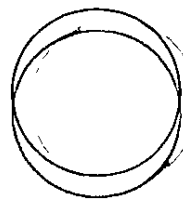


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**NORTHERN PATHWAYS LIMITED
(PRIVATE LIMITED COMPANY)**

FINANCIAL STATEMENTS

31 MARCH 2012

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**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

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**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

COMPANY INFORMATION

DIRECTORS. Andrew James (Chair)
Martin Sykes
Jenny McAleese
Zelda Peters
Chris Holman
John Doran
Helen Rowntree (appointed January 2012)
Stuart Humby

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
1st Floor, 3 Hardman Street
Spinningfields
Manchester
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 2012

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

Northern Pathways is a unique partnership between Turning Point and The Retreat, a well-established York-based mental health provider. Working closely with Yorkshire and Humber Specialist Commissioning Group and Leeds Foundation Trust, Northern Pathways was developed in 2009 in response to long-standing concerns in the UK regarding the quality and safety of secure mental health provision specifically for women.

Secure mental health services have primarily been developed with men in mind, and as a result, the unique needs of women are often overlooked, leading to inappropriate support and poor recovery rates. Northern Pathways addresses these issues by bridging the gap to provide step-down and high-support community residential services for women with complex needs.

Northern Pathways, its partnership arrangements, and the development of Garrow House (its first service) demonstrate how health and social care organisations can work in collaboration with the NHS and commissioners for the benefit of women using mental health services.

Principal aims and activities

The National Women's Mental Health Strategy in 2002, and the subsequent Implementation Guidance for Mainstreaming Gender and Women's Health in 2003, recommended a revision of women's secure services to ensure women felt better served by the mental health care system in terms of their individual experience. Northern Pathways was formed based on the principals outlined in these two reports along with the objectives outlined in the Yorkshire Regional strategy document, Forensic Services for Women, a Strategy Document 2004-2008.

The Department of Health responded by allocating funds to run three pilot schemes across the UK. Northern Pathways was commissioned to provide one of these pilots for Yorkshire and the Humber. Garrow House, the first Northern Pathways service, offers women who use mental health services greater choice and control over the service they receive in a safe, supportive environment, as well as a faster, more effective road to independence.

**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

REPORT OF THE DIRECTORS (CONTINUED)

Garrow House Services

Garrow House provides 24-hour clinical and nursing cover and social care support for women. The service includes access to a range of

- Individual and group psychological therapies
- Daytime activities based around life skills development
- Complementary therapies
- Forensic psychiatry and psychology support
- Community-based education, training and social re-integration opportunities

Operating and strategic review

Garrow House has been operating for three years and in 2011/12 has maintained an average occupancy rate of more than 90 per cent. The staff team is stable and experienced, committed to working in ways that reflect the needs of the women and demonstrates the skills mix needed to support women with complex needs.

The service operates within a recovery model providing a high level of relational containment. Its commitment to involvement is demonstrated by its employment of a full-time Involvement Coordinator supporting the women's involvement in local, regional and national initiatives.

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

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

Managing safety and risk

The Northern Pathways governance regime is hosted through Turning Point's experienced 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. At the Committee's regular meetings local policies, procedures and protocols covering Risk and Assurance are reported and signed off. The service is presently improving its internal Governance structures by establishing a Risk Management and Policy Ratification Group.

Quality and safety are also underpinned by a continuous, high level of training. In addition, there is mandatory training in areas including safeguarding and management of violence. Over the last year, the team has also engaged in programmes of specialist training including self-harm prevention, gender awareness, cognitive analytical therapy and relational skills.

Our services are regulated and inspected by the Care Quality Commission. The report published on the inspection held at the end of 2011 reflected a service in which the residents feel safe and supported by a staff team they trust. Areas for improvement included cleanliness and the way in

**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

REPORT OF THE DIRECTORS (CONTINUED)

Managing safety and risk (continued)

which we monitor and audit risk. An action plan to address these concerns was swiftly agreed and is now implemented.

In 2012, Garrow House had its contract for all beds renewed by Yorkshire and Humber Specialist Commissioning Group. Over the coming months, the service improvement agenda will include participation in a CQUIN's scheme that will help Garrow House improve recovery and outcomes, implement a secure pathway and prepare for Payment by Results.

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 2012, the Board of Directors is comprised of seven members and is 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
- Zelda Peters
- John Doran
- Stuart Humby
- Chris Holman
- Martin Sykes

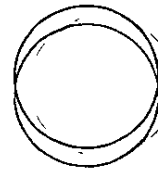
The Board met three times in 2011-12 and received reports on the operational management and clinical governance of the Garrow House service.

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 Director's 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, disclosure and financial position with reasonable accuracy at any time, 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 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 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 the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and,
- The directors have taken all the steps considered necessary 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.

Auditor

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: 14.6.2012

Signed on its behalf by

Secretary


David Billington



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 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 10

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 2012 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: *10th August 2012*



**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

**COMPANY NUMBER 06325398
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £000	2011 £000
TURNOVER		2,008	2,047
Administrative expenses		(1,949)	(1,952)
OPERATING PROFIT		59	95
Gift Aid		(59)	(95)
PROFIT FOR THE FINANCIAL YEAR BEFORE TAXATION		0	0
Tax on profit on ordinary activities	6	0	0
PROFIT FOR YEAR AFTER TAXATION		0	0

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 LIMITED
FINANCIAL STATEMENTS**

COMPANY NUMBER 06325398
BALANCE SHEET
AS AT 31 MARCH 2012

	Notes	2012 £000	2011 £000
CURRENT ASSETS			
Debtors	7	205	87
Cash at bank and in hand		<u>29</u>	<u>140</u>
		234	227
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(233)</u>	<u>(226)</u>
		(233)	(226)
NET CURRENT ASSETS		<u>1</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account		0	0
SHAREHOLDERS' FUNDS		<u>1</u>	<u>1</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)

The financial statements on pages 10 to 15 were approved and authorised for issue by the Board on: 14th June 2012

Director: *Andrew James* *A J*

NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

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

Northern Pathways Ltd participated in the Turning Point Pension Scheme ("the Scheme") which is a defined benefit pension scheme. This is a multi-employer scheme covering Turning Point, Northern Pathways Ltd and Turning Point Scotland employees (and former employees). Turning Point Scotland left the Group and became a separate entity in 1999.

The assets of the Scheme are held in common across the three employers and cannot be separately identified. The pension cost is therefore accounted for as the current level of contributions payable in line with our understanding of the treatment of such a scheme under the FRS17 accounting standard. 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 Turning Point Pension Scheme closed on 31 March 2012, and the employers agreed in principle to continue paying the contributions required to remove the deficit over a ten year period.

On 1 April 2012, Northern Pathways Ltd started a defined contribution scheme.

NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTIES

Northern Pathways Ltd is a joint venture of Turning Point (50%) and The Retreat (50%) Both Turning Point and The Retreat are incorporated in the United Kingdom and are registered charities A copy of the Turning Point and The Retreats' accounts can be obtained from the Registrar of Companies

4 RELATED PARTY TRANSACTIONS

As at the 31st March 2012, Northern Pathways Ltd owed Turning Point £98k (2011 £57k) in relation to the management fee for providing the central function support, Gift Aid and supplier invoices paid on their behalf

As at the 31st March 2012, Northern Pathways Ltd owed The Retreat £48k (2011 £48k) in relation to Gift Aid and supplier invoices paid on their behalf

During the year, Northern Pathways Ltd was charged rent of £177k (2011 £175k) from The Retreat relating to the property at 115 Heslington Road, York, YO10 5BS

**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £000	2011 £000
5 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 (2011 £0)

	2012 £000	2011 £000
6 TAXATION		
UK Corporation Tax charge on profit for the year	<u>0</u>	<u>0</u>

	2012 £000	2011 £000
7 DEBTORS		
Amounts falling due within one year		
Prepayments & Accrued Income	39	85
Trade Debtors	166	2
	<u>205</u>	<u>87</u>

**NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £000	2011 £000
8 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)		
Other tax and social security costs	22	25
Accruals and deferred income	54	16
Trade and other creditors	11	80
Amounts due to The Retreat	48	48
Amounts due to Turning Point	98	57
	<u>233</u>	<u>226</u>

9 LEASING COMMITMENTS

Payments to be made within the next year under non-cancellable operating leases are set out below

	2012 £000	2011 £000
Leases which expire -		
Within one year	5	0
Within two to five years	175	5
After five years	0	0
	<u>180</u>	<u>5</u>

	2012 £000	2011 £000
10 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