196</u>	<u>191</u>

**12. SUPPORT COSTS**

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

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Management	2,060,457	2,029,138
Finance	89,765	80,457
Information Technology	244,638	228,906
Property	898,637	821,089
	<u>3,293,497</u>	<u>3,159,590</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. INTANGIBLE FIXED ASSETS**

	<b>Total Software £</b>
<b>COST</b>	
At 1 January 2017	66,536
Additions	16,000
At 31 December 2017	<u>82,536</u>
<b>DEPRECIATION</b>	
At 1 January 2017	12,167
Charge for year	19,134
At 31 December 2017	<u>31,301</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>51,235</u>
At 31 December 2016	<u>54,369</u>

**14. TANGIBLE FIXED ASSETS**

	<b>Freehold land £</b>	<b>Freehold property £</b>	<b>Medical Equipment, Fixtures, Fittings, Computer Equipment £</b>	<b>Total £</b>
<b>COST</b>				
At 1 January 2017	3,366,366	8,303,031	2,372,381	14,041,778
Additions	-	154,581	319,298	473,879
At 31 December 2017	<u>3,366,366</u>	<u>8,457,612</u>	<u>2,691,679</u>	<u>14,515,657</u>
<b>DEPRECIATION</b>				
At 1 January 2017	-	497,945	607,862	1,105,807
Charge for year	-	167,651	283,362	451,013
At 31 December 2017	<u>-</u>	<u>665,596</u>	<u>891,224</u>	<u>1,556,820</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>3,366,366</u>	<u>7,792,016</u>	<u>1,800,455</u>	<u>12,958,837</u>
At 31 December 2016	<u>3,366,366</u>	<u>7,805,086</u>	<u>1,764,519</u>	<u>12,935,971</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.

**15. STOCKS**

	<b>2017 £</b>	<b>2016 £</b>
Consumable medical supplies	352,109	202,800
Pharmacy	20,910	19,199
	<u>373,019</u>	<u>221,999</u>

As part of its arrangements to control medical costs the Hospital has increased its holding of theatre stock.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017 £	2016 £
Trade debtors	944,974	1,309,674
Prepayments and accrued income	154,791	152,395
	<u>1,099,765</u>	<u>1,462,069</u>

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

	2017 £	2016 £
Bank loans and overdrafts (see note 19)	-	2,344
Trade creditors	611,198	812,170
Lease deposits (see note 19)	-	154,450
Social security and other taxes	76,395	73,544
Accruals and deferred income	154,527	118,728
	<u>842,120</u>	<u>1,161,236</u>

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

	2017 £	2016 £
Lease deposits (see note 19)	1,006,200	988,330
	<u>1,006,200</u>	<u>988,330</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Bank loans	-	2,344
	<u>-</u>	<u>2,344</u>

	2017 £	2016 £
Lease deposits	1,006,200	1,142,780
	<u>1,006,200</u>	<u>1,142,780</u>

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:

	2017 £	2016 £
Bank loans	-	2,344
	<u>-</u>	<u>2,344</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**21. PROVISIONS FOR LIABILITIES**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Balance at 1 January 2017	8,871	79,031
Release of provision	-	(34,674)
Amounts used	(8,871)	(35,486)
Balance at 31 December 2017	<u>-</u>	<u>8,871</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 covered a number of current and former employees. The plan was called the Federated Flexiplan No 1 ("the Plan"). It was a defined benefit pension scheme. However, because of the non-associated, multi-employer nature of the Plan, the Company was 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 accounted for the Plan as if it were a defined contribution scheme. The Plan closed to further accrual in January 2010 and in March 2017, the Trustees of the plan announced 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 served to remove the risk of further shortfalls to the Company and enables the provision to be reduced to zero to reflect the amount outstanding at December 2017.

**23. MOVEMENT IN FUNDS**

	<b>At January 2017</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Funds transferred</b>	<b>Gains and Losses</b>	<b>At December 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>						
General fund	8,066,107	13,433,872	(13,106,743)	-	-	8,393,236
Revaluation Reserve	5,018,171	-	-	-	-	5,018,171
<b>Total Funds</b>	<u>13,084,278</u>	<u>13,433,872</u>	<u>(13,106,743)</u>	<u>-</u>	<u>-</u>	<u>13,411,407</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**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Total reserves	13,411,407	13,084,278
Less: Land and buildings	(11,158,382)	(11,171,452)
Add: Lease deposits relating to land and buildings	1,006,200	1,142,780
Freely available reserves	<u>3,259,225</u>	<u>3,055,606</u>

**25. FINANCIAL INSTRUMENTS**

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost	1,721,845	1,877,981
Financial liabilities measured at amortised cost	<u>1,617,398</u>	<u>1,957,294</u>

Financial assets consist of cash and trade debtors.

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**26. RELATED PARTY TRANSACTIONS**

During the year some trustees of the Company were patients at the Hospital. The trustees were treated on the same terms as all other patients. One of the Trustees, Mr Suraliwala, is also a consultant at the Hospital and receives payments for medical services on exactly the same basis as all other consultants at the Hospital.

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