

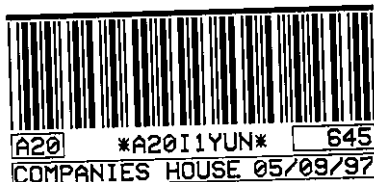
THE GUY PILKINGTON MEMORIAL HOME LTD

Registered Number: 1141676

FINANCIAL STATEMENTS

FOR THE YEAR

ENDED 31 DECEMBER 1996



TAITS
Chartered Accountants
Lakeside Building
Alexandra Park
Prescot Road
St Helens
Merseyside
WA10 3TT

THE GUY PILKINGTON MEMORIAL HOME LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

CONTENTS

	Page
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Auditors' Report	4
Profit and Loss Account	5
Statement of Financial Activities	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10 to 17

THE GUY PILKINGTON MEMORIAL HOME LTD

COMPANY INFORMATION

31 December 1996

Number: 1141676

Incorporated in England and Wales on 29 October 1973

CHAIRMAN:

W. E. M. Clegg

OTHER DIRECTORS:

J. A. Brown
Mrs B.C. Higham
I.T. Pickles
Sir Antony Pilkington
O. J. Rowell
K. J. Sanderson
D. D. Mason

SECRETARY:

J. R. Williams

REGISTERED OFFICE:

Fairfield Hospital
Crank Road
Crank
St Helens
Merseyside

BANKERS:

National Westminster Bank PLC
Ormskirk Street
St Helens
Merseyside

AUDITORS:

TAITS
Chartered Accountants
Lakeside Building
Alexandra Park
Prescot Road
St Helens
Merseyside
WA10 3TT

THE GUY PILKINGTON MEMORIAL HOME LTD

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of management and maintenance of a private hospital. The results for the year and the financial position at the year end were considered satisfactory by the directors.

CHARITABLE STATUS

The company was registered as a charity by the Charity Commissioners for all purposes on 29 October 1973 (certificate number 502791).

RESULTS

The results of the company for the year are set out on page 5: it is recommended that the whole of the retained profit be set aside to reserves.

FIXED ASSETS

The movements in fixed assets are shown in the notes to the financial statements.

DIRECTORS

The directors of the company during the year were as follows:-

W.E.M. Clegg
O.J. Rowell
K.J. Sanderson
D. D. Mason

Sir Antony Pilkington
J.A. Brown
Mrs B.C. Higham
I.T. Pickles

No director received any emoluments from the company during the year.

GUARANTEE

The company has no share capital, being a company limited by guarantee under clause 6 of its Memorandum of Association to £1 for each member in the event of its being wound up. The number of members registered at 31 December 1996 was 20.

DONATIONS

During the year the Board agreed to make donations totalling £120,000 to charities, for the benefit of the local community in health related matters. A donation of £20,000 was made during this year and the balance of £100,000 was to be paid after the end of the year.

AUDITORS

Taits have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed as auditors to the company for the ensuing year.

By Order of the board


J R Williams (Secretary)

26 June 1997

THE GUY PILKINGTON MEMORIAL HOME LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

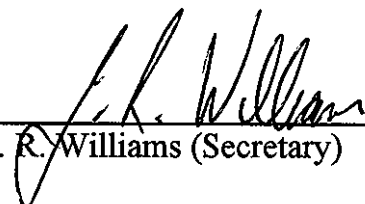
We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

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

We are also responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985.
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud, and other irregularities.

On behalf of the board


J. R. Williams (Secretary)

26 June 1997

THE GUY PILKINGTON MEMORIAL HOME LTD

AUDITORS' REPORT TO THE MEMBERS OF THE GUY PILKINGTON MEMORIAL HOME LTD

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the directors (who also act as trustees of the charitable activities of the company) are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



TAITS

Registered Auditors and Chartered Accountants
Lakeside Building, Alexandra Park
Prescot Road, St Helens WA10 3TT

3 September 1997

THE GUY PILKINGTON MEMORIAL HOME LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996

		1996	1995
	Note	£	£
TURNOVER	2	4,022,533	4,402,765
Cost of sales	3	<u>(2,392,631)</u>	<u>(2,314,917)</u>
GROSS PROFIT		1,629,902	2,087,848
Net operating expenses	4	<u>(1,468,011)</u>	<u>(1,559,729)</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND INVESTMENT INCOME	5	161,891	528,119
Interest receivable and similar income	7	46,615	34,395
Interest payable and similar charges	8	<u>(86,068)</u>	<u>(94,756)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	20	<u>122,438</u>	<u>467,758</u>

There are no recognised gains or losses in the above two financial years other than the profit for the year.

None of the company's activities were acquired or discontinued during the above two financial years.

THE GUY PILKINGTON MEMORIAL HOME LTD

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 1996

		1996	1995
	Note	£	£
INCOMING RESOURCES			
Fees receivable		4,022,533	4,402,765
Donations and gifts	10	9,622	12,800
Bank interest receivable		46,615	34,395
Rents receivable		<u>4,912</u>	<u>-</u>
TOTAL INCOMING RESOURCES		<u>4,083,682</u>	<u>4,449,960</u>
RESOURCES EXPENDED			
Direct charitable expenditure	11	2,869,464	2,873,472
Management and administration	12	992,249	1,003,316
Fund raising and publicity		13,463	10,658
Interest payable	8	<u>86,068</u>	<u>94,756</u>
TOTAL RESOURCES EXPENDED		<u>3,961,244</u>	<u>3,982,202</u>
NET INCOMING RESOURCES FOR THE YEAR		122,438	467,758
NET MOVEMENTS IN FUNDS			
Fund balance brought forward		<u>5,258,510</u>	<u>4,790,752</u>
FUND BALANCE CARRIED FORWARD		<u>5,380,948</u>	<u>5,258,510</u>

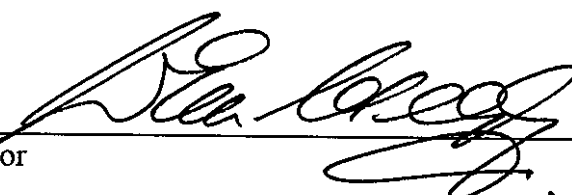
THE GUY PILKINGTON MEMORIAL HOME LTD

BALANCE SHEET AS AT 31 DECEMBER 1996

		1996		1995	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		5,778,011		5,827,968
Investments	14		<u>160</u>		<u>-</u>
			5,778,171		5,827,968
CURRENT ASSETS					
Stocks	15	46,569		79,378	
Debtors	16	531,357		750,226	
Cash at bank and in hand		<u>1,320,988</u>		<u>847,292</u>	
		1,898,914		1,676,896	
CREDITORS: Amounts falling due within one year	17	<u>(712,846)</u>		<u>(724,554)</u>	
NET CURRENT ASSETS			<u>1,186,068</u>		<u>952,342</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,964,239		6,780,310
CREDITORS: Amounts falling due after more than one year	18		<u>(1,583,291)</u>		<u>(1,521,800)</u>
NET ASSETS			<u>5,380,948</u>		<u>5,258,510</u>
FUNDS	20		<u>5,380,948</u>		<u>5,258,510</u>

Approved by the Board

Director



26 June 1997

THE GUY PILKINGTON MEMORIAL HOME LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1996

		1996		1995	
	Note	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	584,218		478,097	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		46,615		34,395	
Interest paid		<u>(86,088)</u>		<u>(94,756)</u>	
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(39,453)		(60,361)	
NET CASH (OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchase of investments		(160)		-	
Purchase of tangible fixed assets		(77,709)		(302,815)	
Receipts from sale of tangible fixed assets		<u>6,800</u>		<u>14,200</u>	
		<u>(71,069)</u>		<u>(288,615)</u>	
INCREASE IN CASH	2	<u>473,696</u>		<u>129,121</u>	

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1996

1. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996	1995
	£	£
Operating profit	161,891	528,119
Depreciation	121,400	114,010
(Profit) on sale of fixed assets	(534)	(6,458)
Decrease in stock	32,809	11,362
Decrease/(increase) in debtors	218,869	(56,032)
Increase/(decrease) in creditors	<u>49,783</u>	<u>(112,904)</u>
NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES	<u>584,218</u>	<u>478,097</u>

2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1996	1995
	£	£
Increase in cash during for the year	473,696	129,121
Net debt at 1 January 1996	<u>847,292</u>	<u>718,171</u>
Net debt at 31 December 1996	<u>1,320,988</u>	<u>847,292</u>

Net debt comprises Cash at Bank and in Hand

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

(a) Accounting basis and standards

The financial statements have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, Accounting by Charities, October 1995, and under the historical cost convention.

(b) Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their anticipated useful lives as follows:-

Freehold land and buildings	-	NIL
Motor Vehicles	-	25% straight line
Fixtures and fittings	-	25% reducing balance

No depreciation has been charged on freehold land and buildings as it is considered that the property is maintained to such a standard that no diminution in value has taken place and any provision for depreciation would be immaterial.

(c) Incoming resources

Incoming resources are reported gross and are for the general purpose of the charity, to be spent within its objects and comprise unrestricted funds.

(d) Expenditure

Indirect expenditure is allocated to management and administration, on the basis of costs relating to running and organising the charity and to support costs on the basis of costs directly relating to the objects of the charity. Support costs and cost of sales are included in direct charitable expenditure, which comprises all expenditure directly relating to the objects of the charity.

(e) Listed investments

In accordance with the recommended practices, listed investments are stated at market value. All movements in value are shown in the statement of financial activities.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value.

(g) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of finance leases has been charged to the profit and loss account on a straight line basis.

(h) Pension scheme arrangements

The company operates a defined contribution scheme approved by the Pension Schemes Office of the Inland Revenue. Contributions are charged to salaries and wages in the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from the assets of the company.

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

2. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, and from donations received.

3. COST OF SALES

Cost of sales is analysed in note 11 as the provision of hospital services, and is included in the statement of financial activities under the heading of direct charitable expenditure.

4. NET OPERATING EXPENSES	1996	1995
	£	£
Administrative expenses	1,482,545	1,572,529
Rents receivable	(4,912)	-
Covenants	(1,389)	(788)
Friends of Fairfield	(6,508)	(11,512)
Other donations	<u>(1,725)</u>	<u>(500)</u>
	<u>1,468,011</u>	<u>1,559,729</u>

5. OPERATING PROFIT	1996	1995
	£	£
Operating profit is stated after charging:		
Staff costs (note 6)	1,794,484	1,754,209
Auditors' remuneration	5,875	5,875
Depreciation:		
Owned tangible fixed assets	69,916	77,152
Assets held under finance leases	<u>51,484</u>	<u>36,858</u>

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

6. DIRECTORS AND EMPLOYEES	1996	1995
	£	£
Staff costs		
Wages, salaries and pension costs	1,663,107	1,624,494
Social security costs	<u>131,377</u>	<u>129,715</u>
	<u>1,794,484</u>	<u>1,754,209</u>

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

	1996	1995
£40,001 - £50,000	1	1
£50,001 - £60,000	<u>1</u>	<u>1</u>

Average number employed:

	1996	1995
	Number	Number
Nursing	76	64
Management, clerical and domestic	<u>55</u>	<u>55</u>
	<u>131</u>	<u>119</u>

Directors

None of the directors (who also act as trustees of the company) received any remuneration or reimbursed expenses from the company during the year, or the previous year.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	1996	1995
	£	£
Bank interest	<u>46,615</u>	<u>34,395</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	1996	1995
	£	£
Hire purchase interest	15,340	11,737
Bank loan interest	<u>70,728</u>	<u>83,019</u>
	<u>86,068</u>	<u>94,756</u>

9. TAXATION

As a registered charity, the company is not liable to corporation tax on its income.

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

10. DONATIONS AND GIFTS

	1996	1995
	£	£
Covenants	1,389	788
Friends of Fairfield	6,508	11,512
Other donations	1,725	500
	<u>9,622</u>	<u>12,800</u>

11. DIRECT CHARITABLE EXPENDITURE

	1996	1995
	£	£
<i>Provision of hospital services:</i>		
Opening stock	79,377	90,740
Purchases:		
- direct patient care	886,300	867,362
- catering	174,673	210,564
Residential medical cover	70,603	52,078
Salaries and wages:		
- nursing	1,072,452	1,017,063
- catering	155,795	156,487
Closing stock	(46,569)	(79,377)
	<u>2,392,631</u>	<u>2,314,917</u>
<i>Support costs:</i>		
Bungalow costs	20,038	14,794
Laundry	45,570	58,040
Cleaning	18,497	23,864
Waste disposal	11,708	19,562
Newspapers and Sky Television	13,281	13,014
Training	19,108	11,333
Uniforms	4,084	6,061
Repairs and maintenance	155,910	217,025
Redecoration costs	5,636	19,586
Equipment rental	10,201	7,466
M.R.I. unit hire	65,400	67,800
Depreciation: fixtures and fittings	<u>107,400</u>	<u>100,010</u>
	<u>2,869,464</u>	<u>2,873,472</u>

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

12. MANAGEMENT AND ADMINISTRATION

	1996	1995
	£	£
Salaries and wages	566,237	580,659
P.P.P. Staff Scheme	39,340	40,845
Motor and travel expenses	11,042	14,914
Postage, printing and stationery	46,702	43,790
Telephone charges	26,166	28,212
Heat, light and power	63,244	79,894
Rent and rates	32,486	28,750
Insurance	29,490	29,371
Computer maintenance and expenses	53,394	47,372
Entertaining	1,541	711
Sundries	20,025	25,421
Donations	22,772	50
Auditors' remuneration	5,875	5,875
Professional fees	14,392	19,903
Bad debt provision	35,144	40,164
Credit card commission	578	843
Bank charges	10,355	9,000
Depreciation: motor vehicles	14,000	14,000
Profit on disposal of motor vehicle	(534)	(6,458)
	<u>992,249</u>	<u>1,003,316</u>

13. TANGIBLE FIXED ASSETS

	<i>Fixtures, Fittings and Equipment</i>	<i>Motor Vehicles</i>	<i>Freehold Land & Buildings</i>	<i>Total</i>
	£	£	£	£
Cost or valuation				
As at 1 January 1996	1,666,036	60,060	4,973,175	6,699,271
Additions in the year	49,790	27,919	-	77,709
Disposals in the year	-	(25,818)	-	(25,818)
As at 31 December 1996	<u>1,715,826</u>	<u>62,161</u>	<u>4,973,175</u>	<u>6,751,162</u>
Depreciation				
As at 1 January 1996	852,425	18,878	-	871,303
Charge for the year	107,400	14,000	-	121,400
Less charge on disposals	-	(19,552)	-	(19,552)
As at 31 December 1996	<u>959,825</u>	<u>13,326</u>	-	<u>973,151</u>
Net book amount				
As at 31 December 1996	<u>813,611</u>	<u>41,182</u>	<u>4,973,175</u>	<u>5,827,968</u>
As at 31 December 1996	<u>756,001</u>	<u>48,835</u>	<u>4,973,175</u>	<u>5,778,011</u>

The net book value of fixed assets of £5,778,011 (1995: £5,827,968) includes an amount of £167,842 (1995: £199,859) in respect of assets held under finance leases.

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

14. INVESTMENTS	1996	1995
	£	£
<i>Listed investments:</i>		
Market value	<u>160</u>	-

All listed investments are listed on the International Stock Exchange, London. The historical cost of listed investments at 31 December 1996 was £160.

15. STOCKS	1996	1995
	£	£
Consumable medical supplies	34,844	67,828
Pharmacy	1,361	1,183
Stationery	<u>10,364</u>	<u>10,367</u>
	<u>46,569</u>	<u>79,378</u>

16. DEBTORS	1996	1995
	£	£
Trade debtors	337,627	506,839
Other debtors	5,624	62,905
Prepayments and accrued income	<u>188,106</u>	<u>180,482</u>
	<u>531,357</u>	<u>750,226</u>

17. CREDITORS: Amounts falling due within one year	1996	1995
	£	£
Bank loans	84,792	77,760
Trade creditors	166,883	181,852
Social security and other taxes	52,630	91,704
Other creditors	65,198	29,141
Other loans	-	19,000
Obligations under finance leases and hire purchase contracts (note 19)	62,712	68,242
Accruals and deferred income	<u>280,631</u>	<u>256,855</u>
	<u>712,846</u>	<u>724,554</u>

National Westminster Bank plc, who have advanced the Bank loans shown above and in Note 18 totalling £893,587 (1995: £978,379) have a right of set-off against the company's balances held by them: at 31 December 1996 these totalled £611,533 (1995: £359,009.)

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

18. CREDITORS: Amounts falling due after more than one year

	1996	1995
	£	£
Bank loans	808,795	900,619
Obligations under finance leases and hire purchase contracts (note 19)	109,520	146,231
Lease deposits	<u>664,976</u>	<u>474,950</u>
	<u>1,583,291</u>	<u>1,521,800</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.

Amounts wholly repayable after five years:

Lease deposits	<u>664,976</u>	<u>474,950</u>
----------------	----------------	----------------

Amounts repayable by instalments:-

Between one and two years	84,792	77,760
Between two and five years	254,376	233,280
After five years	<u>469,627</u>	<u>589,579</u>
	<u>808,795</u>	<u>900,619</u>

19. FUTURE FINANCIAL COMMITMENTS

(a) Operating leases

At 31 December 1996 the company had obligations under operating leases which expire within one year of £18,550 (1995: £14,400.)

(b) Finance leases

At 31 December 1996 the company had obligations under finance leases and hire purchase contracts, which are set out below:-

	1996	1995
	£	£
<i>Gross amount payable:-</i>		
within one year	77,477	83,582
between one and two years	66,999	67,315
between two and five years	<u>66,428</u>	<u>113,103</u>
	210,904	264,000
<i>Deduct:-</i>		
finance charges allocated to future periods	<u>(38,672)</u>	<u>(49,527)</u>
	<u>172,232</u>	<u>214,473</u>
<i>Finance leases and hire purchase contracts are analysed as follows:-</i>		
due within one year (note 17)	62,712	68,242
due after more than one year (note 18)	<u>109,520</u>	<u>146,231</u>
	<u>172,232</u>	<u>214,473</u>

Obligations under finance leases and hire purchase contracts are secured on the relevant fixed assets.

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

20. PROFIT AND LOSS ACCOUNT

	1996	1995
	£	£
Fund balance brought forward	5,258,510	4,790,752
Retained profit for the year	<u>122,438</u>	<u>467,758</u>
Fund balance carried forward	<u>5,380,948</u>	<u>5,258,510</u>

21. DIRECTORS' INTERESTS IN CONTRACTS

During the year the company purchased vehicles worth £27,919 of which £26,000 was financed on normal commercial terms from Gawsworth Finance Limited, a company in which W.E.M. Clegg, a director, had a material interest.

During the year the company purchased professional services worth £5,049 on normal commercial terms from Dibb Lupton Alsop, a partnership in which D.D. Mason, a director, had a material interest.

22. TRANSACTIONS WITH RELATED PARTIES

During the year the company sold motor vehicles to Mr I. Pickles, a director, and to Mr M. Greenall, the son of Mrs M. Greenall, a senior member of management. The agreed prices were £3,600 and £3,200 respectively.