

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023. Fairfield Independent Hospital (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).

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 C Barratt	Chair of Trustees & Chair of Finance and Audit Committee
Ms C Dodwell	Deputy Chair and Chair of the Capital Developments Committee
Mr C Bridge	Chair of the Integrated Governance Committee
Mr RG Hammond	Chair of the Workforce and Remuneration Committee
Dr C S Ince	
Mr L Marlow	Chair of the Finance and Audit Committee
Ms S Watson	
Mr A Appleton	
Mr MRPA Manning	

Key Management Personnel:

Ms C Nolan
Chief Executive Officer

Ms J Taylor until October 2023
Ms J Gallagher
Director of Clinical Services and Quality

Mr S Smith
Director of Hospital Services

Mr I Campbell
Director of Finance, IT and Performance

Medical Advisory

Chairman Mr R Gudena

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REFERENCE AND ADMINISTRATIVE DETAILS continued

Company Secretary Ms C Nolan

Ms Nolan is also the Hospital's Registered Manager which is one element of the Hospital's Registration with the Care Quality Commission.

Auditors

Crowe U.K. LLP
3rd Floor
St George's House
56 Peter Street
Manchester
M2 3NQ

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 1DR

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**REPORT OF THE TRUSTEES AND STRATEGIC REPORT
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Objectives and Aims

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

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

Our Framework for the Future is made up of:

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

Our Vision: To offer a workforce committed to providing a service of excellent patient care within a safe and appropriate environment.

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

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

Governing Document

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

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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 directors. 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 three months or more often in periods of challenge and change – during 2023 the Board met more regularly. The Director Appointments Committee assists the Board in assessing its skills and identifying new Trustees. New Trustees spend time with the hospital management having the aims and objectives and the policies and procedures of the charitable company explained to them and are issued with an induction pack. A Medical Advisory Committee (MAC) and an Adverse Events Committee also form part of the governance framework. In total there are five Board committees and these are the Directors who serve on them:

Committees	Director Appointments	Integrated Governance	Finance and Audit	Capital	Workforce and Remuneration	Medical Advisory
Mr C Barratt	Chair	x	x		x	
Mr C Bridge		Chair	X			
Ms C Dodwell				Chair		
Mr R G Hammond	X			X	Chair	
Dr C S Ince	X	x				
Mr L Marlow			Chair	X	x	
Ms S Watson		x				
Mr A Appleton				X		
Mr M Manning						X

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

Organisational Structure

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

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

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

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

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The Workforce and Remuneration Committee reviews the pay, reward and organisation structure for all the Hospital staff. The arrangements for setting pay and remuneration of key management personnel is similar to that applied to the whole staff team and the Committee uses benchmarks provided by the salary levels set in the National Health Service. The Workforce and Remuneration Committee makes recommendations 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 charitable company's affairs. Trustees' responsibilities extend to ensuring that the assets of the organisation are safeguarded and that all reasonable steps have been taken to protect the organisation against fraud or other irregularities.

Public Benefit

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

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

During 2023 the Hospital continued to support the national effort to provide medical services to the National Health Service and provided a range of services including diagnostics and both inpatient and outpatient services.

Risk Management

The Company has a strong culture of risk awareness. All activities, both new and continuing, are regularly subjected to a risk assessment which includes issues of clinical matters, health and safety, financial impact, operational effectiveness, continuity and reputation threats. There are clear policies and guidelines in place as part of the Company's risk management framework. We participate in our own local clinical audits and also participate in national reviews and there is a clear incident reporting mechanism and analysis of adverse events. 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.

IT risk management is a key area for the organisation and in 2023 we continued to improve our IT environment, security systems and quality systems. We retained our ISO 27001 standard and invested in new equipment to ensure our systems are efficient, effective, secure and supported. We use a variety of consultants and companies to ensure our systems are monitored, external back-ups are taken and risks are managed efficiently and effectively.

The Hospital has a pandemic flu policy that has been adapted for the Covid19 pandemic and beyond. It provides guidance for the Hospital's staff to manage the organisation during the challenging times it has faced over 2023. The policy has been updated and improved as the Hospital has operated throughout the year.

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ACHIEVEMENTS AND PERFORMANCE

Introduction

This report has been prepared as the organisation emerged from the Covid19 pandemic which has provided the biggest challenge to the Charity in its history. While it is right to reflect on the achievements of 2023, the Trustees have to recognise that the reader of the report will be looking at those items that have affected the performance of delivering the charitable services.

Our financial situation continues to improve. Our longer-term operating model and financial performance requires investment in software that will help lower costs and provide improved planning, control and decision making opportunities. The Trustees have signed an asset purchase agreement to sell the trade and the assets of the charity. On completion of the sale the charity will continue as a grant giving body. The sale is expected to be completed no later than the end of January 2025. Our financial statements for 2023 were prepared on the going concern basis.

Many services have moved to an online delivery model and many of our patient consultations, where clinically appropriate, are being held virtually.

In order to support the local NHS and provide services for patients the Hospital is now an accredited provider with NHS England to provide treatment and care for patients who have been waiting for some time for their treatment. The numbers of people waiting for treatment will be a key driver in the work-flow for the Hospital. Our Trustees and Directors feel very strongly that as a local charity it is our duty to support the NHS as best we can.

The formal and informal links that the Hospital has developed with the NHS Trust in 2023 will improve its role and importance. In addition, the internal developments at the Hospital, in response to the long waiting lists within the NHS, will help deliver new services for the NHS such as new specialty surgery in the years ahead.

Governance

Whilst the role of the Board encompasses overseeing the implementation of all the organisation's plans, it also has a major role in ensuring effective stewardship and ensuring high standards of corporate governance and personal behaviour. It is important that the Hospital has a highly effective and efficient Board that has the skills, competence and business acumen to drive the strategic agenda.

As a registered charity and a company limited by guarantee without share capital we have to balance the requirements of running a not-for-profit business with the need to achieve our charitable aims and objectives: to demonstrate public benefit; adhere to the values of our charity; adopt best practices and act with integrity at all times.

Our governance provides a framework for continuously improving the quality of our services and safeguarding our high standards of care. We develop and review our policies and procedures to enhance our governance environment and support our ISO 9001 accredited quality systems. Following the pandemic many of our ISO procedures have been re-written to further enhance our infection control precautions to the pandemic and the different ways of working, protecting patients and staff, many of our ISO procedures have been re-written to take account of Covid19 precautions.

The risk register continues to be populated and reported to the Board, identifying the most pressing risks and the actions that have been put in place to mitigate those risks. The hospital Board ensures there is formal structure around our risk management framework, KPI reporting dashboard, providing support for staff on all aspects of governance including the CQC inspection regime and the improvement of clinical systems.

The Board has reviewed the Charity Governance Code and considered the Charity's compliance to the Code. The Board has put in place systems and procedures to ensure it complies with the Care Quality Commission's corporate governance framework and that it is also meeting the seven principles which make up this Code. The Charity has also implemented procedures and policies which mean that it conforms to the fit and proper persons regulations for directors or equivalents.

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The Integrated Governance Committee meets quarterly. The Committee looks at all aspects of governance across the organisation, promoting good risk management and ensuring effective governance, both clinical and non-clinical, across all services. The Committee provides assurance to the Board and other stakeholders that processes are in order and that the Hospital is compliant with its statutory requirements and able to ensure sound internal control arrangements.

Leadership and Training

The Executive Team, headed by the Chief Executive, continue to access continuing professional development and other opportunities relevant to their roles including membership of other charitable boards. Wherever possible, staff have been accessing on-line training and development to ensure that their skills and competencies have been kept up to date. Investment in training will continue. Training forms part of the individual departments' suite of key performance indicators and is monitored to ensure compliance. Wherever possible we will utilise e-learning for staff and secure opportunities to visit other organisations and do some internal programmes such as 'walk in my shoes'. Training and education continues to be actively monitored to ensure that it is up to date, current and relevant.

Quality and safety

In 2023 we maintained our externally validated quality assurance standards. We were re-accredited for ISO27001 and during 2023 we maintained our ISO9001 standard. In common with many other UK organisations and charities, the current regulatory and legislative landscape in which we operate continues to be subject to increasing change. Failure to recognise, adapt to and comply with the above may cause additional costs, penalties or other sanctions and damage to our Hospitals reputation.

Our Quality Assurance Framework supports the planning, delivery, monitoring and continuous improvement of all the care and support we provide. As a charity, we always put quality, safety and patient care above financial performance and everything we do is evaluated against the following factors:

- Safety – our aim is to meet the highest possible standards and avoid harm. We expect all of staff to uphold professional standards and act with care compassion and integrity at all times.
- Effectiveness – providing evidence based health and wellbeing expertise and services that lead to excellent outcomes.
- Experience – We want all of our patients to have a positive experience and our aim is to make that care as personalised as possible.

We continually audit and benchmark our services and we are continually reviewing how we provide our services. We participate in the NHS Friends and Family Test and we also participate in the Private Health Information Network Friends and Family Test. Our scores on all these tests are high but we know that we can only maintain these scores by continual improvement, attention to detail and investment in staff development, medical equipment, and the fabric of the Hospital.

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

As well as our own internal questionnaire we do ad hoc audits where members of the team speak with patients, ask questions about how their experience has been, if we are getting it right and if there could be any improvements.

We obtain the views of our consultants and discuss areas of good practice and concerns via the Medical Advisory Group (MAC). The MAC has a direct line of accountability to the Board and the Chairman of the Board of Directors meets regularly with the MAC Chair. The MAC Chair is also in attendance at the Board. 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.

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

Refurbishments and New Equipment Programme 2023

The Hospital has continued to invest in all areas of the Hospital, which includes medical and non-medical equipment, patient facilities and information technology. Our capital programme has been reactive during 2023.

NHS Work

Fairfield have registered to provide extra elective capacity in order to help reduce the NHS elective backlog. The hard working staff at Fairfield maintained the infection rate below 1%. Staff worked collaboratively across all departments to provide support to colleagues in house to ensure we continued to provide a first class service to patients.

Fairfield has a contract with local ICBs for direct referrals from GPs for their patients' treatment

FINANCIAL REVIEW AND STRATEGIC REPORT

In 2024 during the audit work on the 2023 accounts two adjustments came to light. One was for a pension contribution shortfall caused by a set up error on the payroll system in the year 2014. This error excluded the lower earnings limit from the amount used for pension contribution calculations. The total value of this shortfall is £271,761 to the end of 2023. The other was for an erroneous double counting of x-ray sales in 2022 which had been recognised in 2021. The sales value adjustment is £145,726. These two adjustments have been accounted for in the 2023 figures in this set of accounts.

The charitable company made a loss of £42,674 (2022 a surplus of £137,934). The Hospital's income increased to £15,757,696 (2022: £14,387,636) and its costs increased to £15,800,370 (2022: £14,249,702).

The key issues for the Hospital were around the extent to which it could operate safely and usefully with a high administration cost and computer systems requiring upgrade. During the year the Board repaid the balance on the £600,000 Coronavirus Business Support Loan issued in December 2020. The Hospital is continually reviewing the services and cost of delivery to all its commissioners and to self-pay patients and while there are still limits to the number of patients that can be treated. The general financial position for 2023 has been maintained at a similar level to 2022 once the adjustments described above are taken into account.

Key Policies

Reserves policy

The movement in reserves in the year is set out in Note 20 to the accounts. Total reserves at 31 December 2023 were £6,476,070 (2022 £6,518,744). Note 21 analyses how the Trustees have allocated past reserves to acquire and develop the Hospital. To the extent that past reserves have been used for this purpose, at the end of the year some £1,787,963 (2022 £1,741,141) is held as unallocated or free reserves which is equivalent to 2.55 months (2022 2.4 months) of fixed costs. The charitable company's policy is to hold reserves sufficient to manage the risks involved in providing its medical services and to provide resources to invest in new activities. However, only £801,191 (2022 £767,842) of that sum is held as cash to cover the short-term requirements of the charitable company.

The Trustees aim to maintain the cash and free reserves at levels which enable them to fund capital expenditure, meet liabilities when they fall due and provide an appropriate level of risk protection in the event of an unforeseen emergency. The charitable company reviews its reserves policy in the light of the budgets presented annually to the Board and planned future activities. The Hospital has been able to rely on its financial strength during the challenges of 2023 and has made use of its cash reserves to manage its business and maintain its activities through the year.

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Investment policy

The investment policy of the charitable company is not to deposit reserves with recognised banking organisations in an interest bearing account during this time of uncertainty.

Strategic Report

The charitable company continues to see more patients year on year. Fairfield engages with patients to provide a re-assurance and a positive experience and outcome. Engagement with Health Watch St Helens provides feedback to Fairfield to improve service delivery wherever possible. Trustees continue to seek higher rates of patient survey feedback in order to help the hospital charity improve processes around risk management and incident reporting. In terms of our charity's approach to the use of the buildings and energy supplies the Board continues to improve the organisation's realistic Green Plan. The Trustees are planning to find a new investor.

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 charitable company's main strengths are its links to the local communities that it serves through its connections with General Practitioners, to the local health commissioners and its role with the major private health insurers as their local provider. The Hospital's ethos of continuous improvement ensures it can respond to changes in clinical standards or clinical practice quickly and effectively.

The major risks the charitable company faces are:

- growth in alternative providers – as an example, we have seen local clinics opening up to provide limited services in specific areas – while these will not individually threaten the charitable company's existence, the cumulative effect of the services they offer may reduce the need for the Hospital's services;
- increases in the cost of service provision and regulatory requirements – against a background of low increase in income the Company has to commit more of its incoming resources to meeting these demands. The minimum wage cost increase has been felt in 2023. 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 as the NHS offers higher consultant fees to meet their backlog of treatments
- Worry and uncertainty from patients regarding waiting times and treatment delays
- Increases in energy costs and costs in general which all have to be funded
- Lack of capital in order to fund investment

The Board considers the future of the charitable company is in need of investment as it continues to provide a high quality, valued and popular service to people from the local area and across the North West. The Board's strategic intention is that the charitable company should:

- Seek support from a new investor – the Charity has exchanged contracts and signed an asset purchase agreement with expected completion by the end of February 2025
- invest in new techniques and treatments to provide the latest health treatments and support;
- extend our provision into early diagnosis and support for GP services;
- enhance our role in providing a complete package of health care for the people of the North West so that we can meet most of their health needs at this location.

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Future Plans

Once the hospital sale is completed the proceeds of the sale will be used for the formal winding down of the operational activities of the charity in terms of appropriate disbursements for such as run off insurance cover for NHS and private patients for the relevant time period of cover. Whilst there is currently no formal strategy for the Charity, this will be drawn up and in the fullness of time, will include a mechanism to support local health and care charities.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Contingent Liabilities

The Hospital has been under investigation from HMRC regarding its potential liability for VAT since an initial inquiry in July 2022. The initial inquiry was as a result of the hospital's inclusion in the response to the COVID 19 pandemic via its contract with NHS England.

However, the initial inquiry has broadened in its scope to include other aspects of the hospital's business.

Solicitors have been engaged and internal analysis has been carried out and responses have been sent to HMRC, this work is ongoing.

The investigation is multifaceted and is dependent on emerging case law. Whilst the value of this potential liability and this will not be known until further work and discussions have been completed the worst case outcome could be in the region of £1.5M.

Events after the balance sheet date

Following on from the board's strategic intention to secure a new investor, the Charity has exchanged contracts and signed an asset purchase agreement with expected completion by the end of February 2025. The final value of the sale is still to be agreed. The sale will secure the investment in hospital activities that will allow the continued high level of care provided to patients.

The intended charitable activities post sale will be limited to supporting local health and care charities

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Fairfield Independent Hospital 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;

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors will be proposed for appointment at the forthcoming Annual General Meeting.

The Report of the Trustees and the Strategic Report were approved by the Board and signed on its behalf.



C Barratt
Trustee

Date: 30th December 2024

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FAIRFIELD INDEPENDENT HOSPITAL**

Opinion

We have audited the financial statements of Fairfield Independent Hospital for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FAIRFIELD INDEPENDENT HOSPITAL**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were CQC Regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of the CQC regulatory review and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

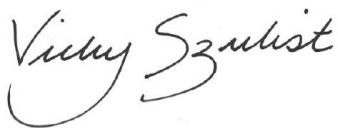
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FAIRFIELD INDEPENDENT HOSPITAL**

Use of our report

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



Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd Floor
St George's House
56 Peter Street
Manchester
M2 3NQ

Date 30 December 2024

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 Unrestricted funds £	2022 Unrestricted funds £
INCOME			
Donations and legacies	3	496	0
Investment income	4	0	-
Incoming resources from charitable activities			
Medical services provided	5	15,669,012	14,272,560
Other income		<u>88,684</u>	<u>115,076</u>
Total income		<u>15,757,696</u>	<u>14,387,636</u>
EXPENDITURE			
Charitable activities			
Medical services provided	6	<u>15,800,370</u>	<u>14,249,702</u>
Total expenditure		<u>15,800,370</u>	<u>14,249,702</u>
NET (EXPENDITURE)/INCOME		(42,674)	137,934
Total funds brought forward		<u>6,518,744</u>	<u>6,380,810</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>6,476,070</u></u>	<u><u>6,518,744</u></u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes on pages 21 to 30 form part of these financial statements

FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)
Registered Number: 1141676
BALANCE SHEET
AT 31 DECEMBER 2023

		2023	2022
		Unrestricted	Unrestricted
		funds	funds
	Notes	£	£
FIXED ASSETS			
Intangible assets	13	1,234	7,726
Tangible assets	14	6,177,077	6,513,544
Total Fixed Assets		<u>6,178,311</u>	<u>6,521,270</u>
CURRENT ASSETS			
Stocks	15	435,301	313,565
Debtors: amounts falling due within one year	16	2,034,243	1,966,350
Cash at bank		<u>801,192</u>	<u>767,843</u>
		3,270,736	3,047,758
CREDITORS			
Amounts falling due within one year	17	<u>(2,077,477)</u>	<u>(1,861,084)</u>
NET CURRENT ASSETS		<u>1,193,259</u>	<u>1,186,674</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,371,570	7,707,944
CREDITORS			
Amounts falling due after more than one year	18	(895,500)	(1,189,200)
NET ASSETS		<u>6,476,070</u>	<u>6,518,744</u>
FUNDS			
Unrestricted funds	20	<u>6,476,070</u>	<u>6,518,744</u>

The financial statements were approved and authorised for issue by the Board of Trustees and were
The notes on pages 21 to 30 form part of these financial statements

FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)

Registered Number: 1141676

BALANCE SHEET
AT 31 DECEMBER 2023

signed on its behalf by:



C Barratt
Trustee

Date: 30th December 2024

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
Net cash (used in) / Provided by operating activities	a	416,772	538,383
Cash flow from investing activities			
Purchase of fixed assets		(89,723)	(80,360)
Net cash used in investing activities		(89,723)	(80,360)
Cash flow from financing activities			
Repayment of CBILs loan		(300,000)	-
Sales of bungalow leases		6,300	(150,000)
Net from financing activities		(293,700)	(150,000)
Change in cash and cash equivalents in the reporting period		33.349	308.023
Cash and cash equivalents at the beginning of the reporting period		767.843	459.820
Cash and cash equivalents at the end of the reporting period	b	801.192	767.843

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	2023 £	2022 £
Net (expenditure)/income for reporting period (as per the statement of financial activities)	(42,674)	137,934
Amortisation of intangible assets	6,492	7,745
Depreciation charges	426,190	422,670
Interest received	-	-
(Increase)/decrease in stocks	(121,736)	(33,146)
Decrease/(increase) in debtors	362,443	(40,466)
(Increase) in prepayments	(430,335)	(159,525)
(Decrease)/increase in creditors	216,393	203,171
Net cash provided by operating activities	<u>416,772</u>	<u>538,383</u>

b. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash	<u>801,192</u>	<u>767,843</u>

c. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2023 £	Cash flow £	At 31 December 2023 £
Net cash:			
Cash at bank	767,843	33,349	801,192
Bank Loan due in greater than one year	<u>767,843</u>	<u>33,349</u>	<u>801,192</u>

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2019) – (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fairfield Independent Hospital 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

On 5th June 2024, the Charity entered into an agreement in principle with a third party for the sale of the trade and assets of the hospital. The agreement is subject to two conditions precedent, being the approval from the Home Office on the transfer of the medical dispensation licence and the arrangement of an insurance policy to cover operations performed by the Charity prior to the date of the change in ownership, before the change agreement becomes legally binding. The Trustees are confident that these conditions will be completed at the start of 2025 and expect the transfer of the assets and trade to occur by the end of February 2025. The Charity is currently working with the potential owner of the hospital in respect of the change in the IT systems and the change in the staff employment contracts and therefore this reflects the level of confidence that the Charity and the potential new owners have on the completion of the agreement.

In forming their assessment of the Charities ability to continue as a going concern for a period of at least 12 months from the date of signing the financial statements ("the going concern period"), the Trustees have considered the following scenarios:

1. That the sale of the hospital trade and assets is completed in early 2025 and the charity will have sufficient cash to fulfil its objects by supporting local health and care charities. The Trustees consider that this is the most likely and plausible scenario given the status of conditions precedent and the actions taken to date.
2. That, in the unlikely scenario, that the sale of the hospital trade does not occur in early 2025, that the activities of the hospital are able to continue and sufficient cash is available throughout the going concern period to fund these activities. The Charity maintains its position as an approved provider with all the private and mutual health insurers and with the NHS. The Charity has a waiting list of consultants who are seeking practicing privileges.

The trustees are satisfied that under both scenarios that the Charity has sufficient cash to continue to meet its liabilities as they fall due throughout the going concern and as a result that it is appropriate to continue to prepare the financial statements 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, probability 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

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 when 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 Charity.

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

Intangible Assets

Intangible fixed assets are non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. Intangible fixed assets for the Charity comprise acquisition of software licenses and external software development time in enhancing patient services. Although such assets lack physical substance, they provide a continuing economic benefit to the Charity. The Charity only includes payments to third parties in this asset category and does not include staff costs even though their contribution to the implementation of these systems may be significant.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Software	25% straight line
----------	-------------------

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.

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. All the Charity's funds are unrestricted income funds.

No separate statement of changes in reserves has been included in these financial statements as there is no movement on reserves except for the surplus for the year.

Pension costs and other post-retirement benefits

The Charity operates a defined contribution scheme approved by the Pension Schemes Office of the Inland Revenue. The Charity also runs a stakeholder pension scheme for the benefit of the employees. Contributions are charged to salaries and wages in the Statement of Financial Activities as they become payable. The assets of the two schemes are held separately from the assets of the company.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources for which it was incurred.

Financial instruments

Fairfield Hospital has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below.

The Charity holds provisions for bad debt, out of date stock and pension contribution shortfall. The provisions have been created by making charges against income.

The likelihood and quantum of any potential liability arising from the VAT inspection.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Legacies and Donations	496	-

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. INVESTMENT INCOME

	2023 £	2022 £
None	-	-

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2023 £	2022 £
Medical services provided	15,669,012	14,272,560

6. CHARITABLE ACTIVITIES COSTS

	Support costs (see note 12)	Governance Costs (see note 8)	Total	Total
			2023	2022
Direct Medical costs (see note 7)			£	£
£	£	£	£	£
Medical services	11,286,345	4,469,428	44,597	15,800,370
Provided				14,249,702

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	3,205,391	3,025,257
Direct medical costs	7,387,600	7,128,055
Insurance	233,313	294,796
Patient services	163,468	140,020
Medical Equipment Maintenance and Repair	296,573	194,310
	11,286,345	10,782,438

8. GOVERNANCE COSTS

	2023 £	2022 £
Auditors' remuneration	44,597	30,619

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. NET (EXPENDITURE)/INCOME

Net (expenditure)/income is stated after charging/(crediting):

	2023	2022
	£	£
Amortisation of intangible assets	6,492	7,745
Depreciation of owned assets	<u>426,190</u>	<u>422,670</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Payments of £0 (2022: £0) were made in the year ended 31 December 2023 for trustee travel expenses.

11. STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

	2023	2022
	£	£
Salaries and wages:		
– Nursing and other clinical staff	3,205,390	2,707,680
– Housekeeping, catering and maintenance	621,350	511,061
– Management and administration	<u>1,539,861</u>	<u>1,288,326</u>
	<u>5,366,601</u>	<u>4,507,067</u>
Wage and salaries	4,626,084	4,068,916
Social security costs	360,581	337,813
Pension costs	<u>379,936</u>	<u>100,338</u>
	<u>5,366,601</u>	<u>4,507,067</u>

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

Bands	2023	2022
	Number	Number
£60,001 to £70,000	-	-
£70,001 to £80,000	1	-
£80,001 to £90,000	1	1
£90,001 to £100,000	-	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	-	-
£130,001 to £140,000	1	1

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL – continued

One of the higher paid employees (2023: 1) accrued benefits under a defined contribution scheme. The amounts paid to defined contribution schemes on behalf of this employee were £5,905 (2022: £5,537).

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 £413,447 (2022: £400,011).

Average number employed (including temporary staff):

	2023	2022
Nursing and other clinical	98	94
Management, clerical and domestic	92	98
	<u>190</u>	<u>192</u>

12. SUPPORT COSTS

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

	2023	2022
	£	£
Management	3,009,832	2,118,681
Finance	257,532	238,135
Information Technology	331,897	289,815
Property	870,167	790,014
	<u>4,469,428</u>	<u>3,436,645</u>

13. INTANGIBLE FIXED ASSETS

	Total Software £
COST	
At 1 January 2023	118,503
Additions	-
At 31 December 2023	<u>118,503</u>
DEPRECIATION	
At 1 January 2023	110,777
Charge for year	-6,492
At 31 December 2023	<u>117,269</u>
NET BOOK VALUE	
At 31 December 2023	<u>1,234</u>
At 31 December 2022	<u>7,726</u>

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. TANGIBLE FIXED ASSETS

	Freehold land	Freehold property	Medical Equipment, Fixtures, Fittings, Computer Equipment	Total
	£	£	£	£
COST				
At 1 January 2023	1,590,167	4,159,833	3,378,614	9,128,614
Additions			89,723	89,723
Impairment				
At 31 December 2023	<u>1,590,167</u>	<u>4,159,833</u>	<u>3,468,337</u>	<u>9,218,337</u>
DEPRECIATION				
At 1 January 2023	-	83,197	2,531,873	2,615,070
Charge for year	-	83,196	342,994	426,190
Impairment				
At 31 December 2023	<u>-</u>	<u>166,393</u>	<u>2,874,867</u>	<u>3,041,260</u>
NET BOOK VALUE				
At 31 December 2023	<u>1,590,167</u>	<u>3,993,440</u>	<u>593,470</u>	<u>6,177,077</u>
At 31 December 2022	<u>1,590,167</u>	<u>4,076,636</u>	<u>846,741</u>	<u>6,513,544</u>

On adoption of FRS102 we have elected to apply the fair value of land and buildings at March 2023 as the deemed cost.

15. STOCKS

	2023 £	2022 £
Consumable medical supplies	411,413	289,865
Pharmacy	23,888	23,700
	<u>435,301</u>	<u>313,565</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	1,291,762	1,654,204
Prepayments and accrued income	742,481	312,146
	<u>2,034,243</u>	<u>1,966,350</u>

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	1,011,463	984,145
Social security and other taxes	388,085	105,189
Accruals and deferred income	677,929	621,750
CBILS Loan (Note 19)	0	150,000
	<u>2,077,477</u>	<u>1,861,084</u>

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

	2023	2022
	£	£
CBILS Loan (Note 19)	0	300,000
Lease deposits	895,500	889,200
	<u>895,500</u>	<u>1,189,200</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. LOANS

The Charity took out one loan on 24 December 2020. The loan was for £600,000 and was provided under the Government's Coronavirus Business Support scheme. The interest rate on the loan is 2.34% above base rate. In relation to the first 12 months the annual interest rate applicable during that period is, in effect 0%. Interest on the loan in the first year of its life is paid by the Government and no repayments are due until the first anniversary of the loan. Security for the loan is a first legal charge over the hospital's property and assets. In July 2023 the loan was repaid in full and the legal charge over the hospital's property and assets was relinquished.

As recorded in Note 18, the Charity does have £895,500 in repayable lease deposits. No interest is due on these deposits.

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. MOVEMENT IN FUNDS

	At January 2023	Incoming Resources	Resources Expended	Funds transferred	Gains and Losses	At December 2023
	£	£	£	£	£	£
Unrestricted funds						
General fund	6,518,744	15,757,696	15,800,370	-		6,476,070
Total Funds	6,518,744	15,757,696	15,800,370	-		6,476,070

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.

All funds of the Charity are unrestricted; therefore, all assets and liabilities relate to unrestricted funds.

21. ANALYSIS OF RESERVES

	2023	2022
	£	£
Total reserves	6,476,070	6,518,744
Less: Land and buildings	-5,583,607	-5,666,803
Add: Lease deposits relating to land and buildings	895,500	889,200
Freely available reserves	<u>1,787,963</u>	<u>1,741,141</u>

22. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets measured at amortised cost	<u>2,092,953</u>	<u>2,422,046</u>
Financial liabilities measured at amortised cost	<u>2,972,977</u>	<u>3,050,284</u>

Financial assets consist of cash and trade debtors.

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

23. RELATED PARTY TRANSACTIONS

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

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

**FAIRFIELD INDEPENDENT HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

24. OPERATING LEASES

Amounts committed

	£ 2023	£ 2022
Within one year	276,797	335,041
Within two to five years	1,709	278,506

25. CONTINGENT LIABILITIES

The Hospital has been under investigation from HMRC regarding its potential liability for VAT since an initial inquiry in July 2022. The initial inquiry was as a result of the hospitals inclusion in the response to the COVID 19 pandemic via its contract with NHS England.

However, the initial inquiry has broadened in its scope to include other aspects of the hospitals business.

Solicitors have been engaged and internal analysis has been carried out and responses have been sent to HMRC, this work is ongoing.

The investigation is multifaceted and is dependent on emerging case law. Whilst the value of this potential liability and this will not be known until further work and discussions have been completed the worst case outcome could be in the region of £1.5M.

26. EVENTS AFTER BALANCE SHEET DATE

Following on from the boards strategic intention to secure a new investor, the Charity has exchanged contracts and signed an asset purchase agreement with expected completion by the end of January 2025 at the latest. The final value of the sale is still to be agreed.

The intended charitable activities post sale will be limited to supporting local health and care charities.