



THE RETREAT YORK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

Charity No. 1089826
Company No. 4325622

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TRUSTEES' ANNUAL REPORT YEAR ENDED 31 DECEMBER 2009

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 2009. 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 Memorandum and Articles of Association. The company was incorporated on 20 November 2001 and obtained charitable status on 18 December 2001.

The members of the company are the Governors. 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* (Appointed 1 January 2009)

Douglas Hambleton

Stuart Humby

Roger Mattingly*

John Park*

Paul Redgate (Resigned 6 March 2010)

Lucy Sheard

Martin Sykes

David Taylor*

Kay Whittle

* Member of the Finance Committee

Chief Executive

Jenny McAleese

Company Secretary

Robert Brownlow

Senior Management Team

Jenny McAleese

- Chief Executive

Robert Brownlow

- Director of Finance and Facilities

Dr Chris Holman

- Medical Director

Steve Trenchard

- Director of Clinical Services (Resigned 4 December 2009)

Address and Registered Office

107 Heslington Road, York YO10 5BN

TRUSTEES' ANNUAL REPORT – Continued

YEAR ENDED 31 DECEMBER 2009

LEGAL AND ADMINISTRATIVE INFORMATION - Continued

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 Memorandum and Articles of Association, which were amended at the AGM held on 12 June 2008.

Governors and Directors

The Governors of the company are the members of the company and number 24 individuals. The membership of the Governors consists of

- Twelve Governors appointed through Britain Yearly Meeting of the Religious Society of Friends
- Twelve Governors appointed by Northern General Meetings as follows

- Cumberland	1
- Derbyshire, Lincolnshire and Nottinghamshire	1
- Scotland	1
- Westmorland	1
- Durham	2
- Lancashire and Cheshire	2
- Yorkshire	4

Governors, 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 Governors are responsible for appointing Directors (Trustees) with the maximum number of Directors being nine and the minimum three.

The Governors are entitled to appoint Friends and non-Friends as Directors but there must always be more Friend Directors than non-Friend Directors. The Chairman and Deputy Chairman 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 Governors and Directors receive induction upon appointment to their respective roles. Directors receive training in relation to their role as Trustees.

TRUSTEES' ANNUAL REPORT – Continued

YEAR ENDED 31 DECEMBER 2009

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 at The Retreat 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 2009 amounted to £36,916 for four individuals. The total funds of the Benevolent Fund at 31 December 2009 amounted to £1,185,987. 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.

During 2007 The Retreat York entered into a joint venture with Turning Point to operate a women's high support unit. The joint venture company is called Northern Pathways Limited and the unit opened in February 2009.

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.

TRUSTEES' ANNUAL REPORT – Continued

YEAR ENDED 31 DECEMBER 2009

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 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 2009.

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. To this end Directors and senior managers held a strategic planning day during the year.

Mechanisms for achieving the stated objectives are in place. These include the Strategic Vision which is reviewed annually and supported by a more detailed rolling three year 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 45 PCT's 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's services are split into two areas: Specialist Adult Services and Specialist Older People's Services.

TRUSTEES' ANNUAL REPORT – Continued

YEAR ENDED 31 DECEMBER 2009

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 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 People's Services

This service provides care for elderly 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 the environment is both stimulating and safe.

Other partnerships

In recent years The Retreat formed a partnership 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 2009 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.

A service review and development day was held in September, which involved senior staff, Governors and Directors and reviewed all our 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.

TRUSTEES' ANNUAL REPORT – Continued

YEAR ENDED 31 DECEMBER 2009

ACHIEVEMENTS AND PERFORMANCE

Review of Performance against Objectives set

Our main mechanism for monitoring performance in 2009 was regular review against our Business Plan for the year. This contained ninety-four individual targets and by the end of the year nearly all of this had either been completed or were in the process of being so. Key achievements included the successful implementation of a new service in Garrow House, the creation of a new service unit in our Older Peoples' Service, continued progress on "green" targets and successful delivery of our budgeted financial service in a difficult financial climate.

At any one time, care is provided by The Retreat to around 100 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 Memorandum and 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 2009 the fund's performance of 24% increase in value exceeded the median increase of 23.2% achieved by other funds in the survey used.

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 continuing downward 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. Furthermore, The Retreat's local Primary Care Trust is one of the most financially challenged Primary Care Trusts in the country so there is certainly no opportunity for growth from them.

The NHS are not awarding any inflationary uplift in fees for 2010/11 and given the pressures on Government funding it is likely that any rises of this nature in the next years will be minimal. The NHS has however introduced CQUIN payments (an additional 1.5% in 2010/11) which are available to providers who meet specified targets. 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.

All providers are being required to prepare "Quality Accounts" reports which can be requested by NHS commissioners of the services which they supply and we need to ensure that we have systems in place to deliver this information in a timely manner.

TRUSTEES' ANNUAL REPORT – Continued

YEAR ENDED 31 DECEMBER 2009

FINANCIAL REVIEW

Financial Performance for the Year

The Statement of Financial Activities for the period is set out on page 9 of the financial statements

The operating results of The Retreat which include expenditure on the charity's key areas of operation of Specialist Older People's Services and Specialist Adult Services, in 2009 produced a surplus of £1,385,550 (2008 - £1,211,248) Other net income from investments, donations, legacies and grants produced income of £339,398 (2008 - £1,170,031)

After deducting costs amounting to £25,879 (2008 - £30,238) for the governance of the charity, the result was an overall surplus for the year amounting to £1,699,069 (2008 - £2,351,041) After taking into account total investment gains of £1,454,559 (2008 - loss £2,417,748) and an actuarial loss on the defined benefit pension scheme of £553,000 (2008 - £6,619,000) there was a net surplus of £2,600,628 (2008 - deficit £6,685,707)

Our financial results for the year have been affected by a net pension cost of £426,000 In addition to this an actuarial loss of £553,000 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 £8,500,000 Presently the undesignated reserves amount to £4,475,603 (2008 - £3,043,270) This figure excludes the pension liability of £1,862,285 on the basis that this liability does not result in an immediate cash flow on 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 £7,710,000

PLANS FOR FUTURE PERIODS

The next few years promise to be just as challenging for The Retreat as have been the past few The pressures of the Government debt position 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

TRUSTEES' ANNUAL REPORT – Continued

YEAR ENDED 31 DECEMBER 2009

Trustees' Responsibilities in relation to the Financial Statements

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, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Employee involvement and employment of the disabled

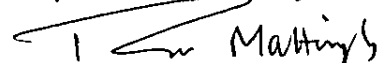
Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The charity carries out exit interviews for all staff leaving the organisation.

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 27 May 2010



ROGER MATTINGLY
CHAIRMAN

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF THE RETREAT YORK

We have audited the financial statements of The Retreat York for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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 auditors

The trustees' (who are also the directors of The Retreat York for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF THE RETREAT YORK– Continued

Opinion

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 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Jane Marshall (Senior Statutory Auditor)

28 May 2010

For and on behalf of Barber Harrison & Platt
Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

STATEMENT OF FINANCIAL ACTIVITIES – CONSOLIDATED
(incorporating a consolidated income and expenditure account)
YEAR ENDED 31 DECEMBER 2009

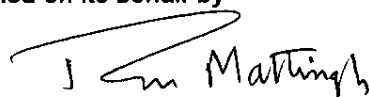
	Note	Restricted Funds £	Unrestricted Funds £	Total 2009 £	Total 2008 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income (donations and legacies)		54,552	41,345	95,897	806,922
Rents		-	314,120	314,120	139,684
Investment income	2	-	245,296	245,296	357,070
Other finance income	3	-	-	-	741,000
Incoming resources from charitable activities:					
Patient fees and other charges - The Retreat	4	-	9,900,373	9,900,373	9,084,267
- Joint Ventures	5	-	3,380,712	3,380,712	2,233,827
Incoming resources including Joint Ventures income					
		54,552	13,881,846	13,936,398	13,362,770
Share of Joint Ventures income		-	(3,380,712)	(3,380,712)	(2,233,827)
Total incoming resources		54,552	10,501,134	10,555,686	11,128,943
RESOURCES EXPENDED					
Costs of generating funds					
Investment management fees	6f	-	1,795	1,795	(6,039)
Charitable activities					
Specialist older people's services		17,203	4,359,511	4,376,714	4,129,766
Specialist adult services		19,675	4,986,239	5,005,914	5,087,590
Governance costs	6c	-	25,879	25,879	30,238
Total resources expended	6a	36,878	9,373,424	9,410,302	9,241,555
Net incoming resources		17,674	1,127,710	1,145,384	1,887,388
Net income from Joint Ventures	5	-	553,685	553,685	463,653
Transfer of funds		50,000	(50,000)	-	-
Net incoming resources for the year		67,674	1,631,395	1,699,069	2,351,041
OTHER RECOGNISED GAINS AND LOSSES					
Gains/ (Losses) on investments					
Realised	8	-	78,964	78,964	(551,300)
NET INCOME FOR THE YEAR		67,674	1,710,359	1,778,033	1,799,741
Gains/ (Losses) on investments					
Unrealised	8	-	1,375,595	1,375,595	(1,866,448)
Actuanal (loss) on defined benefit pension scheme	3	-	(553,000)	(553,000)	(6,619,000)
NET MOVEMENT IN FUNDS		67,674	2,532,954	2,600,628	(6,685,707)
Balance 1 January		60,059	21,732,681	21,792,740	28,478,447
Fund balance at 31 December		127,733	24,265,635	24,393,368	21,792,740

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

BALANCE SHEET
YEAR ENDED 31 DECEMBER 2009

	Note	£	2009 £	2008 £
Fixed assets				
Tangible assets	7		13,940,508	13,445,324
Investments	8		8,538,042	6,876,021
Investment in Joint Ventures	8e		1,000	501
			<u>22,479,550</u>	<u>20,321,846</u>
Current assets				
Stock			-	-
Debtors	9		2,211,133	1,470,254
Cash at bank and in hand			2,561,032	2,860,124
			<u>4,772,165</u>	<u>4,330,378</u>
Creditors: amounts falling due within one year	10		(996,062)	(1,490,571)
Net current assets			<u>3,776,103</u>	<u>2,839,807</u>
Total assets less current liabilities excluding pension asset			26,255,653	23,161,653
Defined benefit pension scheme (liability)			(1,862,285)	(1,368,913)
Net assets including pension asset			<u>24,393,368</u>	<u>21,792,740</u>
Unrestricted funds	11			
General				
Investment revaluation reserve			737,851	-
Other			1,875,467	1,674,357
			<u>2,613,318</u>	<u>1,674,357</u>
Designated				
Tangible fixed assets fund - cost		9,439,704		8,944,520
- revaluation		4,500,804		4,500,804
		<u>13,940,508</u>		<u>13,445,324</u>
Development fund		7,710,000		6,613,000
Social responsibility fund		1,809		-
			<u>21,652,317</u>	<u>20,058,324</u>
			<u>24,265,635</u>	<u>21,732,681</u>
Restricted funds	12		127,733	60,059
Total funds			<u>24,393,368</u>	<u>21,792,740</u>

The financial statements on pages 9 - 29 were approved by the Board of Directors on 27 May 2010 and are signed on its behalf by



ROGER MATTINGLY
CHAIRMAN
 Company Number 4325622

CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
Reconciliation of surplus of income to net inflow from operating activities		
Net incoming resources for the period	1,699,069	2,351,041
Add Depreciation charges	293,407	257,886
Less Investment income received	(245,296)	(357,070)
Other finance income	-	(741,000)
	<u>1,747,180</u>	<u>1,510,857</u>
Decrease in stock	-	21,120
(Increase)/Decrease in debtors	(740,879)	299,813
(Decrease)/Increase in creditors	(494,509)	502,126
Pension cost in (deficit)/excess of contributions made	(59,628)	273,465
	<u>452,164</u>	<u>2,607,381</u>
Returns on investments		
Investment income received	<u>245,296</u>	<u>357,070</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(788,591)	(2,902,407)
Purchase of investments	(1,820,421)	(2,603,108)
Sale proceeds of investments	1,612,460	2,377,434
	<u>(996,552)</u>	<u>(3,128,081)</u>
(Decrease) in cash in the period	<u>(299,092)</u>	<u>(163,630)</u>
Movement in Cash		
Cash in bank and in hand		
Balance at 1 January 2009	2,860,124	3,023,754
Movement in the period	(299,092)	(163,630)
	<u>2,561,032</u>	<u>2,860,124</u>
Balance at 31 December 2009	<u>2,561,032</u>	<u>2,860,124</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009 - Continued

1. Accounting policies – continued

(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

(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 Complex Mental Health Recovery Services, Specialist Older People's 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 2009 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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009 - Continued

1. Accounting policies - continued

(g) Investments

Investments are included at their market value on 31 December 2009 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.

2. Investment income

	2009 £	2008 £
Dividend income	207,659	215,780
Interest receivable	37,637	141,290
	<u>245,296</u>	<u>357,070</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 involves 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 2007.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

3. Provision for employees' pensions - continued

FRS 17 details

Amounts recognised in the Balance Sheet

	2009	2008
	£,000	£,000
Fair value of scheme assets	27,048	22,690
Present value of scheme liabilities	28,910	24,059
(Deficit)	<u>(1,862)</u>	<u>(1,369)</u>

Amounts recognised in the SOFA

Current service cost	413	801
Interest on scheme liabilities	1,550	1,477
Expected return on scheme assets	<u>(1,537)</u>	<u>(2,218)</u>
Total pension cost recognised in SOFA	<u>426</u>	<u>60</u>

Amounts recognised in the statement of total recognised gains and losses

Actuarial (loss) relating to the year	(553)	(6,619)
Cumulative actuarial loss at 31 December	<u>(9,355)</u>	<u>(8,802)</u>

Change in scheme assets

Fair value of scheme assets at 1 January	22,690	30,523
Expected return on scheme assets	1,537	2,218
Employer contributions	486	528
Member contributions	188	187
Benefits paid	<u>(1,031)</u>	<u>(1,098)</u>
Actuarial gain/(loss) on assets	<u>3,178</u>	<u>(9,668)</u>
Fair value of scheme assets at 31 December	<u>27,048</u>	<u>22,690</u>
Actual return on scheme assets	<u>4,715</u>	<u>(7,450)</u>

Change in scheme liabilities

Scheme liabilities at 1 January	24,059	25,741
Expected current service cost	413	801
Interest cost	1,550	1,477
Member contributions	188	187
Benefits paid	<u>(1,031)</u>	<u>(1,098)</u>
Actuarial gain/(loss) due to experience	93	(523)
Actuarial gain/(loss) due to change in assumptions	<u>3,638</u>	<u>(2,526)</u>
Fair value of scheme assets at 31 December	<u>28,910</u>	<u>24,059</u>

The employer expects to contribute £450,000 into the scheme in 2010

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

3. Provision for employees' pensions - continued

Principle weighted average actuarial assumptions

	2009	2008
Inflation assumption	3.60%	3.00%
Rate of increase in salaries	5.60%	5.00%
Discount rate	5.70%	6.50%
Rate of increase in pensions in payment where increases are linked to inflation		
– Limited price index 5%	3.40%	2.90%
– Limited price index 3%	2.80%	2.70%
– Limited price index 2.5%	2.30%	–%

Expected return on scheme assets

	Long term rate return expected at <u>31 12 09</u>	Value at <u>31 12 09</u> £,000	Long term rate return expected at <u>31 12 08</u>	Value at <u>31 12 08</u> £,000
Equities	7.00%	24,928	7.50%	20,867
Bonds	5.00%	1,421	5.00%	1,559
Property	6.00%	208	6.00%	2
Cash and net current assets	4.00%	491	5.50%	262
	6.80%	27,048	7.20%	22,690

The overall expected return on assets of 6.80% at 31 December 2009 (2008 7.20%) 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

	2009 £,000	2008 £,000	2007 £,000	2006 £,000	2005 £,000
Fair value of scheme assets	27,048	22,690	30,523	28,526	25,469
Value of scheme liabilities	28,910	24,059	25,741	24,919	25,323
(Deficit)/surplus in the scheme	(1,862)	(1,369)	4,782	3,607	146
Experience adjustments on scheme assets	(3,178)	(9,668)	545	1,704	2,943
Experience adjustments on scheme liabilities	93	523	390	143	(650)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

3. Provision for employees' pensions - continued

Balance sheet reconciliations

	2009 £,000	2008 £,000
Gross balance sheet (liability)/asset at 1 January	(1,369)	4,782
Pension expense recognised in SOFA	(426)	(60)
Amounts recognised in the statement of total recognised gains and losses in the year	(553)	(6,619)
Actual contributions made by the employer in the year	486	528
	<u>(1,862)</u>	<u>(1,369)</u>
Gross balance sheet liability at 31 December	<u>(1,862)</u>	<u>(1,369)</u>

4. Patient fees and other charges

	2009 £	2008 £
Fees from patients	9,722,903	8,956,767
Grants to cover full cost of reduced fees		
Benevolent Fund for Friend patients	36,916	24,523
	<u>9,759,819</u>	<u>8,981,290</u>
Sundry income	140,554	102,977
	<u>9,900,373</u>	<u>9,084,267</u>

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 DECEMBER 2009 - 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 as follows

	£
Fee income and contributions received	2,325,740
Expenditure on charitable activities	(1,843,987)
	<hr/>
Share of net results	481,753
	<hr/>

The company's share of the net assets of the joint venture as at 31 May 2009 (the figures as at 31 December 2009 are not available) is as follows

	£
Fixed assets	112,291
Current assets	696,446
Liabilities due within one year	(808,237)
	<hr/>
Net assets	500
	<hr/>

As all surpluses are distributed equally to the two joint venture partners, there are no net assets in the balance sheet at 31 December 2009 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 company's share of the results of the joint venture as at 31 December 2009 is as follows

	£
Fee income and contributions received	1,054,972
Expenditure on charitable activities	(983,040)
	<hr/>
Share of net results	71,932
	<hr/>

The company's share of the net assets of the joint venture as at 31 March 2009 (the figures as at 31 December 2009 are not available) is as follows

	£
Current assets	173,000
Liabilities due within one year	(172,500)
	<hr/>
Net assets	500
	<hr/>

As all surpluses are distributed equally to the two joint venture partners, there are no net assets in the balance sheet at 31 December 2009 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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

6. (a) Analysis of expenditure

	Direct costs	Support costs	2009 Total	2008 Total
	£	£	£	£
Specialist older people's services	3,898,883	477,831	4,376,714	4,129,766
Specialist adult services	4,415,520	590,394	5,005,914	5,087,590
Investment management fees	1,795	-	1,795	(6,039)
Governance costs (Note c)	25,879	-	25,879	30,238
	<u>8,342,077</u>	<u>1,068,225</u>	<u>9,410,302</u>	<u>9,241,555</u>

- (b) Support costs totalling £1,068,225 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	2009 £	2008 £
Audit fee - audit services	11,497	11,163
- other services	7,702	11,167
Directors' and Governors' expenses	6,680	7,820
Other professional fees	-	88
	<u>25,879</u>	<u>30,238</u>

(d) Employees	2009 £	2008 £
Salaries	6,224,024	5,810,417
Employer's NI	502,179	464,857
Pension Scheme (note 3)	413,000	801,000
	<u>7,139,203</u>	<u>7,076,274</u>

The average number of employees in the year was

Medical staff	5	4
Nursing staff	207	175
Other clinical staff	27	26
Administration and support staff	32	31
Estate maintenance	14	15
Hotel services	57	64
	<u>342</u>	<u>315</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

6. Analysis of expenditure - continued

(d) Employees - continued

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

	Number	
	2009	2008
Band of earnings		
£60,000 - £69,999	1	1
£70,000 - £79,999	1	2
£80,000 - £89,999	1	0
£90,000 - £99,999	1	1
£100,000 - £109,999	1	2
£110,000 - £119,999	2	1
£120,000 - £129,999	-	0
£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 2009 is 7

(e) Other expenditure	2009	2008
	£	£
Other expenditure includes		
Amounts paid under operating leases		
- land and buildings	<u>40,623</u>	<u>38,000</u>
(f) Investment management fees	£	£
Fees	14,541	24,804
Less – investment fee rebate	<u>(12,746)</u>	<u>(30,843)</u>
	<u>1,795</u>	<u>(6,039)</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

7. Fixed Assets

	Freehold land and buildings £	Short leasehold land and buildings £	Furniture plant, equipment vehicles £	Total £
Cost or Valuation				
At 1 January	12,607,978	305,356	3,009,476	15,922,810
Additions in year	560,027	-	228,564	788,591
Disposals in the year	-	-	-	-
At 31 December 2009	13,168,005	305,356	3,238,040	16,711,401
Depreciation				
At 1 January	122,429	170,264	2,184,793	2,477,486
Disposals	-	-	-	-
Charge for the year	20,205	45,206	227,996	293,407
At 31 December 2009	142,634	215,470	2,412,789	2,770,893
Net book value				
At 31 December 2009	13,025,371	89,886	825,251	13,940,508
At 31 December 2008	12,485,549	135,092	824,683	13,445,324

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 2009 additions costing £6,118,005 have been capitalised and are included in the balance of £13,168,005 above.

A further valuation on a depreciated replacement cost basis was carried out by Knight Frank in June 2009. 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 2009 of £8,479,929.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

8. Investments

	2009	2008
	£	£
(a) Movements in year at market value		
Market value at 1 January 2009	6,876,021	9,068,095
Acquisitions at cost	1,819,922	2,603,108
Disposals at book value	(1,533,496)	(2,928,734)
Net gains/(losses) on revaluation at 31 December 2009	1,375,595	(1,866,448)
Market value at 31 December 2009	8,538,042	6,876,021
Historical cost		
At 31 December 2009	7,800,191	7,635,480
(b) Realised gains/(losses) in the year		
Proceeds	1,612,460	2,377,434
Disposals at book value	(1,533,496)	(2,928,734)
	78,964	(551,300)
(c) Reconciliation of movement in unrealised gains		
Unrealised (losses)/ gains at 1 January 2009	(759,459)	1,498,374
Add in respect of disposals in the period	121,715	(391,385)
Add net gains/ (losses) arising on revaluation in the period	1,375,595	(1,866,448)
Unrealised gains/(losses) at 31 December 2009	737,851	(759,459)
(d) Analysis of market value		
Listed Securities - UK	5,042,831	3,743,608
- Overseas	3,383,883	3,071,061
Cash deposits	111,328	61,352
	8,538,042	6,876,021

Included within investments are holdings in the following investments representing more than 5% of the value of the portfolio at 31 December 2009

Sarasin CI Equisar Sterling Global Thematic Fund Dist Units 35 9%

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - 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. A further 499 ordinary shares of £1 each were issued during the year. The company is incorporated in England and Wales. Further details relating to Northern Pathways Limited are given in note 5b.

9. Debtors	2009	2008
	£	£
Trade debtors	1,811,643	1,193,033
Prepayments and accrued income	54,527	37,792
Amount due from joint ventures	298,827	183,043
Other debtors	14,500	49,720
The Retreat Benevolent Fund	896	372
The Retreat York Pension Scheme	30,740	6,294
	<u>2,211,133</u>	<u>1,470,254</u>

10. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	196,042	500,018
Accruals	222,205	524,836
Tax and social security	153,211	153,628
Other creditors	51,422	-
Patient fees in advance	-	20
Monies due to patients	373,182	312,069
	<u>996,062</u>	<u>1,490,571</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

11. Unrestricted funds

	General fund	Tangible fixed asset fund	Designated funds Development fund	Social responsibility fund	Total
	£	£	£	£	£
At 1 Jan 2009	1,674,357	13,445,324	6,613,000	-	21,732,681
Incoming resources	11,054,819	-	-	-	11,054,819
Resources expended	(9,360,233)	-	-	(13,191)	(9,373,424)
Profits	901,559	-	-	-	901,559
Transfers	(1,657,184)	495,184	1,097,000	15,000	(50,000)
At 31 Dec 2009	<u>2,613,318</u>	<u>13,940,508</u>	<u>7,710,000</u>	<u>1,809</u>	<u>24,265,635</u>

General fund

	2009 £	2008 £
General fund excluding pension (liability)/asset	4,475,603	3,043,270
Pension (liability)/asset	<u>(1,862,285)</u>	<u>(1,368,913)</u>
General fund	<u>2,613,318</u>	<u>1,674,357</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 £7,710,000 in total has been earmarked for capital projects for the development of care services at The Retreat, York

Social Responsibility Fund

The Trustees have designated a sum up to £15,000 per annum to be used to fund projects which demonstrate The Retreat's commitment to action on social responsibility. The sum of £1,809 is the balance of funds remaining from the initial £30,000 when the first two projects have been completed

Transfers

	£	£
Analysis of transfers to tangible fixed asset fund		
Additions	(788,591)	
Depreciation	<u>293,407</u>	
		(495,184)
Transfer to development fund		(1,097,000)
Transfer to Social responsibility fund		(15,000)
Transfer to other restricted funds		<u>(50,000)</u>
		<u>(1,657,184)</u>

£45,000 has been transferred to the Parkinson's Grant Fund regarding the late identification of the restriction on this income and £5,000 has been transferred to other funds to cover expenditure in excess of income in the year

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

12. Restricted funds

	Parkinsons grant fund £	Charity shops £	Patient holiday Fund £	Outpatient development Fund £	Other funds £	Total £
At 1 January 2009	-	24,415	8,243	4,765	22,636	60,059
Incoming resources	-	7,706	-	36,450	10,396	54,552
Expenditure during the period	(10,748)	(4,770)	(875)	(2,300)	(18,185)	(36,878)
Transfers	45,000	(4,117)	-	-	9,117	50,000
At 31 December 2009	<u>34,252</u>	<u>23,234</u>	<u>7,368</u>	<u>38,915</u>	<u>23,964</u>	<u>127,733</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

Patient holiday fund

This is a fund arising from donations specifically given to pay for holiday breaks for patients

Outpatient development fund

This is the fund created by the fundraising currently being undertaken to extend the outpatient building

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 liability £	Fund balances £
Restricted funds	-	-	127,733	-	127,733
Unrestricted					
Designated funds					
Tangible fixed asset fund	13,940,508	-	-	-	13,940,508
Development fund	-	7,710,000	-	-	7,710,000
Social responsibility fund	-	-	1,809	-	1,809
General fund	-	829,042	3,646,561	(1,862,285)	2,613,318
	<u>13,940,508</u>	<u>8,539,042</u>	<u>3,776,103</u>	<u>(1,862,285)</u>	<u>24,393,368</u>

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 DECEMBER 2009 - Continued**

14. Operating leases

At 31 December 2009 the company had annual commitments under non cancellable operating leases as set out below

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire		
Within one year	<u>40,623</u>	<u>38,000</u>

15. Capital commitments

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

	2009	2008
	£	£
Contracted for	<u>230,000</u>	<u>220,000</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 2009, 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

Travel expenses reimbursed to Trustees	<u>6,664</u>	<u>5,318</u>
Number of Trustees reimbursed	<u>6</u>	<u>6</u>

A premium of £2,207 for trustee indemnity insurance was paid by the Company during the year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009 - Continued

18. Related party transactions

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

	2009	2008
	£	£
Services provided	174,589	177,206
Overheads recharged	9,202	1,594
Rent	151,588	132,299
	<u>335,379</u>	<u>311,099</u>

The amount owing by York House at 31 December 2009 in respect of services and unremitted surpluses is £216,951

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

	2009
	£
Services provided	51,470
Overheads recharged	2,458
Rent	167,194
	<u>221,122</u>

The amount owing by Garrow House at 31 December 2009 in respect of services and unremitted surpluses is £81,876