

THE RETREAT YORK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

Charity No. 1089826
Company No. 4325622



CONTENTS

	PAGE
Trustees' Annual Report	1 - 9
Auditor's Report	10 - 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Accounts	15 - 29

TRUSTEES' ANNUAL REPORT

LEGAL AND ADMINISTRATIVE INFORMATION

The Trustees, who are also the Directors of the charity for the purposes of the Companies Act 2006, submit their annual report and the audited financial statements for the year ended 31 December 2014. The Trustees have adopted the provisions of the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in 2005 and the Companies Act 2006, in preparing the annual report and financial statements of the charity.

Legal status

The Retreat York is a charitable company limited by guarantee and governed by its Articles of Association. The company was incorporated on 20 November 2001 and obtained charitable status on 18 December 2001.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the charity.

Company Number 4325622

Charity Number 1089826

Trustees and Directors

Peter Anderson ¹	(Resigned 22 May 2014)
Sallie Ashe ^{1 3}	
Jo Anne Brown ^{1 3}	
Paul Fitzgerald	
Rob Griffiths	(Appointed 1 January 2014)
Stuart Humby ^{1 2 3}	(Resigned 29 July 2014)
John Miles	
Jane Muers	
David Peryer ^{1 2 3}	
Martin Schweiger	(Appointed 1 January 2015)
Mike Wash ²	

1 Member of the Finance & Resources Committee

2 Member of the Governance Committee

3 Member of the Remuneration Committee

Chief Executive

Jenny McAleese

Company Secretary

Robert Brownlow

Leadership Team

Jenny McAleese	- Chief Executive
Robert Brownlow	- Director of Finance and Facilities
Dan Anderson	- Medical Director
Maggie Scott	- Director of Operations

TRUSTEES' ANNUAL REPORT – Continued

LEGAL AND ADMINISTRATIVE INFORMATION - Continued

Address and Registered Office

107 Heslington Road, York YO10 5BN

Auditors

BHP, Chartered Accountants, 2 Rutland Park, Sheffield S10 2PD

Investment Managers

Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Solicitors

Ford & Warren, Westgate Point, Westgate, Leeds LS1 2AX

Bankers

HSBC Bank plc, 13 Parliament Street, York YO1 1XS

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution

The Retreat York is a charitable company limited by guarantee. It was formed on 20 November 2001 and was granted charitable status on 18 December 2001. Its governance arrangements are set out in its Articles of Association, which were amended at the AGM held on 24 June 2010 and the EGMs held in February 2011 and February 2012.

Members and Directors

The Members of the company number 24 individuals. The Membership consists of:

- Seventeen Members appointed through Britain Yearly Meeting of the Religious Society of Friends.
- Seven Members appointed as follows:

- Lincolnshire, Nottinghamshire and Derbyshire Area Meetings	1
- General Meeting for Scotland	1
- Westmorland Regional Meeting	1
- Quakers in Yorkshire	4

Members, who must be members of The Religious Society of Friends, are appointed for a period of three years and are eligible for re-appointment for a further three years.

The Members are responsible for appointing Directors (Trustees) with the maximum number of Directors being eleven and the minimum three. Directors are appointed for a period of four years and are eligible for re-appointment for a further four years.

The Members are entitled to appoint Friends and non-Friends as Directors but there must always be more Friend Directors than non-Friend Directors. The Chair and Deputy Chair of the Board of Directors must be Friends. The management of The Retreat York is vested in the Board of Directors.

Induction and Training

All Members and Directors receive induction upon appointment to their respective roles. Directors receive training in relation to their role as Trustees.

TRUSTEES' ANNUAL REPORT – Continued

STRUCTURE GOVERNANCE AND MANAGEMENT – Continued

Management

Whilst strategic decisions are taken by the Directors, the day-to-day management of the charity is the responsibility of the Leadership Team which comprises four individuals who come from a range of disciplines. The Leadership Team reports directly to the Board of Directors.

All Directors give of their time freely and no remuneration was paid in the year. Details of expenses reclaimed from the charity are set out in note 18 to the accounts.

Finance & Resources Committee

This committee meets 4 times a year to consider matters of a financial nature, including investments, together with human resource issues

Governance Committee

This committee meets 4 times a year to consider matters related to the governance of the clinical and corporate activities

Remuneration Committee

This committee meets at least annually and has the responsibility for reviewing the remuneration packages of senior staff.

Risk Management

The Trustees have conducted a review of the major strategic, financial and operational risks to which the charity is exposed, and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Systems have been established to ensure that risks are reviewed on a regular basis.

Connected Charities

The Retreat York has a connected charity, The Retreat York Benevolent Fund, which provides funds for the care of individuals on both an inpatient and outpatient basis. This charity, whose Trustees include some of the Trustees of The Retreat York, is administered from The Retreat York.

The Retreat York Benevolent Fund provides grants to help Friend patients (or those closely associated with Friends) who are unable to meet the lowest fees. Grants made during 2014 amounted to £5,012 for three individuals. The total funds of the Benevolent Fund at 31 December 2014 amounted to £1,741,616. Audited financial statements for The Retreat York Benevolent Fund are available from The Retreat York.

For some years The Retreat York has undertaken a joint venture with The Disabilities Trust to operate a unit for individuals with an acquired brain injury. The unit is known as York House and the joint venture company is called York House Ventures Limited. Transactions with The Disabilities Trust are disclosed in Note 19 to the accounts.

For some years The Retreat York has undertaken a joint venture with Turning Point to operate a women's high support unit. The unit is known as Garrow House and the joint venture company is called Northern Pathways Limited. Transactions with Turning Point are disclosed in Note 19 to the accounts.

In April 2013, The Retreat York undertook a joint venture with Community Links (Northern) Limited to operate a specialist day care service for men with personality disorder. The service is known as East Villa and the joint venture company is called Bridging the Gap PD Services Limited. Transactions with Community Links are shown in note 19 to the accounts.

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES

Objects

The objects for which the Company is established are:

“The relief of persons suffering from mental illness (including, but without limitation, persons who are Members of The Religious Society of Friends) by such charitable means as the Directors from time to time determine, including the provision of a hospital, of mental health services and by undertaking related activities provided that such facilities, services and activities will be conducted in accordance with the principles of The Religious Society of Friends.”

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Purpose and Aims

The Retreat's purpose as set out in the objects contained in the company's Articles of Association, are to relieve suffering from mental illness. In simple language we describe this simply as 'improving people's mental health'.

The aims of the charity are to achieve its purpose through the provision of services and related activities that prevent and treat mental ill-health. The charity defines mental ill-health as any condition that affects an individual's mental functioning, leading to reduced ability to take part in the regular day-to-day activities most of us take for granted.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in 2014. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remained focused on our charitable objects. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Mechanisms for achieving the stated objectives are in place: these include the Strategic Vision which is reviewed annually and supported by a more detailed Business Plan. Directors review progress on the Business Plan targets on a three monthly basis. Staff supervision and appraisals are a key means by which progress on targets is monitored to ensure that the agreed work programme is achieved. In 2014 we started to develop a new Business Strategy and expect The Board to approve this in June 2015.

The focus of our work

The Retreat is a charitable, not-for-profit provider of specialist mental health care. We work closely with the NHS to provide services for people with complex and challenging needs. The Retreat was established over 200 years ago and was the first place where people with mental health problems were treated humanely and with dignity and respect. Over ninety-five percent of our patients are funded by the NHS, with over 30 Clinical Commissioning Groups and NHS England referring people to us for support.

We are very proud of our long-standing reputation for excellence and for providing care and treatment of the highest quality. The Retreat believes that successful therapeutic relationships are based on respect, dignity and tolerance and ensures the voice of the people who use its services, along with their friends, families and carers, are given every opportunity to be heard.

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES – Continued

Our main objectives for the past year continued to be the promotion of positive mental health. The strategies we used to meet these objectives included:

- Providing a range of high quality hospital based in-patient services designed to meet the needs of adults with complex and challenging mental health problems;
- Providing a range of community services designed to meet the needs of the general public who are experience mental ill-health;
- Ensuring that, wherever possible, our work is externally accredited and combines our distinctive values, clinical model and evidence-based best practice into an effective and accessible service;
- Working in partnership with other organisations and agencies to ensure the widest range of support of available in order to improve people's mental health.

The Retreat's activities are split into three general areas: inpatient services, community services and our joint ventures with other charities and organisations. At any one time care is provided by The Retreat to around 80 inpatients and approximately 650 different individuals receive therapy from our community services. Our joint venture services enable us to provide care to a further 50 inpatients.

We have seven specialist inpatient units: four for older adults and three for adults. These are specifically designed to meet the needs of individuals whose complex and challenging needs are unable to be met within community or NHS settings. Our unique clinical model, based upon 200 years of clinical and empirical research, allows us to work successfully with individuals whose only alternative would often be more restrictive secure mental health facilities.

Specialist Adult Services

The Acorn programme is a Therapeutic Community (TC) which uses Dialectical Behaviour Therapy (DBT) for women with complex needs, predominantly women who meet the criteria for borderline personality disorder and/or complex post traumatic stress disorder

During the year this unit maintained its accreditation by The Royal College of Psychiatrists as assessed by the Community of Communities.

Naomi is a specialist service for women using a treatment approach informed by Cognitive Behavioural Therapy (CBT) in a therapeutic environment which promotes recovery from a range of problems. These include eating disorders, anxiety and mood disorders including obsessive compulsive disorder, and post-traumatic stress disorder. Naomi specialises in treating people with more than one diagnosis.

During the year this unit maintained its accreditation for Inpatient Mental Health Services, being accredited as excellent.

The Hannah Mills unit provides assessment and rehabilitation for people with complex mental health problems, including borderline personality disorder, psychosis and bipolar affective disorder. Hannah Mills helps people whose ability to maintain independence in the community is compromised by distress resulting from their life experience.

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES – Continued

Specialist Older Adult Services

This service is aimed at people of midlife and beyond and offers hospital based treatment for both organic and functional mental health problems. People who use the service may as a result of these illnesses present with behaviours that are challenging to carers or nursing homes such as wandering, aggression or anti-social behaviour. This includes people who are detained under the Mental Health Act or who require intensive levels of assessment, monitoring and treatment that is not possible in other settings. The service is needs led not age led.

The multidisciplinary team is experienced in managing high risk challenging behaviours in a dignified manner and uses a person centred holistic approach. After receiving a referral, the clinical team will choose the best pathway and unit to meet the needs of the individual and there may be a transfer from one unit to another as the person's abilities change.

The services offer three care pathways:

- The Recovery and Rehabilitation Care Pathway
- The Long-term Care Pathway
- The Dementia Care Pathway

Community Services

The Tuke Centre is an outpatient service which provides high quality counselling, psychotherapy, psychiatric and psychological services for individuals, groups, couples and families. These include specialist diagnostic and treatment services for autism, trauma, personality disorders and eating disorders. The Tuke Centre also provides employee assistance programmes for organisations along with specialist support and consultancy for employers and managers.

During the last year The Tuke Centre appointed a Service Manager and continued to widen the range of services offered to patients.

Other partnerships

In 1998, The Retreat formed a joint venture company with The Disabilities Trust to create York House within the grounds of The Retreat. The joint venture company now operates three units on site with a total of 38 beds and provides an intensive neurobehavioral assessment and rehabilitation service for individuals with severe cognitive, physical and/or emotional problems following acquired brain injury.

The achievements of York House over the last year are reported separately in their own Annual Report.

In February 2009 Northern Pathways opened Garrow House, a 12-bedded unit in the grounds of The Retreat. This service is for women with complex needs who are presently in low or medium secure services who want to move forward in their recovery and require support to do so. Northern Pathways is a joint venture company between The Retreat and Turning Point and unites both organisations' commitment to addressing an individual's need, rather than making individuals fit into existing services.

The achievements of Garrow House over the last year are reported separately in Northern Pathways' Annual Report.

In April 2013, The Retreat York formed Bridging The Gap PD Services Limited operate a specialist day care service for men with personality disorder. This is a joint venture between The Retreat and Community Links (Northern) Limited. During 2014 the service delivered changed to an outreach service which is part of the pathway with external services.

The achievements of Bridging The Gap PD Services Limited over the last year are reported separately in their own Annual Report.

Volunteers

The charity is grateful for the unstinting support of volunteers who are involved in the provision of services and social activities for residents, and fund-raising.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of Performance against Objectives set

Our main mechanism for monitoring performance in 2014 was regular review against our Business Plan for the year.

The year was challenging with continuing downward pressure on fees and upward pressure on costs. The financial objectives were only partially achieved though overall did deliver an acceptable level of performance for the year.

Management of Investments

The Retreat York is looking to maximise the return in terms of both income and capital. As permitted by the charity's Articles of Association, the Trustees have given the investment managers discretion to manage the portfolio within an agreed risk profile.

Subject only to compatibility with the principles of The Religious Society of Friends, the Trustees have unrestricted powers of investment. The Retreat operates an ethical investment policy, whereby it does not invest in companies which derive a significant proportion of their turnover from any of the following activities:

- Gambling
- The production or sale of alcohol, tobacco or armaments
- The publishing or distribution of pornography

The investment managers, Sarasin & Partners, are monitored by the Trustees by reference to a number of indices and benchmarks including the performance achieved by other similar funds. In 2014 the fund's performance of 1.4% increase in value was below the median increase of 6.1% achieved by other funds in the survey used.

Principal Risks and Uncertainties

The Retreat is affected by a number of external influences outside its control. The single most significant of these is the National Health Service, from which The Retreat generates the majority of its income and with which it has to compete for staff.

The NHS are not awarding any inflationary uplift in fees and given the pressures on Government funding it is likely that the downward pressure on fees will continue. The NHS-introduced CQUIN payments are available to providers who meet specified targets, but contracts incorporate reductions referred to as efficiency gains. We have to date achieved the quality measures necessary to meet these quality requirements and are taking steps to ensure that we can continue to provide the necessary evidence.

TRUSTEES' ANNUAL REPORT – Continued

FINANCIAL REVIEW

Financial Performance for the Year

The Statement of Financial Activities for the period is set out on page 12 of the financial statements.

The operating results of The Retreat, which include expenditure on the charity's two key areas of operation of Specialist Older Adult Services and Specialist Adult Services, in the year ended 31 December 2014 produced a surplus of £2,085,249 (2013 - £1,913,550). Other net income from investments, donations, legacies and grants produced income of £314,464 (2013 - £324,872).

After deducting costs amounting to £41,795 (2013 - £29,913) for the governance of the charity, the result was an overall surplus for the year amounting to £2,357,918 (2013 - surplus £2,208,509). After taking into account total investment losses of £82,346 (2013 - gains £1,589,259) and an actuarial loss on the defined benefit pension scheme of £3,377,360 (2013 - gain £3,540,645), there was a net deficit of £1,101,788 (2013 - net surplus £7,338,413).

Our financial results for the year have been affected by a net pension income of £715,000 (2013 - income £254,000). In addition to this an actuarial loss of £3,377,360 has been deducted from reserves.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in note 8 of the financial statements.

Reserves Policy

It is the policy of the charity to maintain undesignated funds, which are the free reserves of the charity, at a level sufficient to cover between 6 and 18 months of expenditure, a range between £5,400,000 and £16,300,000.

Presently the undesignated reserves amount to £14,681,317 (2013 - £13,390,673). This figure excludes the pension asset of £3,494,000 on the basis that this asset does not result in an immediate cash flow to the charity.

Our policy is, therefore, to continue building up reserves to the required level by means of annual operating surpluses and judicious management of our investment assets.

Reserves for the necessary upgrade and development of the charity's operational properties are segregated into a separate development fund, currently totalling £5,000,000.

PLANS FOR FUTURE PERIODS

The next few years promise to be just as challenging for The Retreat as have been the past few. The pressures of the Government debt position is bringing to bear financial constraints upon the NHS and we need to manage our own cost base carefully, whilst continuing to maintain high quality services. This is a particularly challenging thing to achieve given the ever increasing demands placed upon us by the NHS. We have to think carefully about new service developments ensuring that they expand our range of clinical services, whilst adding to our financial strength. The Retreat is conducting a thorough strategic review to ensure that we widen our services away from just providing hospital based care in line with the move towards some community based care services.

TRUSTEES' ANNUAL REPORT – Continued

Trustees' responsibilities statement

The Trustees (who are also Directors of The Retreat for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Employee involvement and employment of the disabled

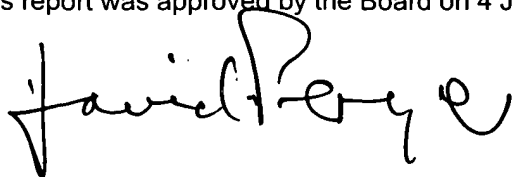
Employees have been consulted on issues of concern to them by means of regular staff consultative committee meetings and staff briefings and have been kept informed on specific matters directly by management. The charity carries out exit interviews for all staff leaving the organisation.

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Auditors

A resolution proposing that BHP, Chartered Accountants be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the Board on 4 June 2015.



DAVID PERYER
CHAIR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RETREAT YORK

Independent Auditor's Report to the Members of The Retreat York

We have audited the financial statements of The Retreat York for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 its 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 Trustees' Responsibilities Statement set out on page 9, 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.

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE RETREAT YORK– Continued**

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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 returns adequate for our audit have not been received from branches not visited by us; 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.

BHP, Chartered Accountants.

Jane Marshall (Senior Statutory Auditor)
For and on behalf of BHP, Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date *9 June 2015* .

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED
(incorporating a consolidated income and expenditure account)

	Note	Restricted Funds £	Unrestricted Funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income (donations and legacies)		27,907	47,039	74,946	82,810
Rents		-	406,208	406,208	426,798
Investment income	2	-	279,870	279,870	274,772
Other finance income	3	-	1,327,000	1,327,000	953,000
Incoming resources from charitable activities:					
Patient fees and other charges		-	10,986,010	10,986,010	11,055,737
- The Retreat	4	-			
- Joint Ventures	5	-	3,998,075	3,998,075	3,785,469
Incoming resources including Joint Ventures Income					
		27,907	17,044,202	17,072,109	16,578,586
Share of Joint Ventures' income					
		-	(3,998,075)	(3,998,075)	(3,785,469)
Total incoming resources					
		27,907	13,046,127	13,074,034	12,793,117
RESOURCES EXPENDED					
Costs of generating funds					
Investment management fees	6a	-	40,352	40,352	32,710
Charitable activities					
Specialist older adult services		25,717	5,636,985	5,662,702	5,856,627
Specialist adult services		26,802	5,250,477	5,277,279	5,026,194
Governance costs					
	6c	-	41,795	41,795	29,913
Total resources expended					
	6a	52,519	10,969,609	11,022,128	10,945,444
Net incoming resources					
		(24,612)	2,076,518	2,051,906	1,847,673
Net income from Joint Ventures	5	-	306,012	306,012	360,836
Net incoming resources before transfers					
		(24,612)	2,382,530	2,357,918	2,208,509
Transfer of funds	12	(35,954)	35,954	-	-
Net incoming resources for the year					
		(60,566)	2,418,484	2,357,918	2,208,509
OTHER RECOGNISED GAINS AND LOSSES					
Realised (losses)/gains on investments	9	-	(69,509)	(69,509)	134,667
NET INCOME FOR THE YEAR					
		(60,566)	2,348,975	2,288,409	2,343,176
Unrealised (losses)/gains on investments	9	-	(12,837)	(12,837)	1,454,592
Actuarial (loss)/gain on defined benefit scheme	3	-	(3,377,360)	(3,377,360)	3,540,645
NET MOVEMENT IN FUNDS					
		(60,566)	(1,041,222)	(1,101,788)	7,338,413
Fund Balance 1 January		138,733	41,949,275	42,088,008	34,749,595
Fund balance at 31 December		78,167	40,908,053	40,986,220	42,088,008

All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities

BALANCE SHEET

	Note	£	2014 £	2013 £
Fixed assets				
Tangible assets	8	17,510,650	17,370,400	
Investments	9	10,174,027	10,028,453	
Investment in Joint Ventures	9e	(12,889)	(28,794)	
		<u>27,671,788</u>	<u>27,370,059</u>	
Current assets				
Debtors	10	2,704,978	3,511,846	
Cash at bank and in hand		8,035,848	6,551,612	
		<u>10,740,826</u>	<u>10,063,458</u>	
Creditors: amounts falling due within one year	11	(920,394)	(998,509)	
Net current assets		<u>9,820,432</u>	<u>9,064,949</u>	
Total assets less current liabilities excluding pension scheme asset		37,492,220	36,435,008	
Defined benefit pension scheme asset	3	3,494,000	5,653,000	
Net assets including pension scheme asset	14	<u>40,986,220</u>	<u>42,088,008</u>	
Unrestricted funds	12			
General				
Investment revaluation reserve	9	1,351,178	1,729,184	
Other		16,824,139	17,314,489	
		<u>18,175,317</u>	<u>19,043,673</u>	
Designated:				
Tangible fixed assets fund				
- cost		13,009,846	12,869,596	
- revaluation		4,500,804	4,500,804	
		<u>17,510,650</u>	<u>17,370,400</u>	
Development fund		5,000,000	5,300,000	
Patient legacy fund		139,093	235,202	
Other Funds		82,993	-	
		<u>22,732,736</u>	<u>22,905,602</u>	
		40,908,053	41,949,275	
Restricted funds	13	78,167	138,733	
Total funds		<u>40,986,220</u>	<u>42,088,008</u>	

The financial statements on pages 12 - 29 were approved by the Board of Directors on 4 June 2015 and are signed on its behalf by:

DAVID PERYER
CHAIR

Company Number 4325622



CASH FLOW STATEMENT

	2014 £	2013 £
Reconciliation of surplus of income to net inflow from operating activities		
Net incoming resources for the period	2,357,918	2,208,509
Add: Depreciation charges	281,099	383,574
(Profit)/loss on disposal	-	(14,346)
Less: Investment income received	(279,870)	(274,772)
Other finance income	(1,327,000)	(953,000)
	<u>1,032,147</u>	<u>1,349,965</u>
Decrease/(increase) in debtors	806,868	(990,145)
(Decrease) in creditors	(78,114)	(66,870)
(Increase)/decrease in investment in Joint Ventures	(15,905)	29,795
Pension cost in excess of contributions made	108,640	239,645
Net cash inflow from operating activities	<u>1,853,636</u>	<u>562,390</u>
Returns on investments		
Investment income received	<u>279,870</u>	<u>274,772</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(421,349)	(476,513)
Sale proceeds of fixed assets	-	15,000
Purchase of investments	(1,914,914)	(1,812,844)
Sale proceeds of investments	1,831,462	1,549,613
	<u>(504,801)</u>	<u>(724,744)</u>
Increase in cash in the period	<u>1,628,705</u>	<u>112,418</u>
Movement in Cash		
Cash in bank and in hand:		
Balance at 1 January 2014	6,577,863	6,465,445
Movement in the period	1,628,705	112,418
Balance at 31 December 2014	<u>8,206,568</u>	<u>6,577,863</u>
Analysis of net funds		
	At 1 January 2014 £	At 31 December 2014 £
Cash at bank and in hand	6,551,612	8,035,848
Cash held as investments	26,251	170,720
	<u>6,577,863</u>	<u>8,206,568</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of certain fixed assets at valuation and investments at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) published in March 2005, the Companies Act 2006 and applicable UK Accounting Standards.

(b) Joint venture

A joint venture is an entity in which the company holds a long term interest and which is jointly controlled by the company and one or more ventures under a contractual arrangement. The results of joint ventures are accounted for using the gross equity method of accounting.

Where joint ventures exist SORP 2005 requires a consolidated Statement of Financial Activities (SOFA) to be prepared even though the company has no subsidiary companies. The only impact of this requirement is that gross incoming resources include the company's share of the total incoming resources of the joint venture.

This figure is then taken out again to arrive at the company's total incoming resources.

The company's share of income from joint ventures is disclosed after net incoming/(outgoing) resources.

As the surpluses generated by the joint venture are distributed in full, the carrying value of the company's investment in the joint venture does not change and therefore a consolidated balance sheet has not been prepared.

The figures included in the financial statements have been based on audited accounts, adjusted where necessary by reference to unaudited management accounts for the subsequent period to 31 December.

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Incoming resources

All incoming resources, including legacies and grants, are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Patient fees and other charges are accounted for in the period in which the service is provided.

NOTES TO THE FINANCIAL STATEMENTS - Continued

1 Accounting policies – continued

(e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Charitable activities include expenditure associated with Specialist Older Adult Services and Specialist Adult Services and include both the direct costs and support costs relating to these activities.

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

Support costs include central functions and have been allocated to activity cost categories on the basis of time spent.

(f) Depreciation

Depreciation is provided at rates estimated to write off the cost of fixed assets over their useful lives. The annual rates used in 2014 are:-

➤ Short leasehold buildings	Over the period of the lease
➤ Furniture, plant and equipment	16.5% straight line
➤ Vehicles	25% on the reducing balance
➤ Fire precaution work	15% straight line
➤ Computer equipment and software	25% straight line

Freehold buildings are not depreciated because the buildings are maintained in good condition so that their value is not impaired by the passage of time and in consequence any element of depreciation would be immaterial. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 15 and FRS 11 to ensure that the carrying value is not greater than the recoverable amount. Fire precaution work is included within land and buildings and is depreciated at the rates shown above.

Expenditure of less than £600 is normally not capitalised unless it forms part of a large project.

(g) Investments

Investments are included at their mid market value on 31 December 2014 and the increase or decrease in value between accounting dates, together with the profits and losses on disposals, is recognised in the Statement of Financial Activities.

(h) Pensions

Accounting for pensions is in accordance with Financial Reporting Standard 17 - 'Retirement Benefits'. This requires that the operating and financing costs of the company's defined benefit scheme are recognised separately in the Statement of Financial Activities; service costs are systematically spread over the service lives of employees, and financing costs are recognised in the periods in which they arise. Variations from expected costs, arising from the experience of the scheme or changes in actuarial assumptions, are recognised immediately in the statement of total recognised gains and losses. The difference between the market value of assets and the present value of accrued pension liabilities estimated using the projected unit method, is shown as a liability in the balance sheet.

(i) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Investment income

	2014 £	2013 £
Dividend income	265,423	263,256
Interest receivable	14,447	11,516
	<u>279,870</u>	<u>274,772</u>

3 Provision for employees' pensions

Actuarial valuation

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme, with both Final Salary and Career Average Revalued Earnings benefits. For service prior to 1 August 2006, benefits are linked to members' final pensionable salaries at their retirement or earlier leaving. For service after 31 July 2006, benefits are built up each year, linked to members' salaries in that year and then increased each year in line with inflation. The Scheme was closed to new entrants on 31 December 2013 but accrual of benefits continues for current members of the Scheme.

Amounts recognised in the Balance Sheet

	2014 £,000	2013 £,000
Fair value of scheme assets	36,846	35,112
Present value of scheme liabilities	33,352	29,459
Recognisable surplus	<u>3,494</u>	<u>5,653</u>

Amounts recognised in the SOFA

	2014 £,000	2013 £,000
Interest on scheme liabilities	1,308	1,259
Expected return on scheme assets	(2,635)	(2,212)
Finance income	(1,327)	(953)
Current service cost	612	699
Total pension (income)/cost recognised in SOFA	<u>(715)</u>	<u>(254)</u>

Amounts recognised in the statement of total recognised gains and losses

	2014 £,000	2013 £,000
Cumulative actuarial loss at 31 December	<u>7,245</u>	<u>(3,868)</u>
Actuarial (loss)/gain on assets	(3,377)	3,373
Actuarial loss on liabilities	3,381	168
Actuarial gain	<u>4</u>	<u>3,541</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Provision for employees' pensions - continued

	2014 £,000	2013 £,000
Change in scheme assets		
Fair value of scheme assets at 1 January	35,112	30,236
Expected return on scheme assets	2,635	2,212
Employer contributions	503	459
Member contributions	214	189
Benefits paid	(1,622)	(1,357)
Actuarial gain on assets	4	3,373
Fair value of scheme assets at 31 December	<u>36,846</u>	<u>35,112</u>
Actual return on scheme assets	<u>2,639</u>	<u>5,585</u>
Change in scheme liabilities		
Scheme liabilities at 1 January	29,459	28,837
Expected current service cost	612	699
Interest cost	1,308	1,259
Member contributions	214	189
Benefits paid	(1,622)	(1,357)
Actuarial gain/(loss) due to experience	3,381	(168)
Changes in assumptions used to value Scheme liabilities	-	-
Present value of scheme liabilities at 31 December	<u>33,352</u>	<u>29,459</u>

The employer expects to contribute £540,000 into the scheme in 2014.

Principal weighted average actuarial assumptions	2014	2013
Inflation assumption	3.00%	3.30%
Consumer Price Index	2.00%	2.30%
Rate of increase in salaries	3.00%	3.30%
Discount rate	3.50%	4.50%
Rate of increase in pensions in payment where increases are linked to inflation		
– Limited price index 5%	1.90%	2.20%
– Limited price index 3%	1.80%	2.10%
– Limited price index 2.5%	1.70%	1.90%

Expected return on scheme assets

	Long term rate return expected at 31.12.14	Value at 31.12.14 £,000	Long term rate return expected at 31.12.13	Value at 31.12.13 £,000
Equities	-	-	7.60%	-
Bonds	-	-	4.40%	-
Gilts	-	-	3.50%	-
Diversified Growth Funds	7.40%	36,877	7.60%	35,019
Cash and net current assets	0.50%	(31)	0.50%	93
	<u>7.40%</u>	<u>36,846</u>	<u>7.60%</u>	<u>35,112</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Provision for employees' pensions - continued

The overall expected return on assets of 7.40% at 31 December 2014 (2013: 7.60%) is the weighted average of the expected returns for each assets class.

Historical analysis

Details of assets, liabilities and experienced gains and losses for the year to 31 December

	2014 £,000	2013 £,000	2012 £,000	2011 £,000	2010 £,000
Fair value of scheme assets	36,846	35,112	30,236	27,794	30,833
Value of scheme	33,352	29,459	28,837	27,477	29,121
Surplus/(deficit) in the scheme	3,494	5,653	1,399	317	1,712
Experience adjustments on scheme assets	4	3,373	1,311	(4,739)	2,603
Experience gains and (losses) on scheme	(92)	88	83	362	1,713

Balance sheet reconciliations

	2014 £,000	2013 £,000
Gross balance sheet asset at 1 January	5,653	1,399
Pension expense recognised in SOFA	715	254
Amounts recognised in the statement of total recognised gains and losses in the year	(3,377)	3,541
Actual contributions made by the employer in the year	503	459
Gross balance sheet asset at 31 December	3,494	5,653

4 Patient fees and other charges

	2014 £	2013 £
Fees from patients	10,852,626	10,935,412
Grants to cover full cost of reduced fees: Benevolent Fund for Friend patients	5,012	5,890
	10,857,638	10,941,302
Sundry income	128,372	114,435
	10,986,010	11,055,737

NOTES TO THE FINANCIAL STATEMENTS - Continued

5 Joint ventures

- (a) The Retreat York has undertaken a joint venture to operate a unit for individuals with an acquired brain injury since 1998. The service is known as York House and in 2013, we opened a third unit, adding a further 10 beds to the 28 beds previously on site. The year end of the joint venture is 31 May. The results for the year to 31 December 2014, based on audited financial statements to 31 May 2014 and management account information since that date, are as follows:

	£
Fee income and contributions received	2,982,470
Expenditure on charitable activities	(2,729,982)
Share of net results for the year to 31 December 2014	<u>252,488</u>

The company's share of the net assets of the joint venture as at 31 May 2014 (the figures as at 31 December 2014 are not available) is as follows:

	£
Fixed assets	93,661
Current assets	509,159
Liabilities due within one year	(602,320)
Net assets	<u>500</u>

As all surpluses are distributed equally to the two joint venture partners, there are no net assets in the balance sheet at 31 December 2014 other than the share capital.

This joint venture is operated via a limited company, York House Ventures Limited a company whose share capital is owned 50% by The Retreat York and 50% by The Disabilities Trust.

- (b) The Retreat York has undertaken a joint venture to operate a 12 bedded unit for women. The unit is known as Garrow House. The year end of the joint venture is 31 March. The results for the year to 31 December 2014, based on audited financial statements to 31 March 2014 and management account information since that date, are as follows:

	£
Fee income and contributions received	915,605
Expenditure on charitable activities	(831,782)
Share of net results for the year to 31 December 2014	<u>83,823</u>

The company's share of the net assets of the joint venture as at 31 March 2014 (the figures as at 31 December 2014 are not available) is as follows:

	£
Current assets	220,500
Liabilities due within one year	(208,000)
Net assets	<u>12,500</u>

All surpluses are distributed equally to the two joint venture partners with the exception of a designated asset maintenance reserve of £31,590. The only other net asset in the balance sheet at 31 December 2014 is the share capital.

This joint venture is operated via a limited company, Northern Pathways Limited a company whose share capital is owned 50% by The Retreat York and 50% by Turning Point.

NOTES TO THE FINANCIAL STATEMENTS - Continued

5 Joint ventures - continued

- (c) The Retreat York has undertaken a joint venture which operates an outreach service for men with personality disorder. The service is known as Bridging The Gap. The year end of the joint venture is 31 December. The results for the year to 31 December 2014, based on audited financial statements to 31 December 2014, are as follows:

	£
Fee income and contributions received	100,000
Expenditure on charitable activities	(80,300)
Write off of initial loan	(49,999)
Share of net results for the period to 31 December 2014	<u>(30,299)</u>

The company's share of the net assets of the joint venture as at 31 December 2014 is as follows:

	£
Fixed Assets	2,547
Current assets	45,146
Liabilities due within one year	(73,582)
Net liabilities	<u>(25,889)</u>

As all surpluses and deficits are distributed equally to the two joint venture partners, there are no net assets in the balance sheet at 31 December 2014 other than the share capital.

This joint venture is operated via a limited company, Bridging the Gap PD Services Limited a company whose share capital is owned 50% by The Retreat York and 50% by Community Links (Northern) Limited

6 Analysis of expenditure

			2014	2013
(a)	Direct costs	Support costs	Total	Total
	£	£	£	£
Specialist adult services	4,673,405	603,874	5,277,279	5,026,194
Specialist older adult services	5,061,172	601,530	5,662,702	5,856,627
Investment management fees	40,352	-	40,352	32,710
Governance costs (Note c)	41,795	-	41,795	29,913
	<u>9,816,724</u>	<u>1,205,404</u>	<u>11,022,128</u>	<u>10,945,444</u>

- (b) Support costs totalling £1,205,404 have been allocated across activities. These include costs associated with providing IT, payroll, personnel, finance, property and other central services to the charity.

(c) Governance costs	2014	2013
	£	£
Audit fee - audit services	17,040	17,060
Directors' and Members' expenses	11,237	12,853
Research	13,518	-
	<u>41,795</u>	<u>29,913</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

6 Analysis of expenditure - continued

(d) Employees

	2014 £	2013 £
Salaries	6,526,439	6,649,302
Employer's NI	437,994	475,897
Pension Scheme (note 3)	612,000	699,000
	<u>7,576,433</u>	<u>7,824,199</u>

The average number of employees in the year was:

Medical staff	5	6
Nursing staff	206	219
Other clinical staff	36	29
Administration and support staff	34	33
Estate maintenance	11	11
Hotel services	43	43
	<u>335</u>	<u>341</u>

(e) Employees - continued

The numbers of employees whose emoluments exceeded £60,000 were as follows:

	Number 2014	Number 2013
Band of earnings		
£60,000 - £69,999	1	1
£70,000 - £79,999	2	1
£80,000 - £89,999	2	1
£90,000 - £99,999	1	-
£100,000 - £109,999	-	2
£110,000 - £119,999	2	3
£120,000-£130,999	1	1

Of the above, the number of staff to whom retirement benefits are accruing under the defined benefit pension scheme at 31 December 2014 is 9 (2013 - 9)

(f) Other expenditure

	2014 £	2013 £
Other expenditure includes		
Amounts paid under operating leases:		
- land and buildings	<u>63,000</u>	<u>63,000</u>

7 Taxation

As a charity, The Retreat York is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

NOTES TO THE FINANCIAL STATEMENTS - Continued

8 Fixed Assets

	Freehold land and buildings £	Short leasehold land and buildings £	Furniture, plant, equipment, vehicles £	Total £
Cost or Valuation				
At 1 January	16,892,032	278,460	1,274,985	18,445,477
Additions in year	84,604	8,819	327,926	421,349
Disposals in the year	-	-	(97,866)	(97,866)
At 31 December 2014	16,976,636	287,279	1,505,045	18,768,960
Depreciation				
At 1 January	223,454	48,013	803,610	1,075,077
Charge for the year	20,205	30,059	230,835	281,099
Disposals	-	-	(97,866)	(97,866)
At 31 December 2014	243,659	78,072	936,579	1,258,310
Net book value				
At 31 December 2014	16,732,977	209,207	568,466	17,510,650
At 31 December 2013	16,668,578	230,447	471,375	17,370,400

The freehold land and buildings were valued as at 31 December 1998 by Weatherall Green and Smith and the valuations incorporated into the accounts. The operational properties were valued at £6.695m on a depreciated replacement cost basis. The temporarily non-operational properties included in fixed assets were valued at £355,000 on an open market basis, and at the valuation date were let producing rental income of £35,900 per annum. From that date up to the 31 December 2014 additions costing £9,926,636 have been capitalised and are included in the balance of £16,976,636 above.

A further valuation on a depreciated replacement cost basis was carried out by Lawrence Hannah in April 2013. The operational properties were valued at £16.65m. The company decided not to incorporate this valuation into the accounts.

The company has taken advantage of the transitional provisions contained within FRS 15 not to adopt a policy of revaluation.

On a historical cost basis the freehold land and buildings would have a net book value at 31 December 2014 of £12,475,832 (2012 - £12,391,228)

NOTES TO THE FINANCIAL STATEMENTS - Continued

9 Investments

	2014 £	2013 £
(a) Movements in year at market value		
Market value at 1 January 2014	10,002,202	8,149,713
Acquisitions at cost	1,914,913	1,812,843
Disposals at book value	(1,900,971)	(1,414,946)
Net (losses)/gains on revaluation at 31 December 2014	(12,837)	1,454,592
	<u>10,003,307</u>	<u>10,002,202</u>
Investment cash	170,720	26,251
Market value at 31 December 2014	<u>10,174,027</u>	<u>10,028,453</u>
Historical cost		
At 31 December 2014	<u>8,647,869</u>	<u>8,271,549</u>
(b) Realised (losses)/gains in the year		
Proceeds	1,831,462	1,549,613
Disposals at book value	(1,900,971)	(1,414,946)
	<u>(69,509)</u>	<u>134,667</u>
(c) Reconciliation and movement in unrealised gains		
Unrealised gains at 1 January 2014	1,729,184	503,376
(Less) in respect of disposals in the year	(365,169)	(228,784)
Add net (losses)/gains arising on revaluations in the period	(12,837)	1,454,592
Unrealised gains at 31 December 2014	<u>1,351,178</u>	<u>1,729,184</u>
(d) Analysis of market value		
Listed Securities - UK	5,530,195	5,906,838
- Overseas	4,473,112	4,095,364
Cash deposits	170,720	26,251
	<u>10,174,027</u>	<u>10,028,453</u>

Included within investments are holdings in the following investments representing more than 5% of the value of the portfolio at 31 December 2014:

Sarasin Equisar Socially Responsible (Sterling Hedged) - B Inc	40.3%
Sarasin Sterling Bond CLS A Inc	5.9%

NOTES TO THE FINANCIAL STATEMENTS - Continued

9 Investments - Continued

(e) Investment in joint venture

The company owns 500 ordinary shares of £1 each in York House Ventures Limited representing 50% of its share capital. The company is incorporated in England and Wales. Further details relating to York House Ventures Limited are given in note 5a.

The company owns 500 ordinary shares of £1 each in Northern Pathways Limited representing 50% of its share capital. The company is incorporated in England and Wales. Further details relating to Northern Pathways Limited are given in note 5b.

The company owns 1 ordinary share of £1 in Bridging the Gap PD Services Limited representing 50% of its share capital. The company is incorporated in England and Wales. Further details relating to Bridging the Gap PD Services Limited are given in note 5c.

10 Debtors

	2014 £	2013 £
Trade debtors	1,841,421	2,641,710
Prepayments and accrued income	132,404	146,348
Amount due from joint ventures	585,097	568,779
Other debtors	77,903	109,031
The Retreat Benevolent Fund	1,370	906
The Retreat York Pension Scheme	66,783	45,072
	<u>2,704,978</u>	<u>3,511,846</u>

11 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	228,749	297,132
Accruals	286,325	179,873
Tax and social security	162,894	153,694
Other creditors	12,656	39,485
Monies due to patients	229,770	328,325
	<u>920,394</u>	<u>998,509</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

12 Unrestricted funds

	At 1 January 2014 £	Net Incoming resources £	Other recognised (losses)/ profits £	Transfers £	At 31 December 2014 £
General fund	19,043,673	2,478,639	(3,459,706)	112,711	18,175,317
Designated Funds:					
Tangible fixed					
asset fund	17,370,400	-	-	140,250	17,510,650
Development fund	5,300,000	-	-	(300,000)	5,000,000
Patient legacy fund	235,202	(96,109)	-	-	139,093
Other Funds	-	-	-	82,993	82,993
	<u>41,949,275</u>	<u>2,382,530</u>	<u>(3,459,706)</u>	<u>35,954</u>	<u>40,908,053</u>

General fund	2014 £	2013 £
General fund excluding pension asset	14,681,317	13,390,673
Pension asset	3,494,000	5,653,000
General fund	<u>18,175,317</u>	<u>19,043,673</u>

The general fund represents the free funds of the charity which are not designated for particular purposes and includes the pension asset.

Tangible fixed assets fund

This fund has been set up to identify those funds which are not free funds and it represents the net book value of the charity's fixed assets, which are used almost entirely for the provision of care services. The fund includes a revaluation reserve of £4,500,804.

Development fund

An amount of £5,000,000 in total has been earmarked for capital projects for the development of care services at The Retreat, York.

Patient legacy fund

Trustees have decided, following discussions with the family, that funds bequested to The Retreat be designated for use to enhance the experience of patients at The Retreat on units where the former patient received care and treatment. This will be spent on drama therapy and patient holidays, as well as a memorial to the donor.

Other Funds

These funds comprise donations from external bodies, which are designated by Trustees to be spent on other benefits for patients.

Transfers

Transfers to tangible fixed asset fund		
Additions	(421,349)	
Depreciation	281,099	
Net Book Value of disposals	-	(140,250)
Transfer from development fund		300,000
Net transfer to designated funds		(195,704)
		<u>(35,954)</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

13 Restricted funds

	At 1 January 2014 £	Incoming Resources £	Resources expended during the £	Transfers £	At 31 December 2014 £
Parkinson's Grant Fund	34,252	210	(1,032)	-	33,430
Social Enterprise Fund	8,982	5,463	(9,961)	-	4,484
Patient Holiday Fund	5,372	-	(378)	-	4,994
Other Funds	90,127	22,234	(41,148)	(35,954)	35,259
	<u>138,733</u>	<u>27,907</u>	<u>(52,519)</u>	<u>(35,954)</u>	<u>78,167</u>

Parkinson's Grant Fund This fund comprises funds donated by the Trustees of Albert Parkinson's Settlement, a small charitable trust in appreciation of the quality of care and treatment provided to a particular

Social Enterprise Fund This fund comprises amounts raised by the sale of goods and refreshments from shops staffed by volunteers. Funds generated will be utilised to fund the Social Enterprise and the development and implementation of the vocational pathway, as defined by the people who use

Patient Holiday Fund This is a fund arising from donations specifically given to pay for holiday breaks for patients.

Other Funds These funds comprise specific donations from external bodies to be spent on other benefits for patients

14 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pension asset £	Fund balances £
Restricted funds	-	-	78,167	-	78,167
Unrestricted Funds:					
Designated funds					
Tangible fixed asset	17,510,650	-	-	-	17,510,650
Development fund	-	5,000,000	-	-	5,000,000
Patient legacy fund	-	-	139,093	-	139,093
General fund	-	5,161,138	9,520,179	3,494,000	18,175,317
	<u>17,510,650</u>	<u>10,161,138</u>	<u>9,737,439</u>	<u>3,494,000</u>	<u>40,903,227</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

15 Operating leases

At 31 December 2014 the company had annual commitments under non cancellable operating leases as set out below.

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 5 to 10 years	<u>63,000</u>	<u>63,000</u>

16 Capital commitments

Capital expenditure authorised by the Board of Directors but not provided for in the accounts amounted to:

	2014	2013
	£	£
Contracted for	<u>-</u>	<u>-</u>

17 Contingent liability

The Retreat York received a grant from the NHS towards the cost of capital works carried out to upgrade Garrow House in order that a high support forensic service can be provided in that building. The grant is repayable to the NHS during the first 10 years of use of the building, which commenced in February 2008, if The Retreat were to elect to no longer make the property available for use by the NHS. The amount which is repayable declines by an equal sum as each of the 10 years is completed.

In recognition of this contingent liability in February 2008 The Retreat York granted a legal charge over Garrow House to the NHS which can be exercised in the event of all or a proportion of the grant becoming repayable to the NHS.

18 Trustees' expenses and remuneration

	2014	2013
	£	£
Travel expenses reimbursed to Trustees	<u>5,910</u>	<u>6,942</u>
Number of Trustees reimbursed	<u>11</u>	<u>11</u>

A premium of £2,171 for Trustee indemnity insurance was paid by the Company during the year.

NOTES TO THE FINANCIAL STATEMENTS - Continued

19 Related party transactions

- (a) During the year the following amounts were received for services provided to the company's joint venture, York House.

	2014 £	2013 £
Services provided	101,546	180,512
Overheads recharged	3,030	3,878
Rent	230,727	227,798
	<u>335,303</u>	<u>412,188</u>

The amount owing by York House at 31 December 2014 in respect of services and unremitted surpluses is £429,968 (2013 - £384,381).

- (b) During the year the following amounts were received for services provided to the company's joint venture, Garrow House.

	2014 £	2013 £
Services provided	58,712	50,065
Overheads recharged	6,343	6,400
Rent	208,905	204,228
	<u>273,960</u>	<u>260,693</u>

The amount owing by Garrow House at 31 December 2014 in respect of services and unremitted surpluses is £113,708 (2013 - £94,306).

- (c) During the year the following amounts were received for services provided to the company's joint venture, East Villa.

	2014 £	2013 £
Services provided	6,000	10,000
Rent	10,000	10,500
	<u>16,000</u>	<u>20,500</u>

The amount owing by East Villa at 31 December 2014 in respect of services and unremitted surpluses is £41,421 (2013 - £90,091).