

THE RETREAT YORK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

Charity No. 1089826
Company No. 4325622

SATURDAY



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THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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 2011. 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*	
Sallie Ashe	(Appointed 1 January 2012)
Jo Anne Brown*	(Appointed 1 January 2012)
Paul Fitzgerald	
Rob Griffiths*	
Douglas Hambleton	
Stuart Humby *	
Jane Muers	
John Park*	(Retired 31 December 2011)
Tony Spiers*	(Appointed 1 January 2012)
Martin Sykes	
David Taylor*	(Retired 31 December 2011)
Kay Whittle	

* Member of the Finance & HR Committee

Chief Executive

Jenny McAleese

Company Secretary

Robert Brownlow

Senior Management Team

Jenny McAleese	- Chief Executive
Robert Brownlow	- Director of Finance and Facilities
Chris Holman	- Medical Director
Roland Woodward	- Director of Clinical Services

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

TRUSTEES' ANNUAL REPORT – Continued

LEGAL AND ADMINISTRATIVE INFORMATION - Continued

Address and Registered Office

107 Heslington Road, York YO10 5BN

Auditors

Barber Harrison & Platt, 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 EGM held in 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
 - Quakers together in North Lancashire and South Cumbria 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.

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.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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 Senior Management Team which comprises four individuals who come from a range of disciplines. The Senior Management 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 17 to the accounts.

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 2011 amounted to £47,108 for three individuals. The total funds of the Benevolent Fund at 31 December 2011 amounted to £1,297,043. 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 18 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 18 to the accounts.

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 general guidance on public benefit and in particular to its supplementary public benefit guidance on fee-charging.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES – Continued

Aims

The Retreat endeavours to improve or maintain the mental health and quality of life of those who use or provide its services, through care that is of the highest quality and seeks to reflect the tolerance, humanity and spiritual values of its Quaker roots. All patients and staff have equal value as human beings and the experience and contribution of each individual is listened to, valued and respected, whilst everyone is encouraged to develop or maintain their full potential and well-being.

The Retreat seeks to promote a spirit of enquiry based on honesty and openness and supports an attitude of informed and balanced common sense towards treatment methods, being open to evaluation and new ideas within a constant set of values. All staff members within The Retreat are expected to seek to maintain the highest standards of professional and personal integrity and work to provide a safe physical and social environment as a secure base for therapy and rehabilitation.

These constituted the main objectives of The Retreat in 2011.

Strategies for the Achievement of its Aims

For an organisation of The Retreat's size and complexity to achieve its objectives, active strategic management of both the financial and human resources is crucial, along with the need constantly to review both service delivery and service developments, which must respond to local and national trends.

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.

Activities

The Retreat is a specialist mental health provider, working with the NHS to provide care for people with complex and challenging needs. Over ninety-five percent of our patients are funded by the NHS, with over 40 PCTs referring people to us.

We are very proud of our reputation for excellence, providing care of the highest standard and quality. Our welcoming environment is open, light, spacious and calming, enabling recovery and independence. We help people to imagine a future for themselves, holding on to hope.

Our relationships are based on respect, dignity and tolerance and our patients are kept safe and secure through strong therapeutic relationships.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES – Continued

The Retreat's services are split into two areas Specialist Adult Services and Specialist Older Adult Services

Specialist Adult Services

The Acorn programme is a Dialectical Behaviour Therapy (DBT) informed Therapeutic Community The programme uses intensive psychological therapies for women who engage in self-defeating behaviours including self-harm and disordered eating to cope with emotions and with relationships Many have experienced trauma or abuse

Naomi is a specialist service for adults 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, mood disorders including obsessive compulsive disorder, and post-traumatic stress disorder.

The Hannah Mills unit provides assessment and treatment for people with complex mental health problems, usually including psychosis It also offers treatment for alcohol addiction or abuse, for people identified as having a dual diagnosis, and for people who require brief intensive assessment and rehabilitation

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 services for 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

Specialist Older Adult Services

This service provides care for older people with challenging behaviour or whose behaviour presents difficulties to their carers in a more ordinary setting This may include wandering, aggression or anti-social behaviour Men and women have their own separate units to ensure that their environment is both stimulating and safe

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 This 28-bedded unit provides an intensive neurobehavioral assessment and rehabilitation service for individuals with severe cognitive, physical and/or emotional problems following acquired brain injury

In February 2010 Northern Pathways opened Garrow House, a 12-bedded unit in the grounds of The Retreat This new service is being commissioned by Local Health Trusts across Yorkshire and The Humber and 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 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

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

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

TRUSTEES' ANNUAL REPORT – Continued

ACHIEVEMENTS AND PERFORMANCE

Review of Performance against Objectives set

Our main mechanism for monitoring performance in 2011 was regular review against our Business Plan for the year. This contained a number of individual targets and by the end of the year the majority of these had either been completed or were in the process of being so. The year was financially a very challenging one but key achievements included the successful completion of the transfer of our community based unit in Haxby to a much better facility at Strensall, the opening of a new fast stream rehabilitation unit, The Cottage, based on our main site and a review of the older adult services to develop a clear pathway.

At any one time care is provided by The Retreat to around 90 inpatients and approximately 700 different individuals receive therapy from our outpatient service. Our joint venture services enable us to provide care to a further 40 inpatients.

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 2011 the fund's performance of 6.8% decrease in value exceeded the median decrease of 2.0% achieved by other funds in the survey used.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

TRUSTEES' ANNUAL REPORT – Continued

Factors affecting Performance

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 pressure on fees and upward pressure on salary levels, coupled with an increasingly demanding inspection regime, make this a particularly challenging time for the organisation.

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 (an additional 2.5% CQUIN in 2012/13) are available to providers who meet specified targets, but contracts are based upon a fee reduction of 1.5%. We are confident that we can deliver on these requirements given the high quality of our services and are taking steps to ensure that we can provide the necessary evidence.

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 2011 produced a surplus of £1,451,514 (2010 - £2,397,769). Other net income from investments, donations, legacies and grants produced income of £508,467 (2010 - £375,047).

After deducting costs amounting to £23,370 (2010 - £28,063) for the governance of the charity, the result was an overall surplus for the year amounting to £1,936,611 (2010 - surplus £2,744,753). After taking into account total investment losses of £731,329 (2010 - gains £1,249,702) and an actuarial loss on the defined benefit pension scheme of £1,859,418 (2010 - gain £3,245,000), there was a net deficit of £654,136 (2010 - surplus £7,239,455).

Our financial results for the year have been affected by a net pension income of £57,000 (2010 - cost £68,000). In addition to this an actuarial loss of £1,859,418 has been deducted from reserves.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in note 7 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 12 months of expenditure, approximately £9,850,000. Presently the undesignated reserves amount to £8,335,768 (2010 - £8,643,684). This figure excludes the pension asset of £317,000 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 £5,450,000.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

TRUSTEES' ANNUAL REPORT – Continued

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 will bring to bear financial constraints upon the NHS and we need to manage our own cost base carefully, whilst continuing to maintain high quality services. 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 move to GP Commissioning in place of the PCTs will also bring significant upheaval to the system.

Trustees' responsibilities statement

The Trustees (who are also Directors of The Retreat for the purposes of company law) are responsible for preparing the Trustees' 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,
- 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.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

TRUSTEES' ANNUAL REPORT – Continued

Employee involvement and employment of the disabled

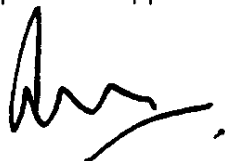
Employees have been consulted on issues of concern to them by means of regular staff consultative committee meetings and staff briefings and have been kept informed on specific matters directly by management. The charity carries out exit interviews for all staff leaving the organisation.

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 Barber Harrison & Platt be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the Board on 26 April 2012



STUART HUMBY
CHAIR

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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 2011 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 8, 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

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 charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual 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.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

INDEPENDENT AUDITORS' 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 2011, 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

Jane Marshall (Senior Statutory Auditor)
for and on behalf of Barber Harrison & Platt

1 May 2012

Chartered Accountants
Statutory Auditor

2 Rutland Park
SHEFFIELD
S10 2PD

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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

	Note	Restricted Funds £	Unrestricted Funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income (donations and legacies)		33,868	298,994	332,862	191,454
Rents		-	323,296	323,296	326,496
Investment income	2	-	208,877	208,877	199,161
Other finance income	3	-	608,000	608,000	321,000
Incoming resources from charitable activities:					
Patient fees and other charges					
- The Retreat	4	-	9,704,525	9,704,525	10,525,118
- Joint Ventures	5	-	3,388,412	3,388,412	3,337,226
Incoming resources		33,868	14,532,104	14,565,972	14,900,455
Share of Joint Ventures income		-	(3,388,412)	(3,388,412)	(3,337,226)
Total incoming resources		33,868	11,143,692	11,177,560	11,563,229
RESOURCES EXPENDED					
Costs of generating funds					
Investment management fees	6f	-	32,272	32,272	15,568
Charitable activities					
Specialist older adult services		15,048	5,087,378	5,102,426	4,703,011
Specialist adult services		13,687	4,659,440	4,673,127	4,589,625
Governance costs	6c	-	23,370	23,370	28,063
Total resources expended	6a	28,735	9,802,460	9,831,195	9,336,267
Net incoming resources		5,133	1,341,232	1,346,365	2,226,962
Net income from Joint Ventures		-	561,356	561,356	517,791
Net incoming resources before transfers		5,133	1,902,588	1,907,721	2,744,753
Transfer of funds	11	5,004	(5,004)	-	-
Net incoming resources for the year		10,137	1,897,584	1,907,721	2,744,753
OTHER RECOGNISED GAINS AND LOSSES					
Realised (losses)/gains on investments	8	-	(48,327)	(48,327)	219,977
NET INCOME FOR THE YEAR		10,137	1,849,257	1,859,394	2,964,730
Unrealised (losses)/gains on investments	8	-	(683,002)	(683,002)	1,029,725
Actuarial (loss)/gain on defined benefit scheme	3	-	(1,859,418)	(1,859,418)	3,245,000
NET MOVEMENT IN FUNDS		10,137	(693,163)	(683,026)	7,239,455
Balance 1 January		93,027	31,539,796	31,632,823	24,393,368
Fund balance at 31 December		103,164	30,846,633	30,949,797	31,632,823

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

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

BALANCE SHEET

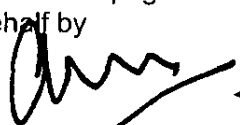
	Note	£	2011 £	2010 £
Fixed assets				
Tangible assets	7		16,528,722	14,767,303
Investments	8		7,380,571	8,949,377
Investment in Joint Ventures	8e		1,000	1,000
			<u>23,910,293</u>	<u>23,717,680</u>
Current assets				
Debtors	9		1,969,038	1,913,727
Cash at bank and in hand			5,673,584	5,235,379
			<u>7,642,622</u>	<u>7,149,106</u>
Creditors' amounts falling due within one year	10		(891,228)	(945,963)
Net current assets			<u>6,751,394</u>	<u>6,203,143</u>
Total assets less current liabilities excluding pension scheme asset			30,661,687	29,920,823
Defined benefit pension scheme asset			317,000	1,712,000
Net assets including pension scheme asset			<u>30,978,687</u>	<u>31,632,823</u>
Unrestricted funds	11			
General				
Investment revaluation reserve	8		6,510	1,408,219
Other			<u>8,646,258</u>	<u>8,947,465</u>
			8,652,768	10,355,684
Designated				
Tangible fixed assets fund - cost		12,027,918		10,266,499
- revaluation		<u>4,500,804</u>		<u>4,500,804</u>
		16,528,722		14,767,303
Development fund		5,450,000		6,400,000
Patient legacy fund		244,033		-
Social responsibility fund		<u>-</u>		<u>16,809</u>
			<u>22,222,755</u>	<u>21,184,112</u>
			30,875,523	31,539,796
Restricted funds	12		103,164	93,027
Total funds			<u>30,978,687</u>	<u>31,632,823</u>

The financial statements on pages 12 - 29 were approved by the Board of Directors on 26 April 2012 and are signed on its behalf by

STUART HUMBY

CHAIR

Company Number 4325622



THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

CASH FLOW STATEMENT

	2011 £	2010 £
Reconciliation of surplus of income to net inflow from operating activities		
Net incoming resources for the period	1,936,611	2,744,753
Add Depreciation charges	386,006	329,212
(Profit)/loss on disposal	(1,843)	1,944
Less Investment income received	(208,877)	(199,161)
Other finance income	(608,000)	(321,000)
	<u>1,503,897</u>	<u>2,555,748</u>
(Increase)/decrease in debtors	(55,311)	297,406
(Decrease) in creditors	(54,735)	(50,099)
Pension cost in excess/(deficit) of contributions made	143,582	(8,285)
Net cash inflow from operating activities	<u>1,537,433</u>	<u>2,794,770</u>
Returns on investments		
Investment income received	<u>208,877</u>	<u>199,161</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,147,425)	(1,157,951)
Sale proceeds of fixed assets	1,843	-
Purchase of investments	(4,559,957)	(4,645,884)
Sale proceeds of investments	5,376,558	5,441,117
	<u>(1,328,981)</u>	<u>(362,718)</u>
Increase in cash in the period	<u>417,329</u>	<u>2,631,213</u>
Movement in Cash		
Cash in bank and in hand		
Balance at 1 January 2011	5,303,574	2,672,361
Movement in the period	417,329	2,631,213
Balance at 31 December 2011	<u>5,720,903</u>	<u>5,303,574</u>
Analysis of net funds		
	At 1 January 2011 £	At 31 December 2011 £
Cash at bank and in hand	5,235,379	5,673,584
Cash held as investments	68,195	47,319
	<u>5,303,574</u>	<u>5,720,903</u>
	Cashflow £	
	438,205	
	(20,876)	
	<u>417,329</u>	

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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.

Investment income and gains are allocated to the appropriate fund.

(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.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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 2011 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 2011 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.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

2 Investment income

	2011 £	2010 £
Dividend income	188,298	176,882
Interest receivable	20,579	22,279
	<u>208,877</u>	<u>199,161</u>

3 Provision for employees' pensions

Actuarial valuation

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme. Regular funding reviews are made by an independent qualified actuary and contribution rates are adjusted accordingly.

Company contributions to the Scheme recommenced in January 2006. A review of the Scheme was carried out with the objective of reducing the costs to the company, and a number of changes were introduced with effect from 1 August 2006 following extensive consultations with Members and Scheme Trustees. The principal change involved the move from benefits accrued after 1 August 2006 being calculated on the basis of final salary to calculation by reference to career average revalued earnings.

A full actuarial valuation of the scheme was carried out as at 31 December 2010 and a further review of the scheme is underway to enable company contributions to remain at their present level.

FRS 17 details

Amounts recognised in the Balance Sheet

	2011 £,000	2010 £,000
Fair value of scheme assets	27,794	30,833
Present value of scheme liabilities	27,477	29,121
Recognisable surplus	<u>317</u>	<u>1,712</u>

Amounts recognised in the SOFA

	2011 £,000	2010 £,000
Current service cost	551	389
Interest on scheme liabilities	1,564	1,626
Expected return on scheme assets	(2,172)	(1,947)
Total pension (income)/cost recognised in SOFA	<u>(57)</u>	<u>68</u>

Amounts recognised in the statement of total recognised gains and losses

	2011 £,000	2010 £,000
Actuarial (loss)/gain on assets	(1,859)	3,245
Cumulative actuarial loss at 31 December	<u>(7,969)</u>	<u>(6,110)</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Provision for employees' pensions - continued

	2011 £,000	2010 £,000
Change in scheme assets		
Fair value of scheme assets at 1 January	30,833	27,048
Expected return on scheme assets	2,172	1,947
Employer contributions	407	397
Member contributions	176	171
Benefits paid	(1,055)	(1,333)
Actuarial (loss)/gain on assets	(4,739)	2,603
Fair value of scheme assets at 31 December	<u>27,794</u>	<u>30,833</u>
Actual return on scheme assets	<u>(2,567)</u>	<u>4,550</u>
Change in scheme liabilities		
Scheme liabilities at 1 January	29,121	28,910
Expected current service cost	551	389
Interest cost	1,564	1,626
Member contributions	176	171
Benefits paid	(1,055)	(1,333)
Actuarial loss due to experience	(362)	(1,713)
Changes in assumptions used to value Scheme liabilities	(2,518)	1,071
Present value of scheme liabilities at 31 December	<u>27,477</u>	<u>29,121</u>

The employer expects to contribute £413,500 into the scheme in 2012

Principal weighted average actuarial assumptions

Inflation assumption	3.00%	3.60%
Consumer Price Index	2.00%	3.00%
Rate of increase in salaries	5.00%	5.60%
Discount rate	4.70%	5.40%
Rate of increase in pensions in payment where increases are linked to inflation		
– Limited price index 5%	2.00%	3.40%
– Limited price index 3%	1.90%	2.80%
– Limited price index 2.5%	1.80%	2.30%

Expected return on scheme assets

	Long term rate return expected at 31.12.11	Value at 31.12.11 £,000	Long term rate return expected at 31.12.10	Value at 31.12.10 £,000
Equities	7.30%	25,807	7.50%	28,675
Bonds	4.75%	1,878	5.00%	1,233
Property	-	-	5.50%	308
Cash and net current assets	1.00%	109	3.50%	617
	<u>7.10%</u>	<u>27,794</u>	<u>7.30%</u>	<u>30,833</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Provision for employees' pensions - continued

The overall expected return on assets of 7.10% at 31 December 2011 (2010 7.30%) 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

	2011 £,000	2010 £,000	2009 £,000	2008 £,000	2007 £,000
Fair value of scheme assets	27,794	30,833	27,048	22,690	30,523
Value of scheme liabilities	27,477	29,121	28,910	24,059	25,741
Surplus in the scheme	<u>317</u>	<u>1,712</u>	<u>(1,862)</u>	<u>(1,369)</u>	<u>4,782</u>
Experience	(4,739)	2,603	(3,178)	(9,668)	545
Experience gains and (losses) on scheme liabilities	362	1,713	(93)	(523)	(390)

Balance sheet reconciliations

	2011 £,000	2010 £,000
Gross balance sheet asset/(liability) at 1 January	1,712	(1,862)
Pension expense recognised in SOFA	57	(68)
Amounts recognised in the statement of total recognised gains and losses in the year	(1,859)	3,245
Actual contributions made by the employer in the year	407	397
Gross balance sheet asset at 31 December	<u>317</u>	<u>1,712</u>

4 Patient fees and other charges

	2011 £	2010 £
Fees from patients	9,552,806	10,369,877
Grants to cover full cost of reduced fees		
Benevolent Fund for Friend patients	<u>47,108</u>	<u>32,354</u>
	9,599,914	10,402,231
Sundry income	104,611	122,887
	<u>9,704,525</u>	<u>10,525,118</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

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. The unit is known as York House. The year end of the joint venture is 31 May. The results for the year to 31 December 2011, based on audited financial statements to 31 May 2011 and management account information since that date, are as follows

	£
Fee income and contributions received	2,392,451
Expenditure on charitable activities	(1,835,000)
Share of net results for the year to 31 December 2011	<u>557,451</u>

The company's share of the net assets of the joint venture as at 31 May 2011 (the figures as at 31 December 2011 are not available) is as follows

	£
Fixed assets	77,975
Current assets	385,660
Liabilities due within one year	(463,135)
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 2011 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 2011, based on audited financial statements to 31 March 2011 and management account information since that date, are as follows

	£
Fee income and contributions received	1,003,932
Expenditure on charitable activities	(970,137)
Share of net results for the year to 31 December 2011	<u>33,795</u>

The company's share of the net assets of the joint venture as at 31 March 2011 (the figures as at 31 December 2011 are not available) is as follows

	£
Current assets	113,500
Liabilities due within one year	(113,000)
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 2011 other than 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

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

6 Analysis of expenditure

			2011	2010
(a)	Direct costs	Support costs	Total	Total
	£	£	£	£
Specialist older adult services	4,100,195	572,932	4,673,127	4,589,625
Specialist adult services	4,546,706	555,720	5,102,426	4,703,011
Investment management fees (Note f)	32,272	-	32,272	15,568
Governance costs (Note c)	23,370	-	23,370	28,063
	<u>8,702,543</u>	<u>1,128,652</u>	<u>9,831,195</u>	<u>9,336,267</u>

(b) Support costs totalling £1,128,652 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		2011	2010
		£	£
Audit fee	- audit services	12,600	12,262
	- other services	-	3,131
Directors' and Members' expenses		10,770	12,670
		<u>23,370</u>	<u>28,063</u>

(d) Employees		2011	2010
		£	£
Salaries		6,533,476	6,284,307
Employer's NI		488,287	511,703
Pension Scheme (note 3)		551,000	389,000
		<u>7,572,763</u>	<u>7,185,010</u>

The average number of employees in the year was

Medical staff	6	5
Nursing staff	222	212
Other clinical staff	32	31
Administration and support staff	30	31
Estate maintenance	11	13
Hotel services	54	52
	<u>355</u>	<u>344</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

6 Analysis of expenditure - continued

(d) Employees - continued

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

Band of earnings	Number	
	2011	2010
£70,000 - £79,999	1	1
£80,000 - £89,999	2	2
£90,000 - £99,999	1	1
£100,000 - £109,999	2	1
£110,000 - £119,999	1	1
£130,000-£139,999	1	1

Of the above, the number of staff to whom retirement benefits are accruing under the defined benefit pension scheme at 31 December 2011 is 8

(e) Other expenditure

Other expenditure includes

Amounts paid under operating leases
- land and buildings

2011	2010
£	£
53,473	40,623

(f) Investment management fees

Fees

Less – investment fee rebate

£	£
32,272	24,647
-	(9,079)
32,272	15,568

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

7 Fixed Assets

	Freehold land and buildings £	Short leasehold land and buildings £	Furniture, plant, equipment, vehicles £	Total £
Cost or Valuation				
At 1 January	14,094,919	308,064	3,115,632	17,518,615
Additions in year	1,741,699	133,819	271,907	2,147,425
Disposals in the year	-	(313,265)	(34,485)	(347,750)
At 31 December 2011	15,836,618	128,618	3,353,054	19,318,290
Depreciation				
At 1 January	162,839	260,675	2,327,798	2,751,312
Charge for the year	20,205	55,691	310,110	386,006
Disposals	-	(313,265)	(34,485)	(347,750)
At 31 December 2011	183,044	3,101	2,603,423	2,789,568
Net book value				
At 31 December 2011	15,653,574	125,517	749,631	16,528,722
At 31 December 2010	13,932,080	47,389	787,834	14,767,303

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 2011 additions costing £8,786,618 have been capitalised and are included in the balance of £15,836,618 above.

A further valuation on a depreciated replacement cost basis was carried out by Knight Frank in June 2008. The operational properties were valued at £13.84m. The temporarily non-operational properties included in fixed assets were valued at £525,000 on an open-market basis and at the valuation date were let producing £32,250 per annum. 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 2011 of £11,335,814 (2010 - £9,594,115).

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

8 Investments

	2011 £	2010 £
(a) Movements in year at market value		
Market value at 1 January 2011	8,881,182	8,426,713
Acquisitions at cost	4,559,957	4,645,884
Disposals at book value	(5,424,885)	(5,221,140)
Net (losses)/gains on revaluation at 31 December 2011	<u>(683,002)</u>	<u>1,029,725</u>
	7,333,252	8,881,182
Investment cash	47,319	68,195
Market value at 31 December 2011	<u><u>7,380,571</u></u>	<u><u>8,949,377</u></u>
Historical cost		
At 31 December 2011	<u><u>7,326,742</u></u>	<u><u>7,472,963</u></u>
(b) Realised (losses)/gains in the year		
Proceeds	5,376,558	5,441,117
Disposals at book value	(5,424,885)	(5,221,140)
	<u>(48,327)</u>	<u>219,977</u>
(c) Reconciliation and movement in unrealised gains		
Unrealised gains at 1 January 2011	1,408,219	737,851
(Less) in respect of disposals in the year	(718,707)	(359,357)
Add net (losses)/gains arising on revaluations in the period	(683,002)	1,029,725
Unrealised gains at 31 December 2011	<u><u>6,510</u></u>	<u><u>1,408,219</u></u>
(d) Analysis of market value		
Listed Securities - UK	4,143,292	4,995,952
- Overseas	3,189,960	3,885,230
Cash deposits	47,319	68,195
	<u><u>7,380,571</u></u>	<u><u>8,949,377</u></u>

Included within investments are holdings in the following investments representing more than 5% of the value of the portfolio at 31 December 2011

Sarasin Equisar Socially Responsible (Sterling Hedged) - B Inc	32.9%
Sarasin Equisar Socially Responsible - B Inc	8.5%
Sarasin Sterling Bond CLS A Inc	6.2%

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

8 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.

9 Debtors

	2011 £	2010 £
Trade debtors	1,394,229	1,398,449
Prepayments and accrued income	98,873	103,486
Amount due from joint ventures	435,540	336,121
Other debtors	-	7,726
The Retreat Benevolent Fund	984	22,921
The Retreat York Pension Scheme	39,412	45,024
	<u>1,969,038</u>	<u>1,913,727</u>

10 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	217,422	119,742
Accruals	133,619	260,895
Tax and social security	164,247	158,718
Other creditors	32,093	57,406
Monies due to patients	343,847	349,202
	<u>891,228</u>	<u>945,963</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

11 Unrestricted funds

	At 1 January 2011 £	Net Incoming resources £	Other recognised (losses)/ profits £	Transfers £	At 31 December 2011 £
General fund	10,355,684	72,060	(731,329)	(1,043,647)	8,652,768
Designated Funds:					
Tangible fixed asset fund	14,767,303	-	-	1,761,419	16,528,722
Development fund	6,400,000	-	-	(950,000)	5,450,000
Social responsibility fund	16,809	-	-	(16,809)	-
Patient legacy fund	-	-	-	244,033	244,033
	<u>31,539,796</u>	<u>72,060</u>	<u>(731,329)</u>	<u>(5,004)</u>	<u>30,875,523</u>

General fund	2011 £	2010 £
General fund excluding pension asset	8,335,768	8,643,684
Pension asset	317,000	1,712,000
General fund	<u>8,652,768</u>	<u>10,355,684</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 £5,450,000 in total has been earmarked for capital projects for the development of care services at The Retreat, York

Social responsibility fund

The Trustees have previously designated sums which demonstrate The Retreat's commitment to action on social responsibility. As the funds are no longer required, they have been released

Patient legacy fund

Trustees have decided, following discussions with the family, that funds bequeathed 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

Transfers

Transfers to tangible fixed asset fund		
Additions	(2,147,425)	
Disposals	733,756	
Depreciation	<u>(347,750)</u>	(1,761,419)
Transfer from development fund		950,000
Net transfer to designated funds		(227,224)
Transfer to other restricted funds		<u>(5,004)</u>
		<u>(1,043,647)</u>

The £5,004 has been transferred to other funds to cover expenditure in excess of income in the year

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

12 Restricted funds

	At 1 January 2011 £	Incoming Resources £	Resources expended during the period £	Transfers £	At 31 December 2011 £
Parkinson's Grant Fund	34,252	-	-	-	34,252
Charity Shops	18,390	10,810	(9,914)	(3,545)	15,741
Patient Holiday Fund	7,263	-	(402)	-	6,861
Other Funds	33,122	23,058	(18,419)	8,549	46,310
	<u>93,027</u>	<u>33,868</u>	<u>(28,735)</u>	<u>5,004</u>	<u>103,164</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 patient of The Retreat and the donor expressed a wish that at least part of the donation be applied in some way for the benefit of nursing staff

Charity Shops This fund comprises amounts raised by the sale of refreshments from a shop staffed by volunteers. The monies are donated to the charity to be used for specific purposes. The surplus of the previous year is transferred to the Patient Amenity Fund at the start of the year.

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.

13 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pension asset £	Fund balances £
Restricted funds	-	-	103,164	-	103,164
Unrestricted Funds:					
Designated funds					
Tangible fixed asset fund	16,528,722	-	-	-	16,528,722
Development fund	-	5,450,000	-	-	5,450,000
Social responsibility fund	-	-	-	-	-
Patient legacy fund	-	-	244,033	-	244,033
General fund	-	1,931,571	6,404,197	317,000	8,652,768
	<u>16,528,722</u>	<u>7,381,571</u>	<u>6,751,394</u>	<u>317,000</u>	<u>30,978,687</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

14 Operating leases

At 31 December 2011 the company had annual commitments under non cancellable operating leases as set out below

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within 5 to 10 years	<u>63,000</u>	<u>40,623</u>

15 Capital commitments

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

	2011	2010
	£	£
Contracted for	<u>450,000</u>	<u>916,000</u>

16 Contingent liability

The Retreat York has 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.

17 Trustees' expenses and remuneration

	2011	2010
	£	£
Travel expenses reimbursed to Trustees	<u>4,100</u>	<u>4,253</u>
Number of Trustees reimbursed	<u>11</u>	<u>8</u>

A premium of £1,813 for Trustee indemnity insurance was paid by the Company during the year.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2011

NOTES TO THE FINANCIAL STATEMENTS - Continued

18 Related party transactions

During the year the following amounts were received for services provided to the company's joint venture, York House

	2011 £	2010 £
Services provided	136,891	135,695
Overheads recharged	3,471	3,023
Rent	150,744	145,380
	<u>291,106</u>	<u>284,098</u>

The amount owing by York House at 31 December 2011 in respect of services and unremitted surpluses is £356,928

During the year the following amounts were received for services provided to the company's joint venture, Garrow House

	2011 £	2010 £
Services provided	23,493	26,445
Overheads recharged	9,970	11,522
Rent	188,148	185,863
	<u>221,611</u>	<u>223,830</u>

The amount owing by Garrow House at 31 December 2011 in respect of services and unremitted surpluses is £78,612