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THE RETREAT YORK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

Charity No.	1089826
Company No.	4325622

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

CONTENTS

	PAGE
Trustees' Annual Report	1 - 9
Auditor's Report	10 - 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Accounts	15 - 30

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

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 2015. The Trustees have adopted the provisions of the Statement of Recommended Practice - Accounting and Reporting by Charities SORP FRS102 issued in 2015 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 ¹	(Resigned 22 May 2015)
Sallie Ashe ^{1 3}	
Jennifer Barraclough ^{1 3}	(Appointed 1 January 2016)
Malcolm Bowker	(Appointed 1 January 2016)
Jo Anne Brown ^{1 3}	(Resigned 18 December 2015)
Paul Fitzgerald	(Resigned 10 November 2015)
Rob Griffiths	(Appointed 1 January 2015)
Stuart Humby ^{1 2 3}	(Resigned 29 July 2015)
John Miles	
Jane Muers ²	
John Barrie Oldham	(Appointed 11 June 2015/Resigned 19 December 2015)
David Peryer ^{1 2 3}	(Resigned 4 March 2016)
Martin Schweiger	(Appointed 1 January 2015)(Resigned 26 December 2015)
Mike Wash ²	

1 Member of the Finance & Resources Committee

2 Member of the Governance Committee

3 Member of the Remuneration Committee

Chief Executive

Jenny McAleese

Company Secretary

Robert Brownlow

Senior Management TeamTeam

Jenny McAleese	- Chief Executive
John Barrie Oldham	- Interim Chief Executive (from 19 December 2015)
Robert Brownlow	- Director of Finance and Facilities
Dan Anderson	- Medical Director
Caroline Johnson	- Director of Operations (from 1 June 2015)
Maggie Scott	- Director of Operations (until 9 October 2015)

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

TRUSTEES' ANNUAL REPORT – Continued

LEGAL AND ADMINISTRATIVE INFORMATION - Continued

Address and Registered Office

107 Heslington Road, York YO10 5BN

Auditors

BHP, Chartered Accountants, Bathurst House, 86 Micklegate, York, YO1 6LQ

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 EGMs held in February 2011 and 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
- Westmorland Regional Meeting	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. Directors are appointed for a period of four years and are eligible for re-appointment for a further four years.

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 members of The Religious Society of 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. Directors receive a copy of a range of documents including the Annual Report and Accounts and the charitable deed. Training is provided on a variety of topics relevant to the work conducted at The Retreat York.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

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 18 to the accounts.

Finance & Resources Committee

This committee meets 5 times a year to consider matters of a financial nature, including investments, together with human resource issues

Governance Committee

This committee meets 4 times a year to consider matters related to the governance of the clinical and corporate activities

Remuneration Committee

The Remuneration Committee is formed as a sub-committee of the Board and is responsible for meeting annually to consider the remuneration of the members of the Senior Management Team.

Risk Management

The Trustees are responsible for reviewing major strategic, financial and operational risks to which the charity is exposed, and systems have been established to mitigate those risks. These risks include changes in NHS Commissioning, loss of key personnel and inability to attract sufficient trained clinicians. Methods of dealing with these risks include maintaining close working relationships with key NHS Commissioners and paying market rates to our staff in order to aid recruitment and retention. 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 two 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 2015 amounted to £13,560 for three individuals. The total funds of the Benevolent Fund at 31 December 2015 amounted to £1,784,352. 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 19 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 19 to the accounts.

In April 2014, The Retreat York undertook a joint venture with Community Links (Leeds) Limited to operate a specialist day care service for men with personality disorder. The service is known as East Villa and the joint venture company is called Bridging the Gap PD Services Limited. Transactions with Community Links are shown in note 19 to the accounts. The Retreat York divested itself of its share in Bridging the Gap PD Services Limited on 30 April 2015, transferring it at no cost to its joint venture partner, Community Links (Leeds) Limited.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

TRUSTEES' ANNUAL REPORT – Continued

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 guidance on public benefit.

Purpose and Aims

The Retreat's purpose as set out in the objects contained in the company's Articles of Association, are to relieve suffering from mental illness. In simple language we describe this simply as 'improving people's mental health'.

The aims of the charity are to achieve its purpose through the provision of services and related activities that prevent and treat mental ill-health. The charity defines mental ill-health as any condition that affects an individual's mental functioning, leading to reduced ability to take part in the regular day-to-day activities most of us take for granted.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in 2015. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remained focused on our charitable objects. The Trustees consider how planned activities will contribute to the aims and objectives of the Charity

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. Staff supervision and appraisals are a means by which progress on targets is monitored to ensure that the agreed work programme is achieved. The Board is currently leading a strategic review of the company to ensure it continues to meet its charitable objects.

The focus of our work

The Retreat is a charitable, not-for-profit provider of specialist mental health care. We work with the NHS to provide services for people with complex and challenging needs. The Retreat was established in 1796 and was the first place where people with mental health problems were treated humanely and with dignity and respect. Over ninety-six percent of our inpatients are funded by the NHS, with over 30 Clinical Commissioning Groups and NHS England referring people to us for support.

The Retreat believes that successful therapeutic relationships are based on respect, dignity and tolerance and ensures the voice of the people who use its services, along with their friends, families and carers, are given every opportunity to be heard.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES – Continued

Our main objectives for the past year continued to be the promotion of positive mental health. The strategies we used to meet these objectives included:

- Providing a range of high quality hospital based in-patient services designed to meet the needs of adults with complex and challenging mental health problems;
- Providing a range of community services designed to meet the needs of the general public who are experience mental ill-health;
- Ensuring that, wherever possible, our work is externally accredited and combines our distinctive values, clinical model and evidence-based best practice into an effective and accessible service;
- Working in partnership with other organisations and agencies to ensure the widest range of support of available in order to improve people's mental health.

The Retreat's activities are split into three general areas: inpatient services, community services and our joint ventures with other charities and organisations. At any one time care is provided by The Retreat to around 80 inpatients and approximately 650 different individuals receive therapy from our community services. Our joint venture services enable us to provide care to a further 50 inpatients.

We have six specialist inpatient units: three for older adults and three for adults. These are specifically designed to meet the needs of individuals whose complex and challenging needs are unable to be met within community or NHS settings. Our clinical model allows us to work successfully with individuals whose only alternative would often be more restrictive secure mental health facilities.

Specialist Adult Services (SAS)

During 2015, The Retreat had three units providing care within the SAS as follows: -

Acorn

The Acorn programme is a Therapeutic Community (TC) which uses Dialectical Behaviour Therapy (DBT) for women with complex needs, predominantly women who meet the criteria for borderline personality disorder and/or complex post traumatic stress disorder

During the year this unit maintained its accreditation by The Royal College of Psychiatrists as assessed by the Community of Communities.

Naomi

Naomi is a specialist service for women 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, anxiety and mood disorders including obsessive compulsive disorder, and post-traumatic stress disorder. Naomi specialises in treating people with more than one diagnosis.

Hannah Mills

The Hannah Mills unit provided assessment and rehabilitation for people with complex mental health problems, including borderline personality disorder, psychosis and bipolar affective disorder. A decision was taken to close the unit effective from 1 October 2015, due to the need to move to a new physical environment and to increase the skill set within the clinical team. A replacement unit, called the Kemp Unit with an entirely new clinical team opened in May 2016.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES – Continued

Specialist Older Adult Services (SOAS)

These services are aimed at people of midlife and beyond and offers hospital based treatment for both organic and functional mental health problems. People who use the service may as a result of these illnesses present with behaviours that are challenging to carers or nursing homes such as wandering, aggression or anti-social behaviour. This includes people who are detained under the Mental Health Act or who require intensive levels of assessment, monitoring and treatment that is not possible in other settings. The service is needs led not age led.

During 2015, The Retreat had four units providing care within the SOAS as follows: -

Katherine Allen Unit

This is a 12 bedded unit which provides care to women with a diagnosis of dementia, who may have pre-existing mental health diagnoses and present with complex needs.

George Jepson Unit

This is a 13 bedded unit which provides care to men with a diagnosis of dementia, who may have pre-existing mental health diagnoses and present with complex needs.

Strensall Unit

This is a 20 bedded unit for the provision of a long-term care pathway for older adults whose needs cannot be met within their local community and require ongoing hospital-based care

Allis Unit

This was an 8 bedded unit providing care for men and women who require a period of recovery and rehabilitation before discharge from inpatient mental health services to the community with an appropriate level of support. However in October 2015 the unit was closed and merged with the Strensall Unit as it was considered that this provided a better physical environment for the care of this group of patients.

The multidisciplinary team is experienced in managing high risk challenging behaviours in a dignified manner and uses a person centred holistic approach. After receiving a referral, the clinical team will choose the best pathway and unit to meet the needs of the individual and there may be a transfer from one unit to another as the person's abilities change.

Outpatient Services

The Tuke Centre is an outpatient service which provides a range of counselling, psychotherapy, psychiatric and psychological services for individuals, groups, couples and families. These include specialist diagnostic and treatment services for autism, 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.

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. The joint venture company now operates three units on site with a total of 38 beds and provides an intensive neurobehavioral assessment and rehabilitation service for individuals with severe cognitive, physical and/or emotional problems following acquired brain injury.

The achievements of York House over the last year are reported separately in their own Annual Report.

In February 2009 Northern Pathways opened Garrow House, a 12-bedded unit in the grounds of The Retreat. This service 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 company 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.

The achievements of Garrow House over the last year are reported separately in Northern Pathways' Annual Report.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

TRUSTEES' ANNUAL REPORT – Continued

OBJECTIVES AND ACTIVITIES – Continued

Other partnerships continued

In April 2014, The Retreat York formed Bridging The Gap PD Services Limited as a joint venture with Community Links (Leeds) Limited to operate as a day care service for men with personality disorder. On 30 April 2015, The Retreat York ceased its ownership of shares in the joint venture and gifted its shares to Community Links (Leeds) Limited.

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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of Performance against Objectives set

Our main mechanism for monitoring performance in 2015 was regular review against our Business Plan for the year.

The year was challenging with continuing downward pressure on fees and upward pressure on costs. The financial objectives were only partially achieved though overall did deliver an acceptable level of performance for the year.

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 2015 the fund's performance of 1.4% increase in value was below the median increase of 6.1% achieved by other funds in the survey used. A review of the investment strategy is currently underway

Principal Risks and Uncertainties

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 fee income and with which it has to compete for staff.

The NHS have not been awarding any inflationary uplift in fees for several years now and given the pressures on Government funding it is likely that downward pressure on fees will continue.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

TRUSTEES' ANNUAL REPORT – Continued

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 2015 produced a deficit of £512,510 (2014 - surplus £2,043,454). Other net income from investments, donations, legacies and grants produced income of £407,223 (2014 - £314,464).

The result was an overall deficit for the year amounting to £122,316 (2014 - surplus £2,275,572). After taking into account total investment losses of £17,029 (2014 - losses £82,346) and an actuarial gain on the defined benefit pension scheme of £2,213,921 (2014 - loss £3,377,360), there was a net surplus of £2,091,605 (2014 - net deficit £1,101,788).

Our financial results for the year have been affected by a net pension expense of £544,000 (2014 - income £715,000). In addition to this an actuarial gain of £2,213,921 has been added to reserves.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in note 8 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 between 6 and 18 months of expenditure, a range between £6,000,000 and £18,000,000. This is to ensure that in periods of poor trading, the company can continue to operate without cashflow problems.

Presently the undesignated reserves amount to £14,059,800 (2014 - £14,681,317). This figure excludes the pension asset of £5,598,000 on the basis that this asset does not result in any cash flow to the charity and is likely to diminish over time.

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 £5,000,000 (2014 - £5,000,000). This is an estimate of the costs required to upgrade the present facilities and brand new ones where planning consent has already been obtained.

PLANS FOR FUTURE PERIODS

The next few years promise to be increasingly challenging for The Retreat as have been the past few. The pressure on the Government debt position is bringing to bear financial constraints upon the NHS and we need to manage our own cost base carefully, whilst continuing to maintain high quality services. This is a particularly challenging thing to achieve given the ever increasing demands placed upon us by the NHS. There is also a general issue to provide care outside of hospital environment and occupancy is under significant pressure. 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 Retreat is conducting a thorough strategic review to ensure that we widen our services away from just providing hospital based care in line with the move towards some community based care services. The physical environments in which we provide inpatient care are also the subject of a significant review and major capital expenditure will be required in the future to address this issue.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

TRUSTEES' ANNUAL REPORT – Continued

Trustees' responsibilities statement

The Trustees (who are also Directors of The Retreat for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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

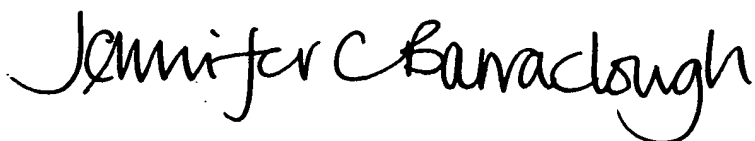
Employees have been consulted on issues of concern to them by means of regular staff consultative committee meetings and staff briefings and have been kept informed on specific matters directly by management. The charity carries out exit interviews for all staff leaving the organisation.

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 BHP, Chartered Accountants be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the Board on 2 June 2016.



JENNIFER BARRACLOUGH
CHAIR

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

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 2015 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 9, 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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

INDEPENDENT AUDITOR'S 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 2015, 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 BHP, Chartered Accountants
Statutory Auditor
Bathurst House
86 Micklegate
York
YO1 6LQ

Date 9 June 2016

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
INCOME FROM					
Voluntary income (donations and legacies)		11,022	60,876	71,898	74,946
Rents		-	389,952	389,952	406,208
Investment income	2	-	345,711	345,711	279,870
Other finance income	3	-	141,000	141,000	1,327,000
Income from charitable activities					
Patient fees and other charges	4	-	10,565,200	10,565,200	10,986,010
Total income		<u>11,022</u>	<u>11,502,739</u>	<u>11,513,761</u>	<u>13,074,034</u>
EXPENDITURE ON					
Costs of generating funds					
Investment management fees	6a	-	10,386	10,386	40,352
Charitable activities					
Specialist older adult services		7,451	6,441,486	6,448,937	5,684,335
Specialist adult services		6,385	5,503,523	5,509,908	5,297,441
Total expenditure	6a	<u>13,836</u>	<u>11,955,395</u>	<u>11,969,231</u>	<u>11,022,128</u>
Net income		<u>(2,814)</u>	<u>(452,656)</u>	<u>(455,470)</u>	<u>2,051,906</u>
Net income from Joint Ventures	5	-	350,183	350,183	306,012
Net income before gains and losses on investments		<u>(2,814)</u>	<u>(102,473)</u>	<u>(105,287)</u>	<u>2,357,918</u>
Net (losses) on investments		-	(17,029)	(17,029)	(82,346)
Net income before transfers		<u>(2,814)</u>	<u>(119,502)</u>	<u>(122,316)</u>	<u>2,275,572</u>
Transfer of funds	12	-	-	-	-
Net income for the year		<u>(2,814)</u>	<u>(119,502)</u>	<u>(122,316)</u>	<u>2,275,572</u>
Actuarial gain/(loss) on defined benefit scheme	3	-	2,213,921	2,213,921	(3,377,360)
Net movement in funds		<u>(2,814)</u>	<u>2,094,419</u>	<u>2,091,605</u>	<u>(1,101,788)</u>
RECONCILIATION OF FUNDS					
Fund Balance 1 January		78,167	40,908,053	40,986,220	42,088,008
Fund balance at 31 December		<u>75,353</u>	<u>43,002,472</u>	<u>43,077,825</u>	<u>40,986,220</u>

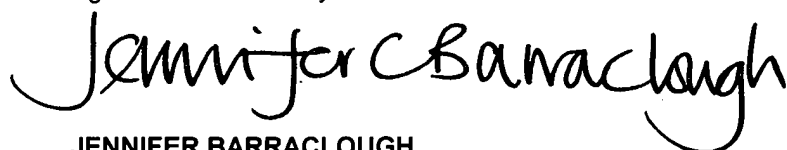
All amounts derive from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities

THE RETREAT YORK
YEAR ENDED 31 DECEMBER 2015

BALANCE SHEET

	Note	£	2015 £	2014 £
Fixed assets				
Tangible assets	8		18,096,518	17,510,650
Investments	9		12,463,955	10,174,027
Investment in Joint Ventures and subsidiaries	9e		12,501	(12,889)
Total Fixed Assets			<u>30,572,974</u>	<u>27,671,788</u>
Current assets				
Debtors	10		2,801,810	2,704,978
Cash at bank and in hand			<u>4,915,874</u>	<u>8,035,848</u>
Total Current Assets			7,717,684	10,740,826
Creditors: amounts falling due within one year	11		(810,833)	(920,394)
Net current assets			<u>6,906,851</u>	<u>9,820,432</u>
Total assets less current liabilities excluding pension scheme asset			37,479,825	37,492,220
Defined benefit pension scheme asset	3		5,598,000	3,494,000
Net Assets	14		<u>43,077,825</u>	<u>40,986,220</u>
Unrestricted Funds	12			
General				
Investment revaluation reserve	9		771,290	1,351,178
Other			<u>18,886,510</u>	<u>16,824,139</u>
			19,657,800	18,175,317
Designated:				
Tangible fixed assets fund				
- cost		13,595,714		13,009,846
- revaluation		<u>4,500,804</u>		<u>4,500,804</u>
		18,096,518		17,510,650
Development fund		5,000,000		5,000,000
Patient legacy fund		119,224		139,093
Other Funds		<u>128,930</u>		<u>82,993</u>
			23,344,672	22,732,736
			43,002,472	40,908,053
Restricted funds	13		75,353	78,167
Total charity funds			<u>43,077,825</u>	<u>40,986,220</u>

The financial statements on pages 12 - 30 were approved by the Board of Directors on 2 June 2016 and are signed on its behalf by:



JENNIFER BARRACLOUGH
CHAIR
Company Number 4325622

THE RETREAT YORK
YEAR ENDED 31 DECEMBER 2015

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 DECEMBER 2015

		2015 £	2014 £
Cash used in operating activities	15	<u>(259,166)</u>	<u>1,853,636</u>
Cash flows from investing activities			
Investment income received		345,711	279,870
Purchase of tangible fixed assets		(901,012)	(421,349)
Sale proceeds of fixed assets		1,450	-
Purchase of investments		(7,395,879)	(1,914,914)
Sale proceeds of investments		5,298,604	1,831,462
Cash used in investing activities		<u>(2,651,126)</u>	<u>(224,931)</u>
(Decrease)/increase in cash and cash equivalents in the year		(2,910,292)	1,628,705
Cash and cash equivalents at the beginning of the year		8,206,568	6,577,863
Cash and cash equivalents at the end of the year	16	<u><u>5,296,276</u></u>	<u><u>8,206,568</u></u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

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 (FRS102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102, and the Charities SORP FRS 102 the reinstatement of comparative items was required.

No reinstatements were required

(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 net equity method of accounting.

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.

(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.

For income from legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

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 2015 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 not capitalised unless it constitutes components which are part of a large building project.

(g) Investments

Investments are included at their mid market value on 31 December 2015 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) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

1 Accounting policies – continued

(k) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans

(l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date

(m) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

2 Investment income

	2015 £	2014 £
Dividend income	327,293	265,423
Interest receivable	18,418	14,447
	<u>345,711</u>	<u>279,870</u>

3 Provision for employees' pensions

Actuarial valuation

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme, with both

Amounts recognised in the Balance Sheet

	2015 £,000	2014 £,000
Fair value of scheme assets	37,935	36,846
Present value of scheme liabilities	32,337	33,352
Recognisable surplus	<u>5,598</u>	<u>3,494</u>

Amounts recognised in the SOFA

	2015 £,000	2014 £,000
Interest on scheme liabilities	1,155	1,308
Expected return on scheme assets	(1,296)	(2,635)
Finance income	(141)	(1,327)
Current service cost including administration expenses	685	612
Total pension (income)/cost recognised in SOFA	<u>544</u>	<u>(715)</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Provision for employees' pensions - continued

Amounts recognised in the statement of total recognised gains and losses

	2015 £,000	2014 £,000
Cumulative actuarial gain at 31 December	5,673	7,245
Actuarial (loss) on assets	(85)	(4)
Actuarial (gain)/loss on liabilities	(1,487)	3,381
Actuarial (loss)/gain	(1,572)	3,377
Change in scheme assets	£,000	£,000
Fair value of scheme assets at 1 January	36,846	35,112
Adjustment to fair value	643	-
Expected return on scheme assets	1,296	2,635
Administration expenses	(100)	-
Employer contributions	433	503
Member contributions	189	214
Benefits paid	(1,457)	(1,622)
Actuarial gain on assets	85	4
Fair value of scheme assets at 31 December	37,935	36,846
Actual return on scheme assets	1,381	2,639
Change in scheme liabilities		
Scheme liabilities at 1 January	33,352	29,459
Expected current service cost	585	612
Interest cost	1,155	1,308
Member contributions	189	214
Benefits paid	(1,457)	(1,622)
Actuarial (gain)/loss due to experience	(1,487)	3,381
Changes in assumptions used to value Scheme liabilities	-	-
Present value of scheme liabilities at 31 December	32,337	33,352

The employer expects to contribute £446,000 into the scheme in 2015.

Principal weighted average actuarial assumptions

	2015	2014
Inflation assumption	2.90%	3.00%
Consumer Price Index	1.90%	2.00%
Rate of increase in salaries	2.90%	3.00%
Discount rate	3.70%	3.50%
Rate of increase in pensions in payment where increases are linked to inflation		
– Limited price index 5%	1.80%	1.90%
– Limited price index 3%	1.70%	1.80%
– Limited price index 2.5%	1.60%	1.70%

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

3 Provision for employees' pensions - continued

Expected return on scheme assets

	Long term rate return expected at 31.12.15	Value at 31.12.14 £,000	Long term rate return expected at 31.12.14	Value at 31.12.13 £,000
Equities	-	-	-	-
Bonds	-	-	-	-
Gilts	-	-	-	-
	7.40%		7.40%	
Diversified Growth Funds		38,039		36,877
Cash and net current assets	0.50%	(104)	0.50%	(31)
	<u>7.60%</u>	<u>37,935</u>	<u>7.60%</u>	<u>36,846</u>

The overall expected return on assets of 7.60% at 31 December 2015 (2014: 7.60%) 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

	2015 £,000	2014 £,000	2013 £,000	2012 £,000	2011 £,000
Fair value of scheme	37,935	36,846	35,112	30,236	27,794
Value of scheme	32,337	33,352	29,459	28,837	27,477
Surplus/(deficit) in the	<u>5,598</u>	<u>3,494</u>	<u>5,653</u>	<u>1,399</u>	<u>317</u>
Experience	85	4	3,373	1,311	(4,739)
Experience (losses)		(92)	88	83	362

Balance sheet reconciliations

	2015 £,000	2014 £,000
Gross balance sheet asset at 1 January	3,494	5,653
Pension expense recognised in SOFA	(544)	715
Amounts recognised in the statement of total recognised gains and losses in the year	2,215	(3,377)
Actual contributions made by the employer in the year	433	503
Gross balance sheet asset at 31 December	<u>5,598</u>	<u>3,494</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

4 Patient fees and other charges	2015 £	2014 £
Fees from patients	10,402,386	10,852,626
Grants to cover full cost of reduced fees: Benevolent Fund for Friend patients	<u>13,560</u>	<u>5,012</u>
	10,415,946	10,857,638
Sundry income	149,254	128,372
	<u>10,565,200</u>	<u>10,986,010</u>

5 Joint ventures and subsidiaries

- (a) The Retreat York has undertaken a joint venture to operate a unit for individuals with an acquired brain injury since 1998. The service is known as York House and in 2014, we opened a third unit, adding a further 10 beds to the 28 beds previously on site. The year end of the joint venture is 31 May. The results for the year to 31 December 2015, based on audited financial statements to 31 May 2015 and management account information since that

	£
Fee income and contributions received	3,217,413
Expenditure on charitable activities	(2,884,151)

Share of net results for the year to 31 December 2015	<u>333,262</u>
---	----------------

The company's share of the net assets of the joint venture as at 31 May 2015 (the figures as at 31 December 2015 are not available) is as follows:

	£
Fixed assets	71,799
Current assets	537,140
Liabilities due within one year	(608,439)
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 2015 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.

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

5 Joint ventures - continued

- (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 2015, based on audited financial statements to 31 March 2015 and management account information since that date, are as

	£
Fee income and contributions received	941,957
Expenditure on charitable activities	(966,195)
Share of net results for the year to 31 December 2015	<u>(24,238)</u>

The company's share of the net assets of the joint venture as at 31 March 2015 (the figures as at 31 December 2015 are not available) is as follows:

	£
Current assets	205,000
Liabilities due within one year	(193,000)
Net assets	<u>12,000</u>

All surpluses are distributed equally to the two joint venture partners with the exception of a designated asset maintenance reserve of £18,000 and unrestricted reserves of £5,000. The only other net asset in the balance sheet at 31 December 2015 is the share capital.

This joint venture is operated via a limited company, Northern Pathways Limited a company whose share capital is

- (c) The Retreat York had undertaken a joint venture operating an outreach service for men with personality disorder. The service is known as Bridging The Gap. On 30 April 2015, The Retreat York ceased its ownership of shares in the joint venture. The results for the period to 30 April 2015, based on management accounts to 30 April 2015, are as follows:

	£
Fee income and contributions received	68,333
Expenditure on charitable activities	(27,174)
Share of net results for the period to 30 April 2015	<u>41,159</u>

This joint venture was operated via a limited company, Bridging the Gap PD Services Limited a company whose share capital was owned 50% by The Retreat York and 50% by Community Links (Northern) Limited until 30 April 2015. The Retreat York gifted its share to Community Links (Leeds) Limited at that date.

- (d) The Retreat York owns 1 share in Cottage Villa Limited representing 100% of its share capital. The company is set

	£
Fee income and contributions received	2,324
Expenditure on charitable activities	(2,324)
Share of net results for the period to 31 December 2015	<u>-</u>

The company's share of the net assets of the subsidiary as at 31 December 2015 is as follows:

	£
Current assets	1
Net assets	<u>1</u>

As all surplus is gift aided to The Retreat York, there are no net assets in the balance sheet at 31 December 2015

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

6 Analysis of expenditure

			2015	2014
(a)	Direct costs	Support costs	Total	Total
	£	£	£	£
Specialist adult services	4,895,355	614,553	5,509,908	5,297,441
Specialist older adult services	5,838,424	610,513	6,448,937	5,684,335
Investment management fees	10,386	-	10,386	40,352
	<u>10,744,165</u>	<u>1,225,066</u>	<u>11,969,231</u>	<u>11,022,128</u>

(b) Support costs totalling £1,225,066 have been allocated across activities. These include costs associated with providing IT, payroll, personnel, finance, property and other central services to the charity.

(c) Employees	2015	2014
	£	£
Salaries	6,954,665	6,526,439
Employer's NI	491,096	437,994
Pension Scheme (note 3)	585,000	612,000
	<u>8,030,761</u>	<u>7,576,433</u>

The average number of employees in the year was:

Medical staff	4	5
Nursing staff	224	206
Other clinical staff	35	36
Administration and support staff	28	34
Estate maintenance	11	11
Hotel services	42	43
	<u>344</u>	<u>335</u>

(d) Employees - continued

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

Band of earnings	Number	Number
	2015	2014
£60,000 - £69,999	-	1
£70,000 - £79,999	4	2
£80,000 - £89,999	1	2
£90,000 - £99,999	-	1
£110,000 - £119,999	-	2
£120,000-£130,999	4	1

Of the above, the number of staff to whom retirement benefits are accruing under the defined benefit pension scheme at 31 December 2015 is 9 (2014 - 9)

(e) Employees - continued

The Charity Trustees were neither paid nor received any benefits from the Charity (2014 - £Nil). Details of reimbursed expenses are disclosed in Note 19.

The key management personnel of The Retreat York are the Leadership Team, as per the Trustees Report. The total employee benefits of the key management personnel were £462,571 (2014 - £428,302).

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

6 Analysis of expenditure - continued

(f) Net income/(expenditure) for the year	2015 £	2014 £
Net income/(expenditure) is stated after charging:		
Auditors' remuneration - audit services	17,202	17,040
- other audit related expenses	4,320	-
Amounts paid under operating leases: land and buildings	63,000	63,000
Pension contributions	434,079	503,360
Depreciation	<u>314,246</u>	<u>281,099</u>

7 Taxation

As a charity, The Retreat York is exempt from tax on income and gains falling within the available tax exemptions

8 Fixed Assets

	Freehold land and buildings £	Short leasehold land and buildings £	Furniture, plant, equipment, vehicles £	Total £
Cost or Valuation				
At 1 January	16,976,636	287,279	1,505,045	18,768,960
Additions in year	535,402	29,417	336,193	901,012
Disposals in the year	-	-	(59,249)	(59,249)
At 31 December 2015	<u>17,512,038</u>	<u>316,696</u>	<u>1,781,989</u>	<u>19,610,723</u>
Depreciation				
At 1 January	243,659	78,072	936,579	1,258,310
Charge for the year	20,205	33,328	260,713	314,246
Disposals	-	-	(58,351)	(58,351)
At 31 December 2015	<u>263,864</u>	<u>111,400</u>	<u>1,138,941</u>	<u>1,514,205</u>
Net book value				
At 31 December 2015	<u>17,248,174</u>	<u>205,296</u>	<u>643,048</u>	<u>18,096,518</u>
At 31 December 2014	<u>16,732,977</u>	<u>209,207</u>	<u>568,466</u>	<u>17,510,650</u>

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 2015 additions costing £10,462,038 have been capitalised and are included in the balance of £17,512,038 above.

A further valuation on a depreciated replacement cost basis was carried out by Lawrence Hannah in April 2014. The operational properties were valued at £16.65m. The company decided not to incorporate this valuation into the accounts. Additions to freehold properties after the date of this valuation total £583,214

The company has taken advantage of the provisions contained within FRS102 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 2015 of £12,970,824 (2014 - £12,455,627)

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

9 Investments

	2015 £	2014 £
(a) Movements in year at market value		
Market value at 1 January 2015	10,003,307	10,002,202
Acquisitions at cost	7,395,879	1,914,913
Disposals at book value	(5,334,909)	(1,900,971)
Net gains/(losses) on revaluation at 31 December 2015	19,276	(12,837)
	<u>12,083,553</u>	<u>10,003,307</u>
Investment cash	380,402	170,720
Market value at 31 December 2015	<u><u>12,463,955</u></u>	<u><u>10,174,027</u></u>
Historical cost		
At 31 December 2015	<u><u>11,657,480</u></u>	<u><u>8,647,869</u></u>
(b) Realised losses in the year		
Proceeds	5,298,604	1,831,462
Disposals at book value	(5,334,909)	(1,900,971)
	<u>(36,305)</u>	<u>(69,509)</u>
(c) Reconciliation and movement in unrealised gains		
Unrealised gains at 1 January 2015	1,351,178	1,729,184
(Less) in respect of disposals in the year	(599,164)	(365,169)
Add net gains/(losses) arising on revaluations in the period	19,276	(12,837)
Unrealised gains at 31 December 2015	<u><u>771,290</u></u>	<u><u>1,351,178</u></u>
(d) Analysis of market value		
Listed Securities - UK	7,523,709	5,530,195
- Overseas	4,559,844	4,473,112
Cash deposits	380,402	170,720
	<u><u>12,463,955</u></u>	<u><u>10,174,027</u></u>

Included within investments are holdings in the following investments representing more than 5% of the value of

Sarasin Equisar Socially Responsible - B Inc	22.0%
Sarasin Medium Term Reserve	15.9%
Sarasin Equisar Socially Responsible (Sterling Hedged) - B Inc	12.9%
Sarasin Sterling Bond CLS A Inc	8.8%

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

9 Investments - Continued

(e) Investment in joint ventures and subsidiaries

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.

The company disposed of its 1 ordinary share of £1 in Bridging the Gap PD Services Limited representing 50% of its share capital in April 2015. The company is incorporated in England and Wales. Further details relating to Bridging the Gap PD Services Limited are given in note 5c.

The company owns 1 share in Cottage Villa Limited representing 100% of its share capital. The company is incorporated in England and Wales. Further details relating to Cottage Villa Limited are given in note 5d.

The investment in joint venture is made up as follows: -

	2015 £	2014 £
York House Ventures Limited	500	500
Northern Pathways Limited	12,000	12,500
Bridging the Gap PD Services Limited	-	(25,889)
Cottage Villa Limited	1	-
	<u>12,501</u>	<u>(12,889)</u>

10 Debtors

	2015 £	2014 £
Trade debtors	1,933,635	1,841,421
Prepayments and accrued income	158,557	132,404
Amount due from joint ventures	515,342	585,097
Other debtors	63,774	77,903
The Retreat Benevolent Fund	2,070	1,370
The Retreat York Pension Scheme	128,432	66,783
	<u>2,801,810</u>	<u>2,704,978</u>

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	322,168	228,749
Accruals	58,171	286,325
Tax and social security	169,214	162,894
Other creditors	29,954	12,656
Monies due to patients	231,326	229,770
	<u>810,833</u>	<u>920,394</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

12 Unrestricted funds

	At 1 January 2015 £	Net Incoming resources £	Other recognised (losses)/ profits £	Transfers £	At 31 December 2015 £
General fund	18,175,317	(69,989)	2,196,892	(644,420)	19,657,800
Designated Funds:					
Tangible fixed asset fund	17,510,650	-	-	585,868	18,096,518
Development fund	5,000,000	-	-	-	5,000,000
Patient legacy fund	139,093	(19,869)	-	-	119,224
Other funds	82,993	(12,615)	-	58,552	128,930
	<u>40,908,053</u>	<u>(102,473)</u>	<u>2,196,892</u>	<u>-</u>	<u>43,002,472</u>

General fund	2015 £	2014 £
General fund excluding pension asset	14,059,800	14,681,317
Pension asset	5,598,000	3,494,000
General fund	<u>19,657,800</u>	<u>18,175,317</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 £5,000,000 in total has been earmarked for capital projects for the development of care services at The Retreat, York.

Patient legacy fund

Trustees have decided, following discussions with the family, that funds bequested 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. To date expenditure has included drama therapy and patient holidays, as well as a memorial garden for use by patients, as requested by the family.

Other funds

These funds comprise donations from external bodies, which are designated by Trustees to be spent on other benefits for patients.

Transfers

Transfers to tangible fixed asset fund		
Additions	(901,012)	
Depreciation	314,246	
Net Book Value of disposals	<u>898</u>	(585,868)
Transfer to development fund		0
Net transfer to designated funds		<u>585,868</u>
		<u>-</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

13 Restricted funds

	At 1 January 2015 £	Incoming Resources £	Resources expended £	Transfers £	At 31 December 2015 £
Parkinson's Grant Fund	33,430	-	(1,340)	-	32,090
Social Enterprise Fund	4,484	7,678	(5,350)	-	6,812
Patient Holiday Fund	4,994	-	(139)	-	4,855
Other funds	35,259	3,344	(7,007)	-	31,596
	<u>78,167</u>	<u>11,022</u>	<u>(13,836)</u>	<u>-</u>	<u>75,353</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.

Social Enterprise Fund This fund comprises amounts raised by the sale of goods and refreshments from shops staffed by volunteers. Funds generated will be utilised to fund the Social Enterprise and the development and implementation of the vocational pathway, as defined by the people who use the service, being The Retreat York, York House and Garrow House.

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.

14 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pension asset £	Fund balances £
Restricted funds	-	-	75,353	-	75,353
Unrestricted Funds:					
Designated funds					
Tangible fixed asset	18,096,518	-	-	-	18,096,518
Development fund	-	5,000,000	-	-	5,000,000
Patient legacy fund	-	-	119,224	-	119,224
General fund	-	7,476,456	6,583,344	5,598,000	19,657,800
Other funds	-	-	128,930	-	128,930
	<u>18,096,518</u>	<u>12,476,456</u>	<u>6,906,851</u>	<u>5,598,000</u>	<u>43,077,825</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

15 Reconciliation of net movement in funds to net cash flow from operating activities

	2015 £	2014 £
Net (outgoing)/incoming resources for the period	(105,287)	2,357,918
Add back Depreciation charges	314,246	281,099
Deduct (Profit)/loss on disposal	(552)	-
Deduct interest income shown in investing activities	(345,711)	(279,870)
Deduct other finance income	(141,000)	(1,327,000)
(Increase)/decrease in debtors	(96,832)	806,868
(Decrease) in creditors	(109,561)	(78,114)
(Increase)/decrease in investment in Joint Ventures and subsidiaries	(25,390)	(15,905)
Pension cost in excess of contributions made	250,921	108,640
	<u>(259,166)</u>	<u>1,853,636</u>

16 Analysis of cash and cash equivalents

	2015 £	2014 £
Cash in hand	4,915,874	8,035,848
Cash awaiting investment	380,402	170,720
Total cash and cash equivalents	<u>5,296,276</u>	<u>8,206,568</u>

17 Operating leases

At 31 December 2015 the company had annual commitments under non cancellable operating leases as set out below.

	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
Within 5 to 10 years	<u>63,000</u>	<u>63,000</u>

18 Capital commitments

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

	2015 £	2014 £
Contracted for	<u>-</u>	<u>-</u>

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

19 Contingent liability

The Retreat York 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.

20 Trustees' expenses and remuneration

	2015	2014
	£	£
Travel expenses reimbursed to Trustees	5,478	5,910
Number of Trustees reimbursed	12	11

A premium of £2,171 (2014 - £2,171) for Trustee indemnity insurance was paid by the Company during the year.

21 Related party transactions

(a) During the year the following amounts were received for services provided to York House.

	2015	2014
	£	£
Services provided	100,487	101,546
Overheads recharged	2,157	3,030
Rent	223,487	230,727
	326,131	335,303

The amount owing by York House at 31 December 2015 in respect of services and unremitted surpluses is £465,429 (2014 - £429,968).

(b) During the year the following amounts were received for services provided to Garrow House.

	2015	2014
	£	£
Services provided	73,547	58,712
Overheads recharged	6,951	6,343
Rent	164,485	208,905
	244,983	273,960

The amount owing by Garrow House at 31 December 2015 in respect of services and unremitted surpluses is £49,913 (2014 - £113,708).

(c) During the period the following amounts were received for services provided to East Villa.

	2015	2014
	£	£
Services provided	2,000	6,000
Rent	3,333	10,000
	5,333	16,000

The amount owing by East Villa at 31 December 2015 in respect of services and unremitted surpluses is £Nil

THE RETREAT YORK

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS - Continued

22 SOFA prior year comparatives

	Restricted Funds £	Unrestricted Funds £	Total Funds 2014 £
INCOME FROM			
Voluntary income (donations and legacies)	27,907	47,039	74,946
Rents	-	406,208	406,208
Investment income	-	279,870	279,870
Other finance income	-	1,327,000	1,327,000
Income from charitable activities			
Patient fees and other charges	-	10,986,010	10,986,010
Total income	<u>27,907</u>	<u>13,046,127</u>	<u>13,074,034</u>
EXPENDITURE ON			
Costs of generating funds			
Investment management fees	-	40,352	40,352
Charitable activities			
Specialist older adult services	25,717	5,658,618	5,684,335
Specialist adult services	26,802	5,270,639	5,297,441
Total expenditure	<u>52,519</u>	<u>10,969,609</u>	<u>11,022,128</u>
Net income	<u>(24,612)</u>	<u>2,076,518</u>	<u>2,051,906</u>
Net income from Joint Ventures	-	306,012	306,012
Net income before gains and losses on investments	<u>(24,612)</u>	<u>2,382,530</u>	<u>2,357,918</u>
Net (losses) on investments	-	(82,346)	(82,346)
Net income before transfers	<u>(24,612)</u>	<u>2,300,184</u>	<u>2,275,572</u>
Transfer of funds	(35,954)	35,954	-
Net income for the year	<u>(60,566)</u>	<u>2,336,138</u>	<u>2,275,572</u>
Actuarial (loss) on defined benefit scheme	-	(3,377,360)	(3,377,360)
Net movement in funds	<u>(60,566)</u>	<u>(1,041,222)</u>	<u>(1,101,788)</u>