



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

FINANCIAL STATEMENTS

31 MARCH 2014

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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 Chris Holman John Doran Helen Rowntree 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 1 st Floor , 3 Hardman Street Spinningfields Manchester M3 3AX
SOLICITORS:	Eversheds Eversheds House 70 Great Bridgewater St Manchester M1 5ES

**NORTHERN PATHWAYS LIMITED
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REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 2014.

Objectives and activities

Northern Pathways is a joint venture founded in 2009 by Turning Point and The Retreat, two highly regarded third sector organisations providing mental health services.

The partnership's objective is to bring 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

During the year, the company made Gift Aid transfers totalling £146k, split equally between Turning Point and The Retreat.

In 2009, Northern Pathways was developed to address long-standing concerns in the UK regarding the quality and safety of secure mental health provision specifically for women. Northern Pathways addresses these issues by bridging the gap to provide step-down and high-support community residential services for women with complex needs.

Working closely with Leeds and York Partnership NHS Foundation Trust, Northern Pathways has delivered services at Garrow House, demonstrating how health and social care organisations can work in collaboration with the NHS and commissioners for the benefit of women using mental health 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

In 2013-14 Garrow House has maintained an average occupancy rate of 90 per cent. Two successful discharges to independent accommodation and one successful discharge to supported living took place close to year end. Referrals from time to time have been a challenge and actions are being taken to ensure continued occupancy.

Recruitment and retention and training for staff have been areas of focus in 2013-14. Some key roles have been temporarily filled through secondments from partner organisations. The staff team continues to work diligently to provide a high level of service. Sickness absence remains low, as does use of agency staff.

REPORT OF THE DIRECTORS (CONTINUED)

The service operates within a recovery model providing a high level of relational security and support. 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. The women have participated in workshops concerning areas of interest or concern with regards to their residency and care. Women's representatives participated in external forums, internal recovery and outcomes meetings, and staff interviews.

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. Whilst at the service, the women are able to balance vocational work, volunteering, or college in the local community with participation in the community of Garrow House.

The commissioners have clarified that Garrow House remains 'business as usual' for 2014/15, maintaining the present service specification as a step down service for women with complex mental health needs. Going forwards the service will be under the specialist Mental Health commissioning team.

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.

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. Our services are regulated and inspected by the Care Quality Commission.

We have continued to develop and refine robust structures and systems to define, monitor and assess quality. These have included:

- Northern Pathways Governance Committee meetings including all key parties to monitor business and clinical governance.
- Monthly Risk Management Group.
- Turning Point's internal quality assurance tool (IQAT) mapped to the Care Quality Commission (CQC) Independent Hospital standards.
- Development of Women's involvement systems including continued employment of an Involvement Worker, weekly community meetings, weekly involvement group, one to one women's sessions, monthly women's governance meetings, representation from the women on the Governance Group and Committee, the Department of Health (DoH) monitoring meetings, attendance at the steering group, the service models workshop and all away days and partners' workshops. Also a representative attends the Recovery & Outcomes Meetings (formerly the Regional Involvement Strategy) and project groups.
- Increased partnership working with Leeds and York Partnership Foundation Trust (LYPFT) to ensure an appropriate mix of clinical input and operational management.
- Commitment from all staff and women to ensure involvement and quality ethos.

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REPORT OF THE DIRECTORS (CONTINUED)

Under its service improvement agenda, Garrow House participates in a CQUIN's scheme to help Garrow House improve recovery and outcomes, implement a secure pathway and prepare for Payment by Results. The service met all the CQUIN targets for 2013-14.

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 2014, the Board of Directors is comprised of eight 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)
- Martin Sykes
- Jenny McAleese
- Chris Holman
- John Doran
- Helen Rowntree
- Stuart Humby

The Board met four times in 2013-14 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:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent

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FINANCIAL STATEMENTS**

REPORT OF THE DIRECTORS (CONTINUED)

- 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

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue its activities. This expectation is valid until 31 March 2015, which is the date on which the current contract expires and the future of the contract thereafter is uncertain at this time. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' Responsibilities on page 6.

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 director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- That director has taken all the steps that ought to have been 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.

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: 31 July 2014

Signed on its behalf by: David Billington

Secretary



**NORTHERN PATHWAYS LIMITED
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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 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 12.

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 2014 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: *14th August 2014*

**NORTHERN PATHWAYS LIMITED
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COMPANY NUMBER 06325398
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £000	2013 £000
TURNOVER		2,012	1,921
Administrative expenses		(1,874)	(1,826)
		<hr/>	<hr/>
OPERATING PROFIT		138	95
Gift Aid		(146)	(55)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR BEFORE TAXATION & TRANSFERS		(8)	40
Transfer (to) / from reserves	11	12	(32)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR AFTER TRANSFERS		4	8
Tax on profit on ordinary activities	6	0	(8)
		<hr/>	<hr/>
PROFIT FOR YEAR AFTER TAXATION		4	0
		<hr/> <hr/>	<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 LIMITED
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COMPANY NUMBER 06325398
BALANCE SHEET
AS AT 31 MARCH 2014

	Notes	2014 £000	2013 £000
CURRENT ASSETS			
Debtors	7	199	39
Cash at bank and in hand		242	228
		<u>441</u>	<u>267</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(416)</u>	<u>(234)</u>
		(416)	(234)
NET CURRENT ASSETS		<u>25</u>	<u>33</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>25</u></u>	<u><u>33</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Designated reserves	11	20	32
Profit and loss account		4	0
SHAREHOLDERS' FUNDS		<u><u>25</u></u>	<u><u>33</u></u>

The accounts have been prepared in accordance with the special provisions relating to companies subject to small companies regime within 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 31 July 2014

and signed on its behalf Andy James

Director A O L

NORTHERN PATHWAYS LIMITED
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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 enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue its activities. This expectation is valid until 31 March 2015, which is the date on which the current contract expires and the future of the contract thereafter is uncertain at this time. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' Responsibilities on page 6.

(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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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 2014, Northern Pathways Ltd owed Turning Point £104k (2013: £49k) 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 2014, Northern Pathways Ltd owed The Retreat £103k (2013: £23k) in relation to Gift Aid and supplier invoices paid on their behalf.

During the year, Northern Pathways Ltd was charged rent of £189k (2013: £183k) from The Retreat relating to the property at 115 Heslington Road, York, YO10 5BS.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £000	2013 £000
5 OPERATING PROFIT		
The Operating Profit is stated after charging:		
Auditors Remuneration	<u>2</u>	<u>2</u>
During the year, no Director received any emoluments (2013 £0)		
	2014 £000	2013 £000
6 TAXATION		
UK Corporation Tax charge on profit for the year	<u>0</u>	<u>8</u>
	2014 £000	2013 £000
7 DEBTORS		
Amounts falling due within one year:		
Prepayments & Accrued Income	34	39
Trade Debtors	165	0
	<u>199</u>	<u>39</u>

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

	2014 £000	2013 £000
8 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)		
Corporation tax	0	8
Other tax and social security costs	14	17
Accruals and deferred income	185	135
Trade and other creditors	10	2
Amounts due to The Retreat	103	23
Amounts due to Turning Point	104	49
	<u>416</u>	<u>234</u>

9 LEASING COMMITMENTS

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

	2014 £000	2013 £000
Leases which expire:-		
Within one year	193	0
Within two to five years	6	183
After five years	0	0
	<u>199</u>	<u>183</u>

10 SHARE CAPITAL

Authorised:

Ordinary Shares of £1 each

	2014 £000	2013 £000
	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.

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

11 RESERVES

	At 1 April 2013 £000	Transfer from / (to) I&E £000	At 31 March 2014 £000
Unrestricted	0	4	4
Designated Asset Maintenance	32	(12)	20
	<hr/>	<hr/>	<hr/>

The Designated Reserve balance of £20k (2013 £32k) represents amounts set aside by the Trustees to maintain the property where we have a maintenance responsibility.

From 1 April 2014, the Trustees have agreed that the designated reserve will be used to cover expected building costs when Northern Pathways Ltd returns the leased property to the landlord.

12 PENSION SCHEME

On 1 April 2012, Turning Point and its subsidiaries started a Group Personal Pension. During the 2013/14 year, Northern Pathways Ltd contributed £21k (2013: £19k).