

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002
FOR
THE GUY PILKINGTON MEMORIAL HOME LIMITED
(A COMPANY LIMITED BY GUARANTEE)**



THE GUY PILKINGTON MEMORIAL HOME LTD

**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2002**

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THE GUY PILKINGTON MEMORIAL HOME LTD

COMPANY INFORMATION

31 DECEMBER 2002

Number: 1141676

Incorporated in England and Wales on 29 October 1973

CHAIRMAN: Andrew Smith

OTHER DIRECTORS: Peter L. Blackledge John W. Royle
J. Anthony Brown C. Finney
Dr Michael P. Lynch Phillip Scott
Ian T. Pickles Gordon Spencer

SECRETARY: John R. Williams

REGISTERED OFFICE: Fairfield Hospital
Crank Road
Crank
St Helens
Merseyside
WA11 7RS

BANKERS: National Westminster Bank PLC
Ormskirk Street
St Helens
Merseyside
WA10 1DR

SOLICITORS: Tickle Hall Cross
25 Hardshaw Street
St Helens
Merseyside
WA10 1RP

Dibb Lupton Alsop
India Buildings
Water Street
Liverpool
L2 0NH

AUDITORS: Styles & Co Accountants Ltd
Chartered Accountants
Heather House
473 Warrington Road
Culcheth
Warrington
WA3 5QU

THE GUY PILKINGTON MEMORIAL HOME LTD

DIRECTORS' & TRUSTEES' REPORT

The directors (who are trustees for the purposes of charity law) have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2002. The provisions of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2000) issued in October 2000 have been adopted in preparing the annual report and financial statements of the charity.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of management and maintenance of Fairfield Independent Hospital, 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).

CONSTITUTION

The charitable company is governed by its Memorandum and Articles of Association. 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 2002 was 29.

DIRECTORS

The board of directors may at any time appoint a director who would be presented to the members at the next Annual General Meeting for approval. At the Annual General Meeting directors who have served for three years are eligible for re-election. The following served as directors of the company in the year:

P. L. Blackledge
J.A. Brown
Dr M. P. Lynch
I.T. Pickles
J.W. Royle

K.J. Sanderson (resigned 13/6/2002)
P.F. Scott
A. Smith
J.G. Spencer
C. Finney (appointed 14/03/2002)

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

OBJECTIVES

The objectives of the charity are to provide facilities for the treatment of acute surgical and medical patients. The charity provides theatre, accommodation, nursing care and diagnostic services.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The past year for the private healthcare sector has been one of significant change. The Government encouraged private/public partnership to ensure NHS targets were met. This meant that 20% of the hospital income was derived from waiting list initiatives, the majority from St. Helens & Knowsley NHS Trust. There has been no waiting list work in the current year but the Primary Care Trust now have responsibility for commissioning work and they have not yet established their purchasing strategy in relation to acute services.

Fairfield remains committed to collaboration working with the NHS and meetings have taken place with the local Primary Care Trust. We have discussed the provision of diagnostic and treatment within the hospital.

The core of our business remains with the private medical insurers and we have maintained our network status with BUPA and PPP Healthcare.

National Care Standards were introduced in the year 2000. The National Care Standards Commission inspects private hospitals. There are in excess of 1500 standards applicable to private care and Fairfield already met the majority of them. Our inspection took place in March 2002 and the report is awaited.

Providing acute care at a high standard and achievement of national standards requires staff development. Development of staff this year includes nurses obtaining Acute Life-threatening Event Recognition and Treatment (ALERT), Advanced Life Support (ALS) and Advanced Paediatric Life Support (APLS) qualifications to provide medical cover. Other training courses are Lifting & Handling, Fire Procedures, COSHH and Health & Safety. Recognition of Fairfield's

THE GUY PILKINGTON MEMORIAL HOME LTD

DIRECTORS' & TRUSTEES' REPORT (Continued)

commitment to the development of its staff was confirmed when the Investors in People accreditation was confirmed following assessment for a further three years.

RESERVES POLICY

The board of directors have approved the following reserves policy:

The reserves should have a sufficient balance to cover one month's expenditure to enable the hospital to function in the short term.

INVESTMENT POLICY

Funds are invested in cash based deposits to produce a reasonable income and or capital gain over time.

RISK MANAGEMENT

The management team at Fairfield Hospital have identified the major risks to the organisation and have put in place systems to either eliminate or reduce these risks.

DONATIONS

The company made charitable donations during the year amounting to £1,625 (2001: £4,326) for the benefit of the local community in health related matters.

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 surplus or deficit 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.

AUDITORS

Styles & Co Accountants Ltd (as successors to Tait) 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

Director

Fairfield Hospital, Crank Road,
Crank, St Helens

Date: 12/06/03

THE GUY PILKINGTON MEMORIAL HOME LTD

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

We have audited the financial statements of The Guy Pilkington Memorial Home Limited for the year ended 31 December 2002 on pages 5 to 19. These financial statements have been prepared under the historical cost convention and accounting policies set out on page 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors Responsibilities on page 3, the directors (who also act as trustees of the charitable activities of the company) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Accounting Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 charitable company's affairs as at 31 December 2002 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Styles & Co Accountants Limited
Registered Auditors and Chartered Accountants
Heather House, 473 Warrington Road, Culcheth,
Warrington WA3 5QU

Date: 12/6/03

THE GUY PILKINGTON MEMORIAL HOME LTD

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

		<u>31.12.02</u>	<u>31.12.01</u>
TURNOVER	2	6,310,221	5,990,271
Cost of sales	3	(3,824,684)	(3,722,165)
GROSS SURPLUS		<u>2,485,537</u>	<u>2,268,106</u>
NET OPERATING EXPENSES			
Cost of generating funds		(16,226)	(17,510)
Support costs	11	(699,017)	(705,038)
Management and administration	12	(1,523,634)	(1,376,237)
Other operating income	4	5,565	11,234
OPERATING SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE INTEREST AND INVESTMENT INCOME	5	<u>252,225</u>	<u>180,555</u>
Interest receivable and similar income	6	22,406	34,396
Interest payable and similar charges	7	(69,128)	(82,728)
RETAINED SURPLUS FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION		<u>205,503</u>	<u>132,223</u>
RETAINED SURPLUS BROUGHT FORWARD		<u>6,143,757</u>	<u>6,011,534</u>
RETAINED SURPLUS CARRIED FORWARD		<u><u>6,349,260</u></u>	<u><u>6,143,757</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

RESTRICTED FUNDS

All funds receivable and payable by the company represent unrestricted funds.

The Income and Expenditure Account is derived from the Statement of Financial Activities on page 6 which, together with the notes on pages 11 to 19, provides full information on the movements during the year on all the charitable company's funds.

THE GUY PILKINGTON MEMORIAL HOME LTD

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2002

		<u>31.12.2002</u>	<u>31.12.2001</u>
INCOMING RESOURCES			
Activities to further the charity's objects		6,310,221	5,990,271
Donations, legacies and similar income	4	5,565	11,234
Investment income	9	22,406	34,396
		<u>6,338,192</u>	<u>6,035,901</u>
RESOURCES EXPENDED			
Cost of generating funds		16,226	17,510
Charitable expenditure:			
Cost of activities in furtherance of the charity's objects	10	3,824,684	3,722,165
Support costs	11	699,017	705,038
Management and administration	12	1,523,634	1,376,237
Interest payable	7	69,128	82,728
		<u>6,132,689</u>	<u>5,903,678</u>
NET INCOMING RESOURCES FOR THE YEAR			
		205,503	132,223
NET MOVEMENTS IN FUNDS			
		205,503	132,223
Total fund balance brought forward		<u>6,143,757</u>	<u>6,011,534</u>
TOTAL FUND BALANCE CARRIED FORWARD		<u>6,349,260</u>	<u>6,143,757</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

RESTRICTED FUNDS

All funds receivable and payable by the company represent unrestricted funds.

THE GUY PILKINGTON MEMORIAL HOME LTD

BALANCE SHEET AS AT 31 DECEMBER 2002

		31.12.2002	31.12.2001
FIXED ASSETS			
Tangible assets	15	6,860,726	6,502,516
CURRENT ASSETS			
Stocks	16	213,391	234,252
Debtors	17	1,567,833	1,464,696
Cash at bank and in hand		608,691	606,975
		2,389,915	2,305,923
CREDITORS: Amounts falling Due within one year	18	(1,512,441)	(1,349,412)
NET CURRENT ASSETS		877,474	956,511
TOTAL ASSETS LESS CURRENT LIABILITIES		7,738,200	7,459,028
CREDITORS: Amounts falling due after more than one year	19	(1,388,940)	(1,315,270)
NET ASSETS		6,349,260	6,143,757
UNRESTRICTED FUNDS		6,349,260	6,143,757

The financial statements on pages 5 to 19 were approved by the board on 12/6/03.

Director

THE GUY PILKINGTON MEMORIAL HOME LTD

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

		<u>31.12.02</u>	<u>31.12.01</u>
	Notes		
Net cash inflow from Operating activities	1	483,647	397,563
Returns on investments and Servicing of finance	2	(46,722)	(48,332)
Capital expenditure	2	(435,813)	(378,714)
		<u>1,112</u>	<u>(29,483)</u>
Management of liquid resources	2	-	372
Financing	2	(9,539)	46,838
Decrease/increase in cash in the period		<u>£ (8,427)</u>	<u>£ 17,727</u>
<hr/>			
Reconciliation of net cash flow To movement in net funds	3		
Decrease/increase in cash in the period		(8,427)	17,727
Cash outflow from decrease in debt and Lease financing		<u>193,457</u>	<u>199,244</u>
Change in net funds resulting from Cash flows		185,030	216,971
New loans & finance leases		(268,551)	(246,082)
Movement in net funds in the period		(83,521)	(29,111)
Net funds at 1 January 2002		(532,659)	(503,548)
Net funds at 31 December 2002		<u>(616,180)</u>	<u>(532,659)</u>

THE GUY PILKINGTON MEMORIAL HOME LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.2002	31.12.2001
	£	£
Operating surplus	252,225	180,555
Depreciation charges	152,254	163,264
Loss on sale of fixed assets	10,923	22,754
Profit on sale of fixed assets	(940)	-
Decrease/(increase) in stocks	20,861	(31,576)
Increase/(decrease) in debtors	(103,137)	159,218
Increase/(decrease) in creditors	151,461	(96,652)
	<hr/>	<hr/>
Net cash inflow from operating activities	483,647	397,563
	<hr/>	<hr/>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.2002	31.12.2001
	£	£
Returns on investment and servicing of finance		
Interest received	22,406	34,396
Interest paid	(69,128)	(82,728)
	<hr/>	<hr/>
Net cash outflow for returns on investment and servicing of finance	(46,722)	(48,332)
	<hr/>	<hr/>
Capital expenditure		
Purchase of tangible fixed assets	(439,814)	(379,164)
Sale of tangible fixed assets	4,001	450
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(435,813)	(378,714)
	<hr/>	<hr/>
Financing		
New loans taken out in the year	183,918	246,082
Loan and hire purchase repayments in the year	(193,457)	(199,244)
	<hr/>	<hr/>
Net cash outflow/inflow from financing	(9,539)	46,838
	<hr/>	<hr/>
Management of liquid resources		
Disposal of investment	-	372
	<hr/>	<hr/>
Net cash inflow for management of liquid resources	-	372
	<hr/>	<hr/>

THE GUY PILKINGTON MEMORIAL HOME LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.02 £	Cash flow £	New credit agreements £	At 31.12.02 £
Net cash:				
Cash at bank	606,974	1,717		608,691
Bank overdraft	(417,715)	(10,144)		(427,859)
	<u>189,259</u>	<u>(8,427)</u>		<u>180,832</u>
Debt:				
Bank loans	(618,058)	117,180	(183,918)	(684,796)
Hire purchase agreements	(103,860)	76,277	(84,633)	(112,216)
	<u>(721,918)</u>	<u>193,457</u>	<u>(268,551)</u>	<u>(797,012)</u>
Total	<u>(532,659)</u>	<u>185,030</u>	<u>(268,551)</u>	<u>(616,180)</u>

Analysed in Balance Sheet

Cash at bank	606,974	608,691
Bank overdraft	(417,715)	(427,859)
Hire purchase		
within one year	(58,719)	(63,589)
after one year	(45,141)	(48,627)
Bank loans		
within one year	(123,545)	(117,180)
after one year	(494,513)	(567,616)
	<u>(532,659)</u>	<u>(616,180)</u>

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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 and Reporting by Charities (SORP 2000), issued in October 2000, and under the historical cost convention.

(b) Depreciation

Individual fixed assets costing £500 or more are capitalised at cost. 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	-	15% 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) Turnover

Turnover is shown on page 6 as "Activities to further the charity's objects."

(d) 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.

(e) Donations and gifts

Donations received (note 4) are accounted for when the resources are receivable or when the charity's entitlement is legally enforceable. No gifts in kind are received.

Donations made are shown in note 13. Gifts in kind made to local charitable organisations are not included in the financial statements because of the nature of the gifts given.

(f) 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.

(g) Listed investments

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

(h) Stocks

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

(i) 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.

(j) 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 2002

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.

3. COST OF SALES

Cost of sales is analysed in note 10 as the cost of activities in furtherance of the charity's objects, and is included in the statement of financial activities under the heading of charitable expenditure.

4. OTHER OPERATING INCOME	31.12.2002	31.12.2001
	£	£
Donations, legacies and similar income:		
Friends of Fairfield	-	3,500
Other donations	5,565	7,734
	<u>5,565</u>	<u>11,234</u>
5. OPERATING SURPLUS	31.12.2002	31.12.2001
<i>Operating surplus is stated after charging:</i>	£	£
Staff costs (Note 14)	2,781,833	2,621,473
Auditors' remuneration	9,000	8,740
Auditors' remuneration for non-audit services	166	660
<i>Depreciation:</i>		
Owned tangible fixed assets	141,863	141,156
Assets held under finance leases	10,391	22,108
<i>Operating lease rentals:</i>		
M. R. I. unit and C.T. scanner hire	101,036	112,697
6. INTEREST RECEIVABLE AND SIMILAR INCOME	31.12.2002	31.12.2001
	£	£
Bank interest	22,406	34,396
7. INTEREST PAYABLE AND SIMILAR CHARGES	31.12.2002	31.12.2001
	£	£
Hire purchase interest	15,443	17,747
Bank loan interest	38,340	31,975
Bank interest	15,345	33,006
	<u>69,128</u>	<u>82,728</u>

8. 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 2002**

9. INVESTMENT INCOME	31.12.2002	31.12.2001
	£	£
Bank interest received	22,406	34,396
	<u>22,406</u>	<u>34,396</u>
 10. COST OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS	 31.12.2002	 31.12.2001
	£	£
Opening stock	234,252	202,676
Purchases - direct patient care	1,657,785	1,668,287
- catering	131,993	137,885
Residential medical cover	121,951	109,186
Salaries and wages - nursing (note 14)	1,679,866	1,633,800
- catering (note 14)	212,228	204,583
Closing stock	(213,391)	(234,252)
	<u>3,824,684</u>	<u>3,722,165</u>
 11. SUPPORT COSTS	 31.12.2002	 31.12.2001
	£	£
Bungalow costs	3,698	2,619
Laundry	46,729	45,235
Cleaning	16,085	20,600
Waste disposal	14,765	15,086
Newspapers and Sky Television	18,129	15,457
Training	34,327	24,614
Uniforms	14,577	7,420
Repairs and maintenance	283,074	284,567
Security costs	8,240	10,355
Equipment rental	16,271	12,646
M.R.I. unit and C.T.	101,036	112,697
Depreciation: fixtures and fittings	142,086	153,742
	<u>699,017</u>	<u>705,038</u>

THE GUY PILKINGTON MEMORIAL HOME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

12. MANAGEMENT AND ADMINISTRATION	31.12.2002	31.12.2001
	£	£
Salaries and wages (note 14)	871,739	783,090
B.U.P.A. Staff Scheme	66,937	58,509
Motor and travel expenses	17,086	19,469
Taxis and carriage	17,745	17,330
Postage, printing and stationery	112,687	112,658
Telephone charges	38,115	34,446
Heat, light and power	87,762	75,959
Rates	31,706	29,928
Insurance	72,486	45,349
Subscriptions	92	3,108
Computer maintenance and expenses	50,985	64,471
Sundries	38,793	19,912
Donations (note 13)	1,625	4,326
Auditors' remuneration	9,166	9,400
Professional fees	39,815	19,580
Bad debt provision	30,174	26,875
Bank charges	16,572	19,551
Depreciation: motor vehicles	10,166	9,522
Loss/(Profit) on disposal of fixed assets	9,983	22,754
	<u>1,523,634</u>	<u>1,376,237</u>

Premiums of £1,606 (2001: £1,606) on a professional indemnity policy to protect the charity, directors and employees from loss arising from the neglect or defaults of the trustees or employees, are included in insurance cost of £72,486 (2001: £45,349).

13. DONATIONS	31.12.2002	31.12.2001
	£	£
Charitable donations	1,625	4,326
Political donations	-	-
	<u>1,625</u>	<u>4,326</u>

During the year the company made donations to local charitable organisations of gifts in kind, including fully depreciated assets and obsolete stock.

THE GUY PILKINGTON MEMORIAL HOME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

14. STAFF COSTS	31.12.2002	31.12.2001
	£	£
Salaries and wages:		
- nursing (note 10)	1,697,866	1,633,800
- catering (note 10)	212,228	204,583
- management and administration (note 12)	871,739	783,090
	<u>2,781,833</u>	<u>2,621,473</u>
Wages, salaries and pension costs	2,583,568	2,433,947
Social security costs	198,265	187,526
	<u>2,781,833</u>	<u>2,621,473</u>

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

	31.12.2002	31.12.2001
	Number	Number
£50,001 - £60,000	<u>1</u>	<u>1</u>
<i>Average number employed (including temporary staff):</i>		
Nursing	101	98
Management, clerical and domestic	82	79
	<u>183</u>	<u>177</u>

Directors

None of the directors (who also act as trustees of the charitable company) received any remuneration from the company during the year, or the previous year. During the year travelling expenses totalling £429 (2001:£ 1,881) were reimbursed to two directors.

15. TANGIBLE FIXED ASSETS	Fixtures, fittings and equipment	Motor vehicles	Freehold property	Total
COST:	£	£	£	£
As at 1 January 2002	2,203,783	38,088	5,637,500	7,879,371
Additions in the year	235,019	19,250	270,179	524,448
Disposals in the year	(203,794)	(14,100)	-	(217,894)
As at 31 December 2002	<u>2,235,008</u>	<u>43,238</u>	<u>5,907,679</u>	<u>8,185,925</u>
DEPRECIATION:				
As at 1 January 2002	1,355,785	21,070	-	1,376,855
Charge for the year	142,088	10,166	-	152,254
Charge on disposals	(191,870)	(12,040)	-	(203,910)
As at 31 December 2002	<u>1,306,003</u>	<u>19,196</u>	<u>-</u>	<u>1,325,199</u>
NET BOOK VALUE				
As at 31 December 2002	<u>929,005</u>	<u>24,042</u>	<u>5,907,679</u>	<u>6,860,726</u>
As at 31 December 2001	<u>847,998</u>	<u>17,018</u>	<u>5,637,500</u>	<u>6,502,516</u>

The net book value of fixed asset £6,860,726 (2001: £6,502,517) includes an amount of £212,882 (2001: £200,686) 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 2002**

16. STOCKS	31.12.2002	31.12.2001
	£	£
Consumable medical supplies	178,131	182,271
Pharmacy	20,553	23,163
Stationery	6,874	23,607
Catering	7,833	5,211
	<u>213,391</u>	<u>234,252</u>
17. DEBTORS	31.12.2002	31.12.2001
	£	£
Trade debtors	1,449,096	1,289,064
Other debtors	706	3,497
Prepayments and accrued income	118,031	172,135
	<u>1,567,833</u>	<u>1,464,696</u>
18. CREDITORS: Amounts falling due within one year	31.12.2002	31.12.2001
	£	£
Bank loans & overdrafts	545,039	541,260
Trade creditors	725,419	521,368
Social security and other taxes	64,590	61,855
Other creditors	-	97,270
Obligations under finance leases and hire purchase contracts (note 20)	63,589	58,719
Accruals and deferred income	113,804	68,940
	<u>1,512,441</u>	<u>1,349,412</u>

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

THE GUY PILKINGTON MEMORIAL HOME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

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

	31.12.2002	31.12.2001
	£	£
Bank loans	567,616	494,513
Obligations under finance leases and hire purchase contracts (note 20)	48,627	45,141
Lease deposits	772,697	775,616
	<u>1,388,940</u>	<u>1,315,270</u>

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

Amounts repayable by instalments:

BANK LOANS:

Between one and two years	117,180	123,545
Between two and five years	351,540	370,635
After five years	98,896	333
	<u>567,616</u>	<u>494,513</u>

**OBLIGATIONS UNDER FINANCE LEASES AND
HIRE PURCHASE CONTRACTS:**

Between one and two years	32,682	37,149
Between two and five years	15,945	7,992
	<u>48,627</u>	<u>45,141</u>

Amounts wholly repayable after five years:

Lease deposits	<u>772,697</u>	<u>775,616</u>
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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 on the sale of the property.

THE GUY PILKINGTON MEMORIAL HOME LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

20. FUTURE FINANCIAL COMMITMENTS

(a) Operating leases

At 31 December 2002 the company had obligations under operating leases which expire within one year of £5,995 (2001: £26,229.)

(b) Finance leases

At 31 December 2002 the company had obligations under finance leases and hire purchase contracts, which are set out below:-

	31.12.2002	31.12.2001
<i>Gross amount payable:-</i>	£	£
within one year	75,757	72,511
between one and two years	37,827	46,136
between two and five years	17,710	10,192
	<u>131,294</u>	<u>128,839</u>
<i>Deduct:-</i>		
finance charges allocated to future periods	(19,078)	(24,979)
	<u>112,216</u>	<u>103,860</u>
<i>Finance leases and hire purchase contracts are analysed as follows:-</i>		
due within one year (note 18)	63,589	58,719
due after more than one year (note 19)	48,627	45,141
	<u>112,216</u>	<u>103,860</u>

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

21. DIRECTORS' INTERESTS IN CONTRACTS

The company conducted trade on normal commercial terms with the following companies in which the directors, officers or connected persons had a material interest:

<u>Director, Officer or connected person</u>	<u>Company</u>	<u>Nature of Dealings</u>	
		<u>Income</u>	<u>Expenditure</u>
		£	£
P. L. Blackledge	Tickle Hall Cross, Solicitors	-	5,591
J. W. Royle	John Royle Chartered Surveyor	-	4,596
K. J. Sanderson and J. R. Williams	Delphside Limited	27,160	-
K. J. Sanderson	St Helens & Knowsley Hospital NHS Trust	1,084,828	83,092
A. Smith	S. T. Group	-	240

All directors' interests stated above are disclosed for the full financial year.

THE GUY PILKINGTON MEMORIAL HOME LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

22. TRANSACTIONS WITH RELATED PARTIES

A consultant physician, Dr M. P. Lynch, a director of the company has during the year earned fees from private consultations held at the hospital.

23. CONTINGENT LIABILITIES

Any claims for compensation that arise in future, to the value of £5 million, would normally be covered by the company's public liability insurance.

25. CAPITAL COMMITMENTS

	31.12.2002	31.12.2001
	£	£
Expenditure contracted but not provided In the financial statements	<u>568,331</u>	<u>114,348</u>