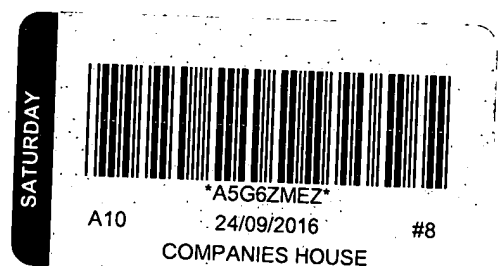


Registered Company Number: 1141676 (England & Wales)

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
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 2015**

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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 2015**

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 2015. 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

Mr C Barratt

Mr C Bridge

Ms R Floyd

Dr C S Ince

Mr G Hammond

Ms C Roberson

Mr C A Sills

Mr K Suraliwala

Mr L Marlow

Ms P Johnson

Chair of Trustees

Chair of Audit Committee

Chair of the Integrated Governance Committee

Deputy Chair and Chair of the Remuneration Committee

Chair of the Capital Developments Committee

Resigned July 2015

Chair of the Medical Advisory Committee

Appointed March 2016

Appointed March 2016

Key Management Personnel:

Ms C Nolan

Chief Executive Officer

Sister J Ollerton

Chief Nurse

Mr A Jones

Director of Hospital Services

Mr T Harrison, IPFA

Director of Finance, IT and Performance

Ms G Harper

Assistant Director – Governance resigned 20th December 2015

Ms Claire Williams

Assistant Director – Governance appointed 15th March 2016

Medical Advisory Committee:

Chairman: Mr K Suraliwala

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

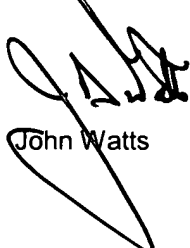
Introduction and Chairman's Reflections

As in previous years the Hospital continued in 2015 to provide a vital role in the provision of healthcare in the North West of England. In the year 2015 we provided care for over 12,200 patients, which once again was another year on year increase. The Hospital has continued to attract patients from outside our immediate location and likewise our involvement with NHS and their patients continues at a high level. This all reflects the ease of access to Fairfield and the standard of services provided by our Hospital.

2015 has seen our continued investment in medical and non medical equipment with a spend of in excess of £450,00 and this includes a new air handling unit to one of our operating theatres involving a cost of £172,000, other various items of medical equipment and an upgrade to some of our patient bedrooms.

The Trustees look to continue to support the Executive team and during 2015 it was decided to formally organise a Capital Development Committee with Trustees working with the Chief Executive and the Hospital Services Director on reviewing the patient and consultant facilities at the Hospital thereby easing congestion in certain areas and allowing additional facilities and services for patient consultations. Trustees have been involved with the Assistant Director of Governance in undertaking mock CQC interviews which are seen as supportive to staff and to widening the experience of Trustees as we continue to review our methods of operation and thereby maintain the high standards we look to maintain and achieve.

I wish to thank the Executive Team for their consistent support and commitment which is so vital to the future and success of the Hospital. I would also mention the important contribution of the Staff and the Consultants without whom we would not provide the services to our patients. I would also wish to thank my fellow Trustees for their support to me and the Hospital for as volunteers they are generous in giving their time for the future of our Hospital.



John Watts

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Objectives and Aims

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

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

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

Governing Document

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

Trustees

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

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

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

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

Organisational Structure

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

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

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Organisational Structure continued

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

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

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

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

Public Benefit

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

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

Risk Management

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

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

ACHIEVEMENT AND PERFORMANCE

Patient Safety and Quality

The Hospital has successfully passed both its external ISO 9001:2008 and ISO 27001:2013 audits during 2015.

National Joint register consent for the Hospital is at 99% with link ability improving to 99% across our 10 consultants. When benchmarked against a similar private hospital undertaking similar patient numbers one hospital reported 90% and 89% respectively across 10 Consultants, while a second private hospital reported 93% and 99% across 7 Consultants.

Training is regularly monitored and recorded. Conflict Management and Breakaway training for key staff has been rolled out. Training on Challenging Behaviour has been put in place for other staff.

Executive Directors attend departmental team meetings on a regular basis. Board members have participated in mock CQC assessments.

The Hospital has continued to self-assess and benchmark its services in-line with the Care Quality Commission's Core Standards to ensure it meets the requirements of the Regulations set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014. The Hospital has worked with the staff in supporting them to be able to evidence that the care provided is safe, caring, effective, responsive and well led. This will continue to be embedded into the Hospital's daily routine for 2016/17.

In 2015/16 we reported 25 adverse events to our Medical Advisory Committee and to our Board. In 2014/15 we reported 19 adverse events. Of all the adverse events that were reported the majority caused no harm either because they were prevented in the main due to the use of the early warning system NEWS or because the event did happen but the result was no harm. During 2015/16 we did not record any Never Events or Unexpected Deaths.

We encourage staff to report all incidents no matter how small and I am pleased to say that the number of incidents reported has increased from 317 incidents in 2014/15 to 358 incidents in 2015/16, a 13% increase.

Patient Experience

We aimed to increase the percentage of patients completing our in-house questionnaire from 68% to 70%. From October 2014 to September 2015, the Hospital admitted 5,306 patients. The number of patient questionnaires completed was 3,910 resulting in a 73.69% response rate.

In order to improve and streamline the patient journey, wherever possible we have tried to ensure that our patients make as few journeys as possible to the Hospital. We carry out as much of the pre assessment and other required tests on the same day. We are also now texting patients to remind them of their appointments.

We ask patients to fill in a patient questionnaire as soon as possible after their visit and they are reviewed individually. Any negative comments are dealt with by the Chief Executive and all complaints are reviewed by the Board. Many of the Board are patients of the Hospital and their experience is vital in monitoring and improving services.

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

ACHIEVEMENT AND PERFORMANCE continued

The audit programme for 2015/16 was agreed by the Board and the Medical Advisory Committee. The programme was linked into any incidents/adverse events that may have occurred and we also demonstrated the learning that took place as a result of incident investigations. The audit plan has been regularly reported on to our NHS commissioners as part of the suite of reporting we need to complete on a monthly basis. The Integrated Governance Committee was established in 2015 and continues to meet quarterly. The Committee looks at all aspects of clinical governance across the organisation promoting good risk management and ensuring effective governance, both clinical and non-clinical across all services. The Committee provides assurance to the Board and oversees key assurance and risk systems and processes in order that the Hospital is compliant with its statutory requirements and be able to ensure sound internal control arrangements.

Leadership and Training

The Executive Team headed by the CEO continue to access Continuing Professional Development and other opportunities relevant to their roles including membership of other charitable boards. The implications and recommendations of the Francis Report and the new inspection regime of the Care Quality Commission mean that the leadership of the organisation forms an integral part of the regulatory assessment.

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 us if we would place two more students in our Outpatient Department for a thirteen week placement, to which we have agreed. One of the new ODP staff members has a mentorship qualification and is mentoring a second nurse who is undertaking the ODP course due to complete in January 2016. A second nurse is in the process of obtaining her scrub nurse qualification and is also due to complete in January 2016. Links with the universities and the education system remain strong.

During 2015/16, 100% of staff have accessed training. 31 staff completed formally recognised qualifications with various outside bodies including the Institute of Learning and Management (ILM).

Listening and acting on patients' views/patient satisfaction

It is important that we continually audit and benchmark our services. No organisation can stand still 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 have rolled the questionnaire out to our outpatients.

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

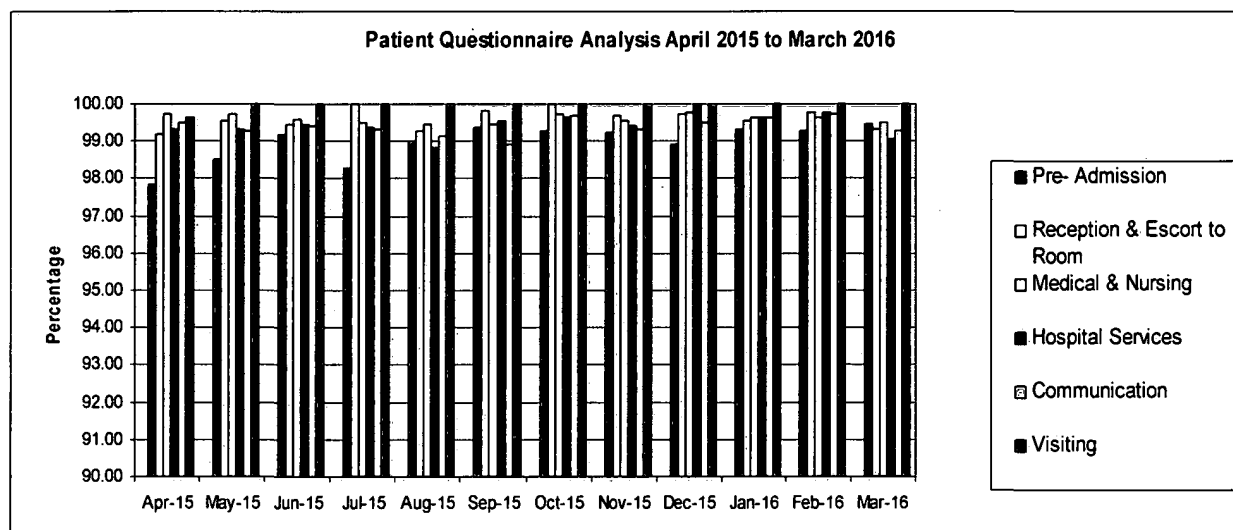
The results for 2015 are shown below:

- ~ 99.5% of the patients rated the cleanliness of the Hospital as very good or excellent.
- ~ 99.5% of the patients rated the overall standard as very good or excellent.
- ~ 100% of patients would recommend the Hospital to a friend or family member.

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

ACHIEVEMENT AND PERFORMANCE *continued*



From April 2015 to March 2016, the Hospital admitted 5,114 patients. The number of questionnaires returned was 3,784 resulting in a 74% response rate.

Stakeholder Engagement

We continue to seek out patients' views in a variety of ways. 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 also monitor how we are assessed in social media and on other websites, including NHS Choices.

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.

Refurbishments and New Equipment Programme 2015

The Board created a new committee – Capital Developments Committee to drive forward the improvement of the Hospital estate and to co-ordinate improvements in service with the investment in new technology and medical equipment. The new committee provides more Board focus on the improvement of the Hospital. The Company has continued to invest in all areas of the Hospital which includes medical and non medical equipment, patient facilities and information technology.

The most significant capital investments for the year include:

Air handling unit for Theatre One	£172,000
Mammography machine	£80,000
New Carestream imaging system	£60,000
Lumenis CO2 Acupulse laser	£50,000
Hip arthroscopy medical equipment	£33,000
Diathermy machine in Theatre Two	£14,000
Lithotripsy machine in theatres	£10,000
New control board for the main passenger lift	£30,000
Medical record system improvements	£29,000

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

ACHIEVEMENT AND PERFORMANCE continued

The Company also invested in new IT equipment which will improve performance and make its systems more resilient to failures and interruptions.

Productivity and Efficiency

During 2015 we have continued with the work on reducing our cost base and making sure that we utilise our resources to their maximum effect.

We have invested in technology to improve patient records and reduce our reliance on postal services and we embarked on a significant programme to enhance our distribution of patient related correspondence to GPs and other health organisations.

NHS Work

During 2015 we continued to participate in NHS Choices. The NHS accounts for at least 70% of our work via NHS Choices. We believe we make a valuable contribution to improving medical services to patients across the North West and providing a valuable choice to patients who want to come to a local provider.

We have participated in a pilot scheme for Community ENT services led by a local GP specialist. The pilot is currently being reviewed but we do not envisage this kind of exercise being repeated.

For the 2015/16 contracting round we did negotiate with the NHS commissioners that the Hospital could carry out post discharge physiotherapy for inpatients. This has worked well and has been welcomed by patients. When patients are in the Hospital as an inpatient, if required they will receive physiotherapy prior to discharge. However, with a shorter length of stay it is imperative that patients have timely access to physiotherapy. This is especially important for patients who have had joint replacements. This scheme will continue into 2016/17. In September 2015 we also embarked on a pilot for direct access MRI for a neighbouring Care Commissioning Group.

FINANCIAL REVIEW AND STRATEGIC REPORT

The Company has made a surplus of £257,212 (2014 £74,884) which while an improvement on 2014, still only represents a margin of less than 2% on the income from treating patients. Income increased with medical sales increasing from £11,780,000 in 2014 to £12,083,000 an increase of 2.6% while patient numbers increased by 7.0% from just over 11,400 to over 12,200. The cost of providing medical services increased by 1.3% and staff costs were up by 1.5%.

As noted above the Company has continued to invest significant amounts in patient care and safety and has increased the number of treatments it provides by investing in new equipment like the Lumensis Acupulse laser used for a variety of treatments to skin complaints, scarring, burns and blemishes. In total, the capital additions in 2015 were £506,000 which was a significant increase on 2014 (£327,000).

Included in the income for the year is a £20,000 donation received from Fairfield Future which is a fundraising organisation which exists to improve patient services at the Hospital. The Company is very grateful for this donation as without it the provision of the new digital GEC Mammography equipment would not have been affordable.

Key Policies

Reserves policy

The movement in reserves in the year is set out in Note 22 to the accounts. Total reserves at 31 December 2015 were £12,645,447. Note 23 analyses how the Company's trustees have allocated past reserves to acquire and develop the Hospital. To the extent that past reserves have been used for this purpose, at the end of the year some £2,400,000 is held as unallocated or free reserves.

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

ACHIEVEMENT AND PERFORMANCE continued

Reserves policy continued

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

Investment policy

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

Strategic Report

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

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

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

The major risks the Company faces are:

- Decline in demand because commissioners are forced to continue their policy of reducing the funding they provide for patient treatments.
- Growth in alternative providers – as an example, we have seen local clinics opening up to provide limited services in specific areas – while these will not individually threaten the Company's existence, the cumulative effect of the services they offer may reduce the need for the Hospital's services.
- Increases in the cost of service provision and regulatory requirements – against a background of low or no increase in income the Company has to commit more of its incoming resources to meeting these demands and as in other social and charitable sectors, for example the care industry, the cost of higher standards can force a withdrawal of provision by the high quality providers.
- Retention and recruitment of high calibre staff and consultants. The Hospital has had to rely on agency staff in some of its clinical areas for the last two years. During 2015, we were able to recruit permanent staff to cover some of these vacancies and we are actively recruiting in 2016.

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

FINANCIAL REVIEW AND STRATEGIC REPORT continued

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

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

In 2015 the Company made some strategic links with charities operating in the wider health and rehabilitation sectors. These provide a range of opportunities to build on the medical skills and experiences at the Hospital and to extend the services provided in the Hospital and the other accommodation resources owned by the Company.

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.

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

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

AUDITORS

The auditors, Crowe Clark Whitehill LLP, will be proposed for re-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: 16 September 2016

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

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

We have audited the financial statements of The Guy Pilkington Memorial Home Limited for the year ended 31 December 2015 set out pages 14 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and FRS102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland.

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

Respective responsibilities of trustees and auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with FRS102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit the information given in the Strategic report and the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

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

Matters on which we are required to report by exception

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

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



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

21st September 2016

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 2015

	Notes	2015 Unrestricted funds £	2014 Unrestricted funds £ (restated)
INCOME			
Donations and legacies	3	22,120	1,209
Investment income	4	2,871	2,158
Incoming resources from charitable activities			
Medical services provided	5	12,082,739	11,780,462
Other income		<u>28,360</u>	<u>13,206</u>
Total income		<u>12,136,090</u>	<u>11,797,035</u>
EXPENDITURE			
Charitable activities			
Medical services provided	6	<u>11,878,878</u>	<u>11,722,151</u>
Total expenditure		<u>11,878,878</u>	<u>11,722,151</u>
NET INCOME		257,212	74,884
 Total funds brought forward		<u>12,388,235</u>	<u>12,313,351</u>
TOTAL FUNDS CARRIED FORWARD		<u>12,645,447</u>	<u>12,388,235</u>

CONTINUING OPERATIONS


All incoming resources and resources expended arise from continuing activities.

The notes on pages 18 to 30 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 2015

	Notes	2015 Unrestricted funds £	2014 Unrestricted funds £ (restated)
FIXED ASSETS			
Tangible assets	13	13,086,376	12,954,386
CURRENT ASSETS			
Stocks	14	144,952	145,375
Debtors: amounts falling due within one year	15	968,268	1,263,159
Cash at bank		610,207	333,931
		1,723,427	1,742,465
CREDITORS			
Amounts falling due within one year	16	(1,030,552)	(1,170,911)
NET CURRENT ASSETS		692,875	571,554
TOTAL ASSETS LESS CURRENT LIABILITIES		13,779,251	13,525,940
CREDITORS			
Amounts falling due after more than one year	17	(1,054,773)	(1,017,628)
PROVISIONS FOR LIABILITIES	20	(79,031)	(120,077)
NET ASSETS		12,645,447	12,388,235
FUNDS			
Unrestricted funds – general	22	7,627,276	7,370,064
Unrestricted funds – revaluation reserve	22	5,018,171	5,018,171
TOTAL FUNDS		12,645,447	12,388,235

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


J Watts
Trustee

16TH SEPTEMBER 2016

The notes on pages 18 to 30 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 2015

	Notes	2015 £	2014 £
Cash flow from operating activities			
Net cash provided by operating activities	1	685,948	810,631
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5,507	2,836
Purchase of property, plant and equipment		(388,509)	(535,993)
Interest received		2,871	2,158
Interest paid		(2,742)	(3,123)
Interest element of hire purchase and finance lease rental payment		-	(2,644)
Net cash used in investing activities		<u>(382,873)</u>	<u>(536,766)</u>
Cash flows from financing activities			
Loan repayments in the year		(26,799)	(75,620)
Capital repayment in the year		-	(14,000)
Net cash used in financing activities		<u>(26,799)</u>	<u>(89,620)</u>
Change in cash and cash equivalents in the reporting period		276,276	184,245
Cash and cash equivalents at the beginning of the reporting period		333,931	149,686
Cash and cash equivalents at the end of the reporting period	2	<u>610,207</u>	<u>333,931</u>

The notes on pages 18 to 30 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 2015

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

	2015	2014
	£	£
Net income for reporting period (as per the statement of financial activities)	257,212	74,884
Depreciation charges	374,844	326,711
Interest received	(2,871)	(2,158)
Interest paid	2,742	3,123
Interest element of hire purchase and finance lease rental payments	-	(2,644)
(Decrease)/Increase in provision	(5,562)	14,182
Payments made from provision	(35,484)	(35,868)
Decrease/(Increase) in stocks	423	9,011
Decrease/(Increase) in debtors	340,483	722,850
(Decrease)/Increase in creditors	(245,839)	(299,460)
Net cash provided by operating activities	<u>685,948</u>	<u>810,631</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2015	2014
	£	£
Cash in hand	<u>610,207</u>	<u>333,931</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 Company has net incoming resources for the year and budget and cash flow projections indicate that the Company will be able to continue to operate for the foreseeable future. The Company maintains its position as an approved provider with all the private and mutual health insurers and with the NHS. The Company 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 Company 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 – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 Company.

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

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 Company'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.

Operating leases

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

Hire purchase and leasing commitments

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

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

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES continued

Pension costs and other post-retirement benefits

The company operates a defined contribution scheme approved by the Pension Schemes Office of the Inland Revenue. The company 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.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

The Company has deemed the asset value of the property to be that value identified in its accounts in 2013.

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 Company'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 Company 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

	2015	2014
	£	£
Legacies and Donations	22,120	1,209

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

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. DONATIONS AND LEGACIES continued

As noted above the Company is grateful for the £20,000 donation from Fairfield Future as a contribution to the provision of a mammography system.

4. INVESTMENT INCOME

	2015 £	2014 £
Bank interest	<u>2,871</u>	<u>2,158</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2015 £	2014 £
Medical services provided	<u>12,082,739</u>	<u>11,780,462</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 7) £	Support costs (see note 12) £	Governance Costs (see note 8) £	Total £
Medical services provided	<u>8,894,788</u>	<u>2,966,090</u>	<u>18,000</u>	<u>11,878,878</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2015 £	2014 (restated) £
Staff costs	2,085,469	1,996,829
Direct medical costs	6,194,335	6,194,812
Insurance	167,647	69,600
Patient services	147,390	169,832
Medical Equipment Maintenance and Repair	<u>299,947</u>	<u>248,684</u>
	<u>8,894,788</u>	<u>8,679,757</u>

Direct medical costs includes the amount of inventories recognised as an expense as £986,911 (2014 £1,224,414).

8. GOVERNANCE COSTS

	2015 £	2014 £
Auditors' remuneration	<u>18,000</u>	<u>17,347</u>

9. NET INCOMING RESOURCES

Net resources are stated after charging/(crediting):

	2015 £	2014 £
Auditor's remuneration	18,000	17,347
Depreciation - owned assets	<u>373,609</u>	<u>326,711</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2015 nor for the year ended 31 December 2014.

Payments of £672 (2014 £654) were paid to one trustee for the year ended 31 December 2015 for trustee travel expenses.

11. STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

	2015	2014
	£	£
Salaries and wages:		
– Nursing and other clinical staff	2,062,741	2,130,318
– Catering	133,964	172,800
– Management and administration	1,390,526	1,229,744
	<u>3,587,231</u>	<u>3,532,862</u>
Wage and salaries	3,293,618	3,231,323
Social security costs	235,044	241,615
Pension costs	58,569	59,924
	<u>3,587,231</u>	<u>3,532,862</u>

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

	2015	2014
	Number	Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

One of the higher paid employees (2014: 1) were accruing benefits under defined contribution schemes. The amounts paid to defined contribution schemes on behalf of these employees were £3,931 (2014: £3,762).

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 £304,000 (2014: £261,000). The significant change between the years shows the impact of adding the new post of Assistant Director Governance to the key management personnel.

Average number employed (including temporary staff):

Nursing and other clinical	93	96
Management, clerical and domestic	<u>92</u>	<u>91</u>
	<u>185</u>	<u>187</u>

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015

12. SUPPORT COSTS

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

	2015	2014
	£	£
Management	1,933,370	1,987,437
Finance	90,436	91,186
Information Technology	227,321	242,552
Property	714,963	725,558
	<u>2,966,090</u>	<u>3,046,733</u>

13. TANGIBLE FIXED ASSETS

	Freehold land	Freehold property	Medical Equipment, Fixtures, fittings & Computer Equipment	Totals
	£	£	£	£
COST				
At 1 January 2015	3,366,366	8,267,949	1,646,782	13,281,097
Additions	-	20,842	484,757	505,599
	<u>3,366,366</u>	<u>8,288,791</u>	<u>2,131,539</u>	<u>13,786,696</u>
At 31 December 2015	3,366,366	8,288,791	2,131,539	13,786,696
DEPRECIATION				
At 1 January 2015	-	164,585	162,126	326,711
Charge for year	-	165,360	208,249	373,609
	<u>-</u>	<u>329,945</u>	<u>370,375</u>	<u>700,320</u>
At 31 December 2015	-	329,945	370,375	700,320
NET BOOK VALUE				
At 31 December 2015	3,366,366	7,958,846	1,761,164	13,086,376
	<u>3,366,366</u>	<u>8,103,364</u>	<u>1,484,656</u>	<u>12,954,386</u>
At 31 December 2014	3,366,366	8,103,364	1,484,656	12,954,386

On adoption of FRS102 we have elected to apply the fair value of land and buildings at 31st March 2013 as the deemed cost.

14. STOCKS

	2015	2014
	£	£
Consumable medical supplies	128,866	128,607
Pharmacy	16,086	16,768
	<u>144,952</u>	<u>145,375</u>

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	859,497	1,146,948
Prepayments and accrued income	108,771	116,211
	<u>968,268</u>	<u>1,263,159</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Bank loans and overdrafts (see note 18)	28,542	27,329
Trade creditors	824,000	733,564
Lease deposits (see note 18)	23,500	243,000
Provision for liabilities	-	25,554
Social security and other taxes	64,105	79,604
Accruals and deferred income	90,405	61,860
	<u>1,030,552</u>	<u>1,170,911</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Bank loans (see note 18)	1,619	29,631
Lease deposits (see note 18)	1,053,154	987,997
	<u>1,054,773</u>	<u>1,017,628</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year on demand:		
Bank overdraft	-	-
Bank loans	28,542	27,329
	<u>28,542</u>	<u>27,329</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	1,619	28,220
	<u>1,619</u>	<u>28,220</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	1,411
	<u>-</u>	<u>1,411</u>
Amounts falling due in more than five years:	-	-
	<u>-</u>	<u>-</u>
Repayable by instalments:		
Bank loans more 5 years	-	-
	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

18. LOANS continued

Lease deposits	1,076,654	1,230,997
	<u>1,076,654</u>	<u>1,230,997</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.

19. SECURED DEBTS

The following secured debts are included within creditors:

	2015	2014
	£	£
Bank loans	30,161	56,960
	<u>30,161</u>	<u>56,960</u>

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

20. PROVISIONS FOR LIABILITIES

	2015	2014
	£	£
Balance at 1 January 2015	120,077	141,763
Additional provision	-	14,182
Release of provision	(5,560)	-
Amounts used	<u>(35,486)</u>	<u>(35,868)</u>
Balance at 31 December 2015	<u>79,031</u>	<u>120,077</u>

The provision relates to deficit contribution payments and is explained in more detail in the note below – Note 21.

21. PENSIONS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015

21. PENSIONS continued

The latest actuarial valuation at 31 March 2015 shows that the overall deficit at that date is approximately £4.9 million which represents a 94% Funding Level. In line with the approach used for earlier valuations, the basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer. A new Recovery Plan has now been issued which takes account of the 31 March 2015 actuarial valuation and subsequent changes in assets and liabilities up to the date of signing the valuation on 17 March 2016.

Following the outcome of the Court case, the Trustee of the Plan has decided to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The Company will be required to pay £35,485.79 per annum for three years from 1st April 2014 and £25,599.23 per annum for two years from 1st April 2017 as its share of the deficit.

22. MOVEMENT IN FUNDS

	At January 2015 (restated)	Incoming Resources	Resources Expended	Funds transferred	Gains and Losses	At December 2015
	£	£	£	£	£	£
Unrestricted funds						
General fund	7,370,064	12,136,090	(11,878,878)	-	-	7,627,276
Revaluation Reserve	5,018,171	-	-	-	-	5,018,171
Total Funds	12,388,235	12,136,090	(11,878,878)	-	-	12,645,447

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.

23. ANALYSIS OF RESERVES

	2015 £	2014 £
Total reserves	12,645,447	12,388,235
Less: Land and buildings	(11,325,212)	(11,469,730)
Add: Lease deposits relating to land and buildings	1,076,654	1,230,997
Freely available reserves	2,396,889	2,149,502

24. CAPITAL COMMITMENTS

	2015 £	2014 £
Contracted for but not provided in these financial statements	Nil	190,000

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

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015**

25. FINANCIAL INSTRUMENTS

	2015	2014
	£	£
Financial assets measured at amortised cost	<u>1,469,704</u>	<u>1,480,879</u>
Financial liabilities measured at amortised cost	<u>1,930,815</u>	<u>2,047,075</u>

Financial assets consist of cash and trade debtors.

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

26. RELATED PARTY TRANSACTIONS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015

27. TRANSITION TO FRS 102

Reconciliation of equity

	Y/E 31 December 2013					
	As previously stated	Effect of transition				FRS 102 (as restated)
		Pension Provision				
	£	£	£	£	£	£
Fixed assets						
Tangible assets	12,960,000	-	-	-	-	12,960,000
Current assets						
Stocks	154,386	-	-	-	-	154,386
Debtors	1,986,009	-	-	-	-	1,986,009
Cash at bank and in hand	149,686	-	-	-	-	149,686
	2,290,081	-	-	-	-	2,290,081
Creditors: Amounts falling due within one year	(1,486,113)	-	-	-	-	(1,486,113)
Net current assets/(liabilities)	803,968	-	-	-	-	803,968
Total assets less current liabilities	13,763,968	-	-	-	-	13,763,968
Creditors: amounts falling due after more than one year	(1,284,544)	-	-	-	-	(1,284,544)
Provisions for liabilities	(24,310)	(141,763)	-	-	-	(166,073)
Net assets	12,455,114	(141,763)	-	-	-	12,313,351
Funds						
Unrestricted funds – general	7,294,387	(141,763)	-	-	-	7,152,624
Unrestricted funds – revaluation reserve	5,160,727		-	-	-	5,160,727
Total funds	12,455,114	(141,763)	-	-	-	12,313,351

Transition adjustments

1. An adjustment has been made to provide for the pension deficit funding contributions.

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015

27. TRANSITION TO FRS 102 continued

Reconciliation of equity continued

	Y/E 31 December 2014					
	As previously stated	Effect of transition				FRS 102 (as restated)
		Pension Provision				
	£	£	£	£	£	£
Fixed assets						
Tangible assets	12,954,386	-	-	-	-	12,954,386
Current assets						
Stocks	145,375	-	-	-	-	145,375
Debtors	1,263,159	-	-	-	-	1,263,159
Cash at bank and in hand	333,931	-	-	-	-	333,931
	1,742,465	-	-	-	-	1,742,465
Creditors: Amounts falling due within one year	(1,170,911)	-	-	-	-	(1,170,911)
Net current assets/(liabilities)	571,554	-	-	-	-	571,554
Total assets less current liabilities	13,525,940	-	-	-	-	13,525,940
Creditors: amounts falling due after more than one year	(1,017,628)	-	-	-	-	(1,017,628)
Provisions for liabilities	-	(120,077)	-	-	-	(120,077)
Net assets	12,508,312	(120,077)	-	-	-	12,388,235
Funds:						
Unrestricted funds – general	7,490,141	(120,077)	-	-	-	7,370,064
Unrestricted funds – revaluation reserve	5,018,171	-	-	-	-	5,018,171
Total funds	12,508,312	(120,077)	-	-	-	12,388,235

Transition adjustments

1. An adjustment has been made to provide for the pension deficit funding contributions.

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2015

27. TRANSITION TO FRS 102 continued

Reconciliation of income and expenditure for the year

	Y/E 31 December 2014					
	As previously stated	Effect of transition				FRS 102 (as restated)
		Pension Provision				
		£	£	£	£	
Income						
Voluntary income	1,209	-	-	-	-	1,209
Investment income	2,158	-	-	-	-	2,158
Incoming resources from charitable activities	11,780,462	-	-	-	-	11,780,462
Other incoming resources	13,206	-	-	-	-	13,206
Total incoming resources	11,797,035	-	-	-	-	11,797,035
Expenditure						
Charitable activities	11,726,490	(21,686)	-	-	-	11,704,804
Governance costs	17,347	-	-	-	-	17,347
Total resources expended	11,743,837	(21,686)	-	-	-	11,722,151
Net incoming resources	53,198	21,686	-	-	-	74,884
Gains on revaluation of fixed assets	-	-	-	-	-	-
Net movement in funds	53,198	21,686	-	-	-	74,884

Transition adjustments

1. An adjustment has been made to provide for the pension deficit funding contributions.