

Registered Company Number: 1141676 (England & Wales)

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014  
FOR  
THE GUY PILKINGTON MEMORIAL HOME LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

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

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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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 2014**

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The Trustees, who are also directors of the Company for the purposes of the Companies Act 2006, present their Annual Report together with the Financial Statements for the year ended 31st December 2014. 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 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. 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- Chairman of Trustees

Mr C Barratt

Mr C Bridge

Mr P N Clark

Resigned May 2014

Mrs C Finney

Resigned May 2014

Ms R Floyd

Dr C S Ince

Mr G Hammond

Mr G Jackson

Appointed July 2013 Resigned January 2014

Ms C Roberson

Mr C A Sills

Mr K Suraliwala

**Hospital Management:**

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

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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**Medical Advisory Committee:**

Chairman: Mr K Suraliwala

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Company Secretary**

Ms C Nolan

**Auditors**

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

**Solicitors**

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

**Bankers**

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

**Introduction and Chairman's Reflections**

The Company continues to provide a vital role in provision of healthcare in the North West of England. In the year 2014 we provided care for over 11,000 patients which, year on year, has shown a continual increase. Whilst historically the majority of our patients come from the local area encompassing the towns of St Helens and Wigan this has increasingly been extended to provide healthcare for patients across the Merseyside and Manchester conurbations. Our involvement with patients from the NHS continues at a high level and reflects on the ease of access and the standard of service provided at our Hospital.

The Trustees have supported the Executive team in adding new services and techniques and whilst some may see us having the advantages of a local community Hospital, we continue to provide the latest facilities for patient safety and patient treatment. At the beginning of the year we opened our "state of the art" scope cleaning facility at a cost of £250,000 and in the autumn we started work on the provision of a sophisticated new air handling unit costing £190,000 for our main theatre and which is now fully functional. As further examples of innovation we started providing advanced knee joint replacements and we are also providing more advanced treatments in urology, plastic surgery and ophthalmics.

I was pleased that during 2014 we were able to appoint Gillian Harper as our Assistant Director of Governance together the formation of our Governance Committee as an important initiative as we continue to strive to maintain our high standards. It was with regret that during 2014 we saw the retirement from the Board of Collette Finney and Paul Clark both of whom have made a valuable contribution to the Hospital's development and progress over a number of years. Colin Sills, due to family commitments, has stood down as Chairman but has agreed to continue as a Trustee so we can continue to benefit from his knowledge and experience. I was pleased that Carl Bridge was able to join the Board and I thank my fellow Trustees for their time and support together with that of the Executive Team whose commitment is vital to the future success of the Charity. It would also be remiss of me not to mention the important contribution of the Staff and the Consultants without whom we would not provide the service to our patients.

John Watts

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**Objectives and Aims**

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

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

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

**Governing Document**

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

**Trustees**

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

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

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 GUY PILKINGTON MEMORIAL HOME LIMITED  
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**Organisational Structure continued**

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 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 exactly the same levels of care and treatment but do not pay directly for the treatment they receive.

**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.

**ACHIEVEMENT AND PERFORMANCE**

**Clinical Effectiveness**

Changes have been made to the pre-operative assessment criteria to bring in line with new-evidenced based studies. Private patients are now MRSA screened as a routine. Elective surgery patients are now triaged, a telephone or face to face pre-op assessment is arranged according to patients' medical status.

As part of the National Safety Thermometer the Hospital monitor our patients by completing VTE risk assessment, VTE prophylaxis and DVT/ PE rates 1<sup>st</sup> Jan 2014 to 30<sup>th</sup> June 2014 949 patient were eligible for VTE assessment 98.4% of the patients were risk assessed and 99.4% of patients had some form of preventive VTE intervention. No patients suffered a blood clot (VTE).

The WHO check list has been implemented into all care plans across all specialities. An ongoing audit will be continued on a monthly basis to ensure compliance. The audit results will be reported to the Medical Advisory Committee bi-annually. In the event of non-compliance the findings will be discussed with the individual in the first instance.

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**ACHIEVEMENT AND PERFORMANCE** continued

Job rotation has commenced for registered nurses and HCAs. Permanent nursing night staff have been rotated onto day shift to ensure skills are updated. HCA theatre staff will be rotated with HCAs from the ward and outpatient department in 2015.

New guidance from the Association for Perioperative Practice (AfPP) has been issued regarding the role of 1<sup>st</sup> surgical assistant. Training has been undertaken by one of the theatre team who successfully completed the training at Edge Hill University in October 2014. Other members of the theatre team will now be identified and enrolled on the course subject to their role specification.

**Patient Safety**

We continue to participate in PROMS. The final figures that are available show an increase in participation rates for all four areas based on the 2012/13 rates. However, it must be noted that the data is not timely with the full year ending March 2014 being released in September 2014. PROMS was established to assess overall health gain for patients undergoing certain procedures.

The health gains attributable to the procedures carried out at Fairfield for the period April 2013 to March 2014 are as follows:

<b>Hernia</b>	46% (37%) patients had improved, 31% (18%) stayed the same and 23% (45%) reported their health had worsened.
<b>Hip</b>	81% (89%) saw improvement, 10% (6%) no change and 9% (5%) worsened.
<b>Knee</b>	75% (81%) saw improvement, 15% (10%) no change, 10% (9%) worsened.
<b>Varicose veins</b>	38% (51%) saw improvement, 63% (32%) no change, 0% (16%) worsened

The Hospital has successfully passed both its external ISO 9001:2008 and ISO 27001:2005 audits during 2014.

The National Joint Register target is 95% patient to consent compliance Fairfield Independent Hospital consent compliance is 98.3%. Part of this process is to link the patient by demographic service and matched to date of birth and postcode 97% link ability is expected. Fairfield achieved 100% for 2013 – 2014. For 2014 – 2015 changes to the National Joint Register minimum data set have been implemented by the Hospital.

The organisation has invested heavily in training in the last 12 months. All staff have undertaken their mandatory and statutory training undertaking and 30 staff have completed World Host training which is a high level of customer service training and 25 staff have undertaken ILM qualifications. One member of staff has completed their First Surgical Assistant training.

All staff and Consultants are required to have mental capacity training and this has been completed and evidenced.

**Patient Experience**

This has been rolled out to day cases and outpatients as from 01/10/2014. We are averaging 52% per month response rate from the patient questionnaires and of those 100% of patients are extremely likely or likely to recommend our Hospital.

We embarked on a programme of updating the patient areas in 2014. WiFi is available across the Hospital and rooms have been modernised to include wet rooms and improved fixtures and fittings. We have also been working on plans to improve the waiting areas and also improve patient flow throughout the Hospital.

We ask every patient who comes to the Hospital how they would like to be communicated with – email /text/mobile/landline – and this is put on the patient's record. When we need to contact them we communicate using their preferred method.

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**ACHIEVEMENT AND PERFORMANCE** continued

We text the patients or telephone them with their procedure date (TCI) and time offering them the first choice then if that is not suitable a second choice.

We text patients if appointments are being moved – it is quicker than trying their landline as most of the time they are not in.

We now give the TCI pack out at pre-op instead of posting it, allowing the pre-op nurse to go through everything they need to know and allowing questions to be asked by patients.

Sending texts has been a massive success as people do not answer their phone to a withheld number which ours is.

Governance

We were successful in recruiting to the Assistant Director of Governance post and the post holder commenced employment at the beginning of October 2014. We will continue 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.

The audit programme for 2014 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. The plan has been regularly reported on to our NHS commissioners as part of the suite of reporting we need to do on a monthly basis.

The Terms of Reference of the Audit Committee will be reviewed and a further formal sub committee of the Board will be established to oversee clinical governance and risk.

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. Placements at the Hospital are favoured by the Universities because the student's experience is enhanced by the variety of specialities that the student has access to here. The ward will continue to take two students on a thirteen-week placement with some time spent in the theatre and recovery ward environment. The links with the universities and the education system remains strong and the Hospital has attended education events at Edge Hill University.

During 2014 100% of staff have accessed training. There are 32 staff doing formal recognised qualifications with various outside bodies including Institute of Learning and Management (ILM).

Nursing Strategy

The strategy has, as its core, the unique relationship that nurses form with patients, family members and their carers, which often is the measure of quality that people use most frequently in describing their experience of the hospital and the service it delivers. Dementia leads have been identified in all departments to enable patients with a diagnosis of dementia to be cared for holistically in a dementia friendly environment.



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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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**ACHIEVEMENT AND PERFORMANCE** continued

A member of the theatre team has completed the First Surgical Assistant Role, this will enable the team to work more effectively with the Consultant to speed surgery thus reducing the time spent under anaesthetic for our patients, at the same time leaving the Resident Medical Officer (RMO) free to continue with his duties on the ward and reduce the potential time patients may wait for take home drugs. A member of the ward team has completed the Non-Medical Prescribing course, this has reduced the amount of time patients have waited to have medicines prescribed in the event of the RMO being busy with another patient.

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 have updated our work with patients regarding their emotional journey through theatre as we realise that this is a very anxious time for all patients. The results indicated that most patients were Happy, Reassured, Comfortable and Informed at all stages

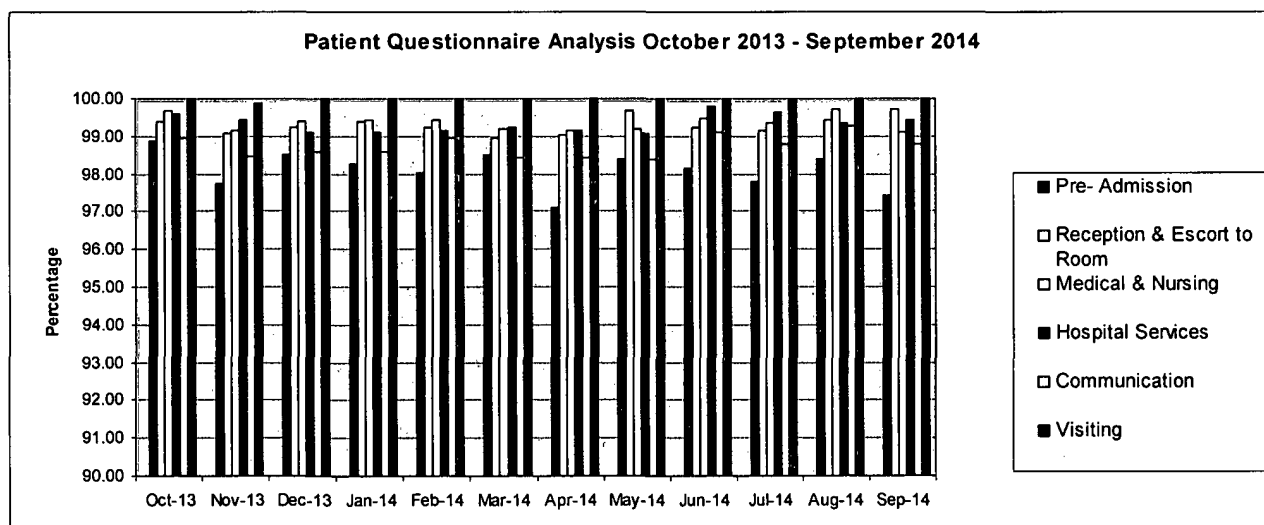
All patients in the recovery ward have their pain score documented and analgesia is given if indicated via the scoring system.

As part of our dementia care pathway we have introduced the Abbey pain score tool to enable patients with dementia to demonstrate their pain level, thus enabling staff to effectively manage pain levels for our patients who also live with dementia.

All our internal patient questionnaire responses are reviewed by the CEO on a daily basis which means our results are in real time and any actions that are needed can be taken quickly. We are delighted that patients rate our services highly. The results for 2014 are as shown below:

The results for 2014 show:

- 99% of the patients rated the cleanliness of the Hospital as very good or excellent.
- 99% of the patients rated the overall standard as very good or excellent.
- 100% of patients would recommend the Hospital to a friend or family.



From October 2013 to September 2014, the Hospital admitted 5402 patients. The number of questionnaires returned was 3797, resulting in a 71% response rate.

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**ACHIEVEMENT AND PERFORMANCE continued**

Stakeholder Engagement

We continue to seek out patients views in 'real time'. As well as our own internal questionnaire we also do ad hoc audits where members of the team speak with patients, ask questions about how their experience has been, if we are getting it right and if there could be any improvements. Following the introduction of the Friends and Family Test for NHS patients we are averaging a 50% response rate with 100% of those responding saying they would recommend the Hospital to a friend or family member.

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

Quality

Our core values compliment the increased emphasis from all of our commissioners on the need to evidence and demonstrate our commitment to the provision of quality services. We strongly believe that the quality of the clinical and non clinical services that we provide allows us to demonstrate this. Our patients tell us about how they feel we have treated and cared for them and the results of this 'real time' feedback is excellent.

Infection Control

We are extremely proud of our infection rates and the fact that we are maintaining such good rates is testament to how seriously all our staff take the issue of making sure that our Hospital is free from infection. During 2014 we have continued to maintain our average monthly infection rate at below one percent. We continue to maintain our zero rates for MRSA, MSSA, C-difficile infection organisms. Our hand washing compliance audits show 100% compliance across the Hospital.

Refurbishments and New Equipment Programme 2014

The Hospital's activity in 2014 has continued to grow and capital programmes planned have been difficult to plan around this increased activity coupled with the operational management demands of those leading the capital projects.

During 2014 the Hospital has invested in upgrading and improving its inventory of medical diagnostic scopes, instrumentation and general medical equipment. Improvements have been made to the patients' bedrooms by refurbishing bathrooms, installing sensor lighting in bathrooms and panel lights have replaced diffuser light fittings in the most used rooms. We have also made improvements to the Hospital's patient WIFI and the general internal hospital environment.

The most significant capital investments for the year include:

- installation of a new air handling unit into theatre one £190,000
- a new C-arm x ray viewer £46,000
- a new boiler plant installed into the old theatre plant room £65,000
- new servers for improved disaster recovery and upgrade to the latest version of the CSC Patient Information Manager system £10,000
- New scope washer and enhanced disinfection environment £250,000

Productivity and Efficiency

During 2014 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 further enhanced what we identified as priority areas in 2013 with other elements which became a condition under our NHS contract terms.

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**ACHIEVEMENT AND PERFORMANCE** continued

Where there are reductions in the prices paid to us from any of our commissioners in 2014, we in turn have had to reduce what we pay out. Working with an evidence based approach, we are now in a far better position to determine what is profitable and what is not. We will continue with this approach as we do need to ensure that we remain profitable and that all new services that are proposed for introduction are assessed in terms of what they can bring to the organisation.

During the year we have introduced a scheme whereby we ring patients directly to agree a date and time of their inpatient procedure. This cuts down on missed appointments, unnecessary paperwork being produced and patients being able to make the necessary arrangements to cover child care, work absences, etc. well in advance of their procedure date.

We have introduced speciality specific Saturday minor procedure clinics, which have proved very popular with patients; these clinics will be developed further and will continue in 2015.

**NHS Work**

During 2014 we continued to participate in NHS Choices. The NHS accounts for at least 70% of our work via NHS Choices. The NHS work is bringing in valuable resources albeit at tight margins but we are extremely mindful of our reliance on the NHS as a source of income.

2014 saw yet another change with regard to the team negotiating contracts for the NHS. We have built up a good working relationship with the new team.

We have indicated to the CCG that if there are considerable pressures during the winter then we will try and help out as much as we can by offering step down facilities for patients.

**Private Market**

Our share of the private market during 2014 has not been as good as we would have liked. Whilst there have been some small increases we continue to see private activity decline. The commissioners are being far more rigorous in what they will approve and what they will pay for. The Hospital has seen a continued pressure on the margin between costs and income. There has been growing concerns during 2014 of the continued decline in BUPA patients accessing our services. Despite participating in a number of their fixed contract networks, referrals continue to drop. The outlook does not look particularly good in terms of growth for BUPA activity and I think this is something that is being felt across the group hence their proposals to look at doing things differently.

**THE GUY PILKINGTON MEMORIAL HOME LIMITED  
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**ACHIEVEMENT AND PERFORMANCE** continued

**FINANCIAL REVIEW**

**Reserves policy**

Our policy is that the Company's reserves should include sufficient net cash balances to cover at least one month's expenditure to enable the Company to function in the short term. At 31 December 2014 the Company, in addition to the cash at bank, had a bank facility that would provide funding for more than one month's expenditure. However, the Trustees' intention is that the cash reserves should be further increased over the near future to satisfy this Policy without recourse to the overdraft facility.

**Investment policy**

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

**Review of financial position**

The Hospital in 2014 continued to provide a vital element of the local health service treating over a thousand more patients than in the previous year. In financial terms the surplus has fallen to just over £50,000 but this is after making significant investments in the systems for patient safety, clinical governance and administration. For patient safety the Hospital completed a £250,000 investment in a new scope washing facility and made plans to add a new air handling system for its main theatre. The Hospital also invested some £50,000 in building an electronic case notes system to replace the paper files previously in use across the Hospital. In terms of clinical governance the Hospital invested in new staff to ensure patient safety remains at the core of what we do. In terms of administrative systems, the Hospital has upgraded its main administrative system and servers and has added a separate computer suite to provide a much more extensive disaster recovery structure.

Many of these investments in safer and improved systems have both a capital and a revenue impact. In all the combined revenue impact of these one-off costs has added £87,000 to the Hospital's costs in 2014. The Hospital also experienced some difficulty in recruiting staff with the right skills and experience and had to rely on agency staff in the theatre and radiology adding £153,000 to our cost base in 2014. Some of the recruitment problems have been overcome but the Hospital will still have some extra cost because of agency staff in the early months of 2015.

The main challenge to the Charity's finances in 2014 has been the tight margins between cost and the tariffs paid by the NHS and the other commissioners. This is especially true given that all the NHS activity at Fairfield is undertaken by consultants and so the cost base is necessarily higher than at an NHS Hospital where treatments are provided by a wider range of clinical staff.

Even though the surplus is not significant the Charity has improved its debt position and has now eliminated its net debt and is in a position where it could pay off its outstanding private loan. As the Charity's plans for 2015 include substantial investment in new treatments and procedures the Trustees will review a range of funding options for the new activities.

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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT  
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## **Strategic Report**

The Charity 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 Charity's main strengths are its links to the local communities that it serves through its connexions 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 Charity 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 Hospital faces are:

- Decline in demand because commissioners are forced to continue their policy of reducing the funding they provide for patient illness – we have already seen year on year reductions in the NHS tariff, and our private commissioners are very focussed on achieving low price growth and value for money.
- Growth in alternative providers – as an example, we have seen local clinics opening up to provide limited services in the specific areas – while these will not individually threaten the Charity'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 Hospital 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 Board considers the future of the Charity 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 Charity should:

- Extend the provision of "one stop" clinics which provide a high quality service with quick and effective diagnosis and reduced outpatient follow-ups.
- 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 2014 the Charity 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 Charity.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

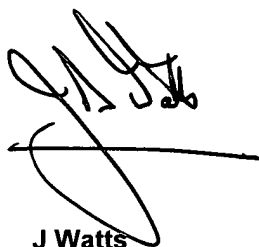
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, 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: 26th June  
~~July~~ 2015

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

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

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We have audited the financial statements of The Guy Pilkington Memorial Home Limited for the year ended 31 December 2014 set out pages 15 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of trustees and auditor**

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

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

**Scope of the audit of the financial statements**

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

In addition, we read all the financial and non-financial information in the 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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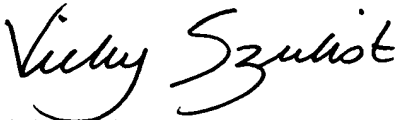
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**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

27th July 2015



**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 2014**

	Notes	2014 Unrestricted funds £	2013 Unrestricted funds £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income	2	1,209	1,100
Investment income	3	2,158	1,350
<b>Incoming resources from charitable activities</b>			
Medical services provided	4	11,780,462	11,518,858
<b>Other incoming resources</b>		<u>13,206</u>	<u>38,688</u>
<b>Total incoming resources</b>		<u>11,797,035</u>	<u>11,559,996</u>
 <b>RESOURCES EXPENDED</b>			
<b>Charitable activities</b>			
Medical services provided	5	11,726,490	11,154,281
<b>Governance costs</b>	7	<u>17,347</u>	<u>17,200</u>
<b>Total resources expended</b>		<u>11,743,837</u>	<u>11,171,481</u>
 <b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>			
		53,198	388,515
<b>Gains on revaluation of fixed assets for charity's own use</b>		<u>-</u>	<u>3,297,977</u>
<b>Net movement in funds</b>		53,198	3,686,492
Total funds brought forward		<u>12,455,114</u>	<u>8,768,622</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>12,508,312</u></u>	<u><u>12,455,114</u></u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

The notes on pages 18 to 29 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 2014**

	Notes	2014 Unrestricted funds £	2013 Unrestricted funds £
<b>FIXED ASSETS</b>			
Tangible assets	12	<u>12,954,386</u>	<u>12,960,000</u>
<b>CURRENT ASSETS</b>			
Stocks	13	145,375	154,386
Debtors: amounts falling due within one year	14	1,263,159	1,986,009
Cash at bank		<u>333,931</u>	<u>149,686</u>
		1,742,465	2,290,081
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>(1,170,911)</u>	<u>(1,486,113)</u>
<b>NET CURRENT ASSETS</b>		<u>571,554</u>	<u>803,968</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,525,940	13,763,968
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(1,017,628)	(1,284,544)
<b>PROVISIONS FOR LIABILITIES</b>	20	-	(24,310)
<b>NET ASSETS</b>		<u>12,508,312</u>	<u>12,455,114</u>
<b>FUNDS</b>			
Unrestricted funds – general	22	7,490,141	7,294,387
Unrestricted funds – revaluation reserve	22	<u>5,018,171</u>	<u>5,160,727</u>
<b>TOTAL FUNDS</b>		<u>12,508,312</u>	<u>12,455,114</u>

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



**J Watts**  
Trustee

26th June 2015

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

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	1	1,002,714	621,505
<b>Returns on investments and servicing of finance</b>	2	(3,609)	(18,987)
<b>Capital expenditure and financial investment</b>	2	<u>(533,157)</u>	<u>(208,357)</u>
		465,948	394,161
<b>Financing</b>	2	<u>(89,620)</u>	<u>(201,369)</u>
<b>Increase in cash in the period</b>		<u>376,328</u>	<u>192,792</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase in cash in the period		376,328	192,792
Cash (inflow) from increase in debt and lease financing		<u>89,620</u>	<u>201,369</u>
Change in net debt resulting from cash flows		465,948	394,161
New loans		<u>-</u>	<u>-</u>
<b>Movement in net debt in the period</b>		465,948	394,161
<b>Net debt at 1 January</b>		<u>(188,978)</u>	<u>(583,139)</u>
<b>Net debt at 31 December</b>		<u>276,971</u>	<u>(188,978)</u>

The notes on pages 18 to 29 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 2014**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net incoming resources	53,198	388,515
Depreciation charges	326,711	356,640
Interest received	(2,158)	(1,350)
Interest paid	3,123	13,692
Interest element of hire purchase and finance lease rental payments	2,644	6,645
Decrease/(Increase) in stocks	9,011	(16,569)
Decrease/(Increase) in debtors	722,850	(200,604)
(Decrease)/Increase in creditors	<u>(112,665)</u>	<u>74,536</u>
<b>Net cash inflow from operating activities</b>	<u><b>1,002,714</b></u>	<u><b>621,505</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	2,158	1,350
Interest paid	(3,123)	(13,692)
Interest element of hire purchase and finance lease rental payments	<u>(2,644)</u>	<u>(6,645)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><b>(3,609)</b></u>	<u><b>(18,987)</b></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(535,993)	(208,357)
Sale of tangible fixed assets	<u>2,836</u>	<u>-</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><b>(533,157)</b></u>	<u><b>(208,357)</b></u>
<b>Financing</b>		
Loan repayments in year	(75,620)	(163,866)
Capital repayments in year	<u>(14,000)</u>	<u>(37,503)</u>
<b>Net cash outflow from financing</b>	<u><b>(89,620)</b></u>	<u><b>(201,369)</b></u>

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

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014.**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 2014 £	Cash flow £	At 31 December 2014 £
<b>Net cash:</b>			
Cash at bank	149,687	184,244	333,931
Bank overdrafts	(192,085)	192,085	-
	(42,398)	376,329	333,931
<b>Debt:</b>			
Hire purchase	(14,000)	14,000	-
Debts falling due within one year	(76,279)	48,950	(27,329)
Debts falling due after one year	(56,301)	26,670	(29,631)
	(146,580)	89,620	(56,960)
<b>Total</b>	(188,978)	465,949	276,971

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

The charity has net incoming resources for the year and budget and cash flow projections indicate that the charity will be able to continue to operate for the foreseeable future. The charity maintains its position as an approved provider with all the private and mutual health insurers and with the NHS. The charity enjoys a strong relationship with its main provider of private finance and is able to access a range of funding routes for further developments. The charity has a waiting list of consultants who are seeking practicing privileges. The trustees are satisfied that it is appropriate to continue to prepare the accounts on a going concern basis.

**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.

**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**

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.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**ACCOUNTING POLICIES - continued**

**Revaluation of tangible fixed assets**

Freehold land and buildings are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for the freehold land and buildings every five years, with an interim valuation three years after the previous full valuation, and in every year where it is likely that there has been a material change in value.

Revaluation gains and losses on assets held for the charity's own use are included in the section on gains and losses on revaluations of fixed assets in the Statement of Financial Activities.

**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.

**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.

**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.

**2. VOLUNTARY INCOME**

	2014	2013
	£	£
Legacies and Donations	<u>1,209</u>	<u>1,100</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**3. INVESTMENT INCOME**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	<u>2,158</u>	<u>1,350</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Medical services provided	<u>11,780,462</u>	<u>11,518,858</u>

**5. CHARITABLE ACTIVITIES COSTS**

	<b>Direct costs (see note 6)</b>	<b>Support costs (see note 11)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Medical services provided	<u>8,679,757</u>	<u>3,046,733</u>	<u>11,726,490</u>

**6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Staff costs	1,996,829	1,917,166
Direct medical costs	6,194,812	5,767,159
Insurance	69,600	132,241
Patient services	169,832	170,390
Medical Equipment Maintenance and Repair	<u>248,684</u>	<u>203,697</u>
	<u>8,679,757</u>	<u>8,190,653</u>

**7. GOVERNANCE COSTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	<u>17,347</u>	<u>17,200</u>

**8. NET INCOMING RESOURCES**

Net resources are stated after charging/(crediting):

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	17,347	17,200
Depreciation - owned assets	326,711	337,013
Depreciation - assets on hire purchase contracts and finance leases	<u>-</u>	<u>19,627</u>



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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2014 nor for the year ended 31 December 2013.

Payments of £654 (2013 £404) were paid for the year ended 31 December 2014 for trustee expenses.

**10. STAFF COSTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Salaries and wages:		
- Nursing and other clinical staff	1,996,829	1,917,166
- Catering	172,800	169,874
- Management and administration	1,391,951	1,263,342
	<u>3,561,580</u>	<u>3,350,382</u>
Wage and salaries	3,237,681	3,039,457
Social security costs	241,614	237,243
Pension costs	82,285	73,682
	<u>3,561,580</u>	<u>3,350,382</u>

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

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
£70,001 - £80,000	1	-
£60,001 - £70,000	-	1

Average number employed (including temporary staff):

Nursing and other clinical	96	92
Management, clerical and domestic	91	87
	<u>187</u>	<u>179</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. SUPPORT COSTS**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Management	1,987,437	1,850,125
Finance	91,186	110,836
Information Technology	242,552	238,853
Property	725,558	763,814
	<u>3,046,733</u>	<u>2,963,628</u>

**12. TANGIBLE FIXED ASSETS**

	<b>Freehold land £</b>	<b>Freehold property £</b>	<b>Fixtures, fittings &amp; computer equipment £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>				
At 1 January 2014	3,366,366	8,229,244	1,364,390	12,960,000
Additions	-	38,705	282,392	321,097
	<u>3,366,366</u>	<u>8,267,949</u>	<u>1,646,782</u>	<u>13,281,097</u>
At 31 December 2014	<u>3,366,366</u>	<u>8,267,949</u>	<u>1,646,782</u>	<u>13,281,097</u>
<b>DEPRECIATION</b>				
At 1 January 2014	-	-	-	-
Charge for year	-	164,585	162,126	326,711
	<u>-</u>	<u>164,585</u>	<u>162,126</u>	<u>326,711</u>
At 31 December 2014	<u>-</u>	<u>164,585</u>	<u>162,126</u>	<u>326,711</u>
<b>NET BOOK VALUE</b>				
At 31 December 2014	3,366,366	8,103,364	1,484,656	12,954,386
	<u>3,366,366</u>	<u>8,103,364</u>	<u>1,484,656</u>	<u>12,954,386</u>
At 31 December 2013	<u>3,366,366</u>	<u>8,229,244</u>	<u>1,364,390</u>	<u>12,960,000</u>

Cost or valuation at 31 December 2014 is as follows:

	<b>Freehold land, buildings and equipment £</b>
<b>AT COST</b>	<u>10,299,382</u>
<b>AT VALUATION</b>	<u>12,954,386</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

The land, buildings and equipment were revalued on 18 April 2011 by E Westlake BSc FRICS and O Westlake LLB (Hons) MSc Surv on an existing use basis. A new valuation was undertaken in May 2014 by the same valuers and on the same basis. This assessed the value of the land, buildings and equipment on a going concern basis as £12,960,000. The valuation assesses the land, buildings and equipment on a going concern basis as a Company. Buildings values have been assessed on a net current replacement cost basis updated for the new valuation. The historical cost net book value of equipment has been assumed to be equivalent to current value leaving land as the residual figure.

The Board has considered the valuation and believes that they represent a reasonable current statement of the organisation's assets.

If the land and buildings and equipment had not been included at valuation they would have been included under the historical cost convention as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Cost	10,299,382	9,978,285
Accumulated depreciation	2,788,879	2,463,493
	<hr/>	<hr/>
Net book value	<u>7,510,503</u>	<u>7,301,901</u>

The net book value of assets held under hire purchase contracts, included above, are as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Fixtures, fittings and computer equipment	Nil	137,392
	<hr/>	<hr/>

**13. STOCKS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Consumable medical supplies	128,607	135,618
Pharmacy	16,768	18,768
	<hr/>	<hr/>
	<u>145,375</u>	<u>154,386</u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,146,948	1,879,528
Prepayments and accrued income	116,211	106,481
	<hr/>	<hr/>
	<u>1,263,159</u>	<u>1,986,009</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 17)	27,329	268,364
Hire purchase (see note 18)	-	14,000
Trade creditors	733,564	481,075
Lease deposits (see note 17)	243,000	-
Provision for liabilities (see note 20)	25,554	-
Social security and other taxes	79,604	74,475
Accruals and deferred income	61,860	648,199
	<u>1,170,911</u>	<u>1,486,113</u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 17)	29,631	56,301
Lease deposits (see note 17)	987,997	1,228,243
	<u>1,017,628</u>	<u>1,284,544</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand:		
Bank overdraft	-	192,085
Bank loans	27,329	76,279
	<u>27,329</u>	<u>268,364</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	28,220	27,351
	<u>28,220</u>	<u>27,351</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	1,411	28,950
	<u>1,411</u>	<u>28,950</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>
Lease deposits	987,997	1,228,243
	<u>987,997</u>	<u>1,228,243</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 sale of the property.

**18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	-	14,000
Between one and five years	-	-
	<u>-</u>	<u>14,000</u>

**19. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank overdraft	-	192,085
Bank loans	<u>56,960</u>	<u>132,580</u>
	<u>59,960</u>	<u>324,665</u>

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

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

**20. PROVISIONS FOR LIABILITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Provision	<u>-</u>	<u>24,310</u>
	<b>Provision</b>	<b>Provision</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2014	-	16,847
Additional provision	-	7,463
Amounts used	<u>-</u>	<u>-</u>
Balance at 31 December 2014	<u>-</u>	<u>24,310</u>

The provision relates to estimated pension costs in relation to employees who had been excluded from the company pension scheme and the payments due will be paid in 2015.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
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**21. PENSIONS**

The Company formerly participated in a pension scheme that covers a number of 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 17 "Retirement Benefits", 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.

A further actuarial valuation, at 31 March 2012, shows that the overall deficit at that date is approximately £18.3 million. In line with the approach used for the 2009 valuation, 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 2012 actuarial valuation and subsequent changes in assets and liabilities up to the date of signing the valuation in June 2013.

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 1<sup>st</sup> April 2014 and £36,994.33 per annum for two years from 1<sup>st</sup> April 2017 as its share of the deficit.

The next formal triennial actuarial valuation, which is due at 31 March 2015, may result in another revised Recovery Plan which in turn may change the amount the Company is required to contribute for its share of the deficit.

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**22. MOVEMENT IN FUNDS**

	At January 2014 £	Incoming Resources £	Resources Expended £	Funds transferred £	Gains and Losses £	At December 2014 £
<b>Unrestricted funds</b>						
General fund	7,294,387	11,797,035	(11,743,837)	142,556	-	7,490,141
Revaluation Reserve	5,160,727	-	-	(142,556)	-	5,018,171
<b>Total Funds</b>	<b>12,455,114</b>	<b>11,797,035</b>	<b>(11,743,837)</b>	<b>-</b>	<b>-</b>	<b>12,508,312</b>

The transfer reflects an assessment of depreciation on the revalued asset.

**23. ANALYSIS OF RESERVES**

	2014 £	2013 £
Total reserves	12,508,312	12,455,114
Less: Land and buildings	(11,634,315)	(11,595,610)
Add: Lease deposits relating to land and buildings	1,230,997	1,228,243
Freely available reserves	2,104,994	2,087,747

**24. CAPITAL COMMITMENTS**

	2014 £	2013 £
Contracted for but not provided in these financial statements	190,000	-