



**NORTHERN PATHWAYS LIMITED
(PRIVATE LIMITED COMPANY)**

FINANCIAL STATEMENTS

31 MARCH 2011

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**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

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**NORTHERN PATHWAYS LIMITED
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COMPANY INFORMATION

DIRECTORS: Andrew James (Chair)
Jenny McAleese
Hilary Rowell (resigned February 2011)
Roger Mattingly (resigned December 2010)
Stuart Humby (appointed January 2011)
Martin Sykes
Chris Holman
Zelda Peters
John Doran

SECRETARY: David Billington

REGISTERED OFFICE: Turning Point
Standon House
21 Mansell Street
London E1 8AA

REGISTERED NUMBER: 06325398

AUDITORS: Crowe Clark Whitehill LLP
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

BANKERS: Barclays Bank Plc
3 Hardman Street
1st Floor, Spinningfields
M3 3AX

SOLICITORS: Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London
EC3U 6BB

**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2011

Review of the business

Northern Pathways is a joint venture between Turning Point and The Retreat, two highly regarded third sector organisations providing mental health services

The partnership brings together a wealth of experience to deliver

- Low-security mental health services
- Services for people with personality disorders in both residential and community settings
- Crisis services that avoid admission to hospital
- Specialist services for elderly people with behaviour challenges
- Recovery services for those with complex mental health needs
- Services for those who also need medical care

Background to Northern Pathways

The quality and safety of secure mental health provision for women has been the focus of research, campaigns and recent policy initiatives. With women in the minority, secure mental health services have primarily been developed with men in mind. As a result, women are often unfairly affected by institutional responses to the behaviours of men.

Northern Pathways has been developed in response to this concern and the gap in step down and high support community residential services for women with complex needs.

Principal aims and activities

The National Women's Mental Health Strategy (2002) and the implementation Guidance for Mainstreaming Gender and Women's Health (2003) recommend a revision of women's secure services. The Department of Health allocated funds to run three pilot schemes in different regional catchment areas. The Northern Pathways joint venture has been commissioned to provide one of these pilots for Yorkshire and the Humber.

Garrow House marks a major landmark in allowing women who use mental health services to have greater choice and control over the service they receive in a safe, supportive environment, as well as a faster road to independence.

Garrow House Services

The service provides 24 hour clinical and nursing cover and social care support including access to

- A range of individual and group psychological therapies
- Daytime activities around life skills development
- Complementary therapies
- Access to forensic psychiatry and psychology support
- Access into community-based education, training and social re-integration opportunities

**NORTHERN PATHWAYS LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

Operating and strategic review

Garrow House has been operating for two years and has maintained a high occupancy rate for over 12 months. The staff team is very stable and experienced, committed to working in ways that reflect the needs of the women, demonstrating the skills mix needed to support the various complexities of the women's needs. The service recently re-registered with the newly formed Care Quality Commission.

Within the service there is a range of psychological therapies available in addition to an extensive therapeutic activity programme. The service continues to provide care for the women through its strong links in the community and has seen women move on to individual and family led support.

As a Department of Health pilot, the service is subject to evaluation by the London Metropolitan University.

Managing safety and risk

The Northern Pathways governance regime is hosted through Turning Point's risk and assurance department. Garrow House follows all Turning Point's policies and procedures regarding risk management, risk mitigation and quality assurance. The Northern Pathways Governance Committee is chaired by the Retreat's Medical Director, and they meet to discuss and approve localised policies, procedures and protocols pertaining to Risk and Assurance.

Turning Point, as the risk and assurance host, has a National Safeguarding Lead (Assistant Director – Quality Assurance). Any safeguarding incidents reported as part of the integrated incident/accident reporting system are reviewed separately by risk and assurance and the Safeguarding Lead. There is a follow-up reporting system in place, allowing the organisation to monitor responses to safeguarding incidents.

There are three core safeguarding policies, covering vulnerable adults, safeguarding children and young people and also domestic violence, which reflect current legislation and good practice guidance. The policies place great emphasis on cooperation with local partners, and adherence to local multi-agency safeguarding policies and procedures.

The safeguarding adults and children policies were subject to external consultation and verification (our Safeguarding Children Policy was verified by the NSPCC and our Safeguarding Adults Policy was verified by the adult safeguarding team from one of our commissioning authorities). The service also reports to the local safeguarding team in York City Council, and has representation on the local safeguarding team along with service leads from The Retreat and York House.

All members of staff attend a one day course that has been designed to raise awareness and acquaint staff in services with the challenging issues involved with abuse of vulnerable adults. This course is mandatory and is attended in the first month of employment, in addition to yearly refresher courses. Additional training is undertaken by those at a managerial level. Due to the nature of Garrow House service user group, specialised training regarding risk assessment, management of aggression and violence, the Mental Health Act, gender awareness and sexual abuse training is also mandatory. The latter two training courses are facilitated by national Department of Health teams as required for the HSS pilot services.

Our services are regulated and inspected by the Care Quality Commission, a newly formed external regulatory body incorporating CSCI, the Healthcare Commission and the Mental Health Act.

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REPORT OF THE DIRECTORS (CONTINUED)

Managing safety and risk (Continued)

Commission The Northern Pathways Board, and the boards of the parent companies Turning Point and The Retreat, are kept informed of the outcome of such inspections and whether they meet the standards that have been laid down by the regulating bodies

Northern Pathways also has its own internal quality systems We minimise risk through our robust risk management processes and clinical governance procedures Turning Point aims to avoid any detriment or harm that may manifest itself in the environment in which we operate to ensure a net positive public benefit

Results and dividends

The results of the company for the year are set out in the financial statements The directors do not recommend the payment of a dividend

Governance

The Northern Pathways Board of Directors

As at the 31 March 2011, the Board of Directors comprised of seven members and was responsible for setting and ensuring compliance with Northern Pathways' values, objectives and strategy The members are drawn from Turning Point and The Retreat

The members of the Board are as follows

- Andrew James (Chair)
- Jenny McAleese
- Stuart Humby (appointed January 2011)
- Martin Sykes
- Chris Holman
- Zelda Peters
- John Doran

The Board met three times in 2010-11 and received reports on the operational management and clinical governance of the Garrow House service

The directors do not hold any beneficial interest in the share capital of the company

Statement of Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that the reports give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS (CONTINUED)

Statement of Directors' responsibilities (Continued)

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclosure with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The directors have reviewed the projected cash flows for the company and have received a confirmation from the parent undertaking that it will continue to make funds available for the foreseeable future and not less than twelve months from the date of approval of the accounts. Based on this the directors are satisfied that the company will be able to meet its liabilities as they fall due.

Provision of information to the auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- So far as that the directors are aware, there is no relevant audit information of which the company's auditors is unaware, and,
- That the directors have taken all the steps that ought to be taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditors

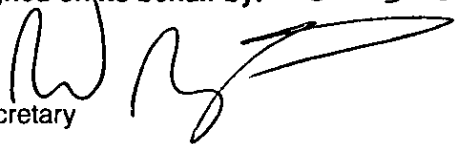
The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

BY ORDER OF THE BOARD

Approved by the Board on: 8.7.11

Signed on its behalf by: DAVID BILLINGTON

Secretary





**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NORTHERN PATHWAYS LIMITED

We have audited the financial statements of Northern Pathways Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 9

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NORTHERN PATHWAYS
LIMITED (CONTINUED)**

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report


Vicky Szulist

Senior Statutory Auditor

For and on behalf of Crowe Clark Whitehill LLP

Statutory Auditor

Arkwright House

Parsonage Gardens

Manchester

M3 2HP

Date *8th August 2011*

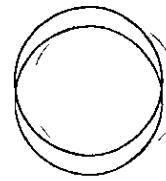
**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

**COMPANY NUMBER 06325398
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £000	2010 £000
TURNOVER		2,047	1,988
Administrative expenses		(1,952)	(1,922)
		<hr/>	<hr/>
OPERATING PROFIT		95	66
Gift Aid		(95)	(66)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR BEFORE TAXATION		0	0
Tax on profit on ordinary activities	5	0	0
		<hr/>	<hr/>
PROFIT FOR YEAR AFTER TAXATION		0	0
		<hr/>	<hr/>

The company's turnover and expenses all relate to continuing operations

The company has no recognised gains or losses other than the results for the year which have been calculated on the historical cost basis



**northern
pathways**

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COMPANY NUMBER 06325398
BALANCE SHEET
AS AT 31 MARCH 2011

	Notes	2011 £000	2010 £000
CURRENT ASSETS			
Debtors	6	87	68
Cash at bank and in hand		<u>140</u>	<u>140</u>
		227	208
 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	 7	 <u>(226)</u> <u>(226)</u>	 <u>(207)</u> <u>(207)</u>
 NET CURRENT ASSETS		 <u><u>1</u></u>	 <u><u>1</u></u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		 <u><u>1</u></u>	 <u><u>1</u></u>
 CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account		0	0
 SHAREHOLDERS' FUNDS		 <u><u>1</u></u>	 <u><u>1</u></u>

The accounts have been prepared in accordance with the special provisions relating to companies subject to small companies regime with Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the board on: 8.7.11

and signed on its behalf. ANDREW JAMES

A J

Director

**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 ACCOUNTING POLICES

The financial statements have been prepared in accordance with applicable standards

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

(b) Going Concern

After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors Responsibilities on page 8

(c) Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

(d) Pension costs

The Company operates a defined benefit pension scheme which is contracted out of the State Scheme and provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable then being determined by Pension Trustees on advice of the actuary.

The Scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Company. In accordance with FRS17 the scheme is accounted for as a defined contribution scheme.

2 ACTIVITIES

The turnover, results for the year and net assets are attributable to the principal activity. The whole of the turnover and result for the year is attributable to the company's continuing operations.

The company operates in the United Kingdom and the whole of its turnover is to the United Kingdom market.

3 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by FRS8 in disclosing transactions with other group entities on the grounds that consolidated accounts are publically available.

**NORTHERN PATHWAYS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £000	2010 £000
4 OPERATING PROFIT		
The Operating Loss is stated after charging		
Auditors Remuneration	<u>2</u>	<u>2</u>

During the year, no Director received any emoluments (2010 £0)

	2011 £000	2010 £000
5 TAXATION		
UK Corporation Tax charge on profit for the year	<u>0</u>	<u>0</u>

	2011 £000	2010 £000
6 DEBTORS		
Amounts falling due within one year		
Prepayments	85	68
Trade Debtors	2	0
	<u>87</u>	<u>68</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £000	2010 £000
7 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)		
Other tax and social security costs	25	22
Accruals and deferred income	16	26
Trade and Other creditors	80	60
Amounts due to The Retreat	48	25
Amounts due to Turning Point	57	74
	<u>226</u>	<u>207</u>

	2011 £000	2010 £000
8 LEASING COMMITMENTS		
Payments to be made within the next year under non-cancellable operating leases are set out below		
Leases which expire -		
Within one year	5	0
Within two to five years		
After five years	<u>5</u>	<u>0</u>

	2011 £000	2010 £000
9 SHARE CAPITAL		
Authorised		
Ordinary Shares of £1 each	1	1
	<u>1</u>	<u>1</u>

1,000 £1 Ordinary shares issued at face value
500 shares issued to Turning Point and 500 shares to The Retreat