

THE RETREAT YORK

England & Wales · Charity number 1089826

Details

Other names	THE TUKE CENTRE, The Retreat Clinics
Status	Registered
Legal form	Charitable company
Company number	04325622
Registered	2001-12-18
Register	View on the Charity Commission register

Contact

Address	The Retreat 28 Green Dykes Lane York YO10 3HH
Phone	01904412551
Email	info@theretreatclinics.org.uk
Website	www.theretreatclinics.org.uk

Activities

Objects: 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

Activities: PROVIDER OF MENTAL HEALTH CARE

Classification

- **How:** Provides Services, Other Charitable Activities
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups, The General Public/mankind

Geography

- Manchester City
- North Yorkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,041,729	£4,876,442	£7,520,898	36
2023-12-31	£2,624,155	£5,329,891	£13,967,333	49
2022-12-31	£3,343,192	£6,027,941	£17,599,890	61
2021-12-31	£3,070,888	£5,873,000	£25,118,644	51
2020-12-31	£2,899,358	£4,215,202	£22,688,814	42

Trustees

Name	Role	Appointed
Clare Scott-Booth		2020-01-16
Dr David John Robson		2018-04-12
JAMES EDDINGTON		2017-01-01
Lisa Waters		2026-02-13
Paul Graham Yeomans		2026-04-10
Ruth McTighe		2023-12-14

Accounts

The Retreat York

Company number: 04325622

Charity number: 1089826

Report and Financial Statements

For the year ended 31 December 2024

Contents

Reference and administrative information	1
Report of the Clerk to the Board.....	2
Trustees' annual report	3
Independent auditor's report	13
Statement of financial activities (incorporating an income and expenditure account).....	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

Company number	4325622
Charity number	1089826
Registered office address	The Tuke Centre 28 Green Dykes Lane York YO10 3HH
Country of registration	England & Wales
Country of incorporation	United Kingdom
Other Names	The Registered Name of the organisation at Companies House is The Retreat York, since working in Manchester we rebranded the organisation to be known as The Retreat Clinics

Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

James Eddington ^{2,3}

Martin Ford ³

David Robson¹ Clerk to the Board

Clare Scott Booth ^{2,3}

Christian Farrell ¹ Resigned 16th December 2024

Ruth McTighe ¹

¹ Member of the Quality and Safety Committee

² Member of the Remuneration Committee

³ Member of the Audit Committee

Key Management

Personnel	Ruth Dixon	Chief Executive Officer
	Heather Anderson	Chief Finance Officer – Appointed 02/01/2024
	Julie Hanson	Business Manager
	Helen Cragg	Clinical Services Manager – Appointed 22/04/2025

Bankers	HSBC Bank plc 13 Parliament Street York YO1 1XS	Solicitors	Cowling, Swift & Kitchen Solicitors 8 Blake Street York YO1 8XJ
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Investment Managers	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU	Auditor	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG
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Report of the Clerk to the Board

The sale of our estate completed on 8th April 2025 after a very prolonged process outside of the control of the organisation. This has now secured our future for the medium term during which we are seeking alternative income streams to work towards a break-even position within the next 5 years. As part of this aim, we have taken the decision to sell our property in Manchester. We exchanged contracts for the property on 5th June 2025 with a completion date of 14th August 2025.

The Board continues to show commitment to in-person service delivery at both the Tuke Centre in York and in Manchester.

Recruitment of specialist clinical staff continues to be challenging.

Our mission is to deliver high quality, sustainable, renowned mental health services, alongside Autism and ADHD Services, helping people to live well with themselves so that we all live better together.

This is a challenging mission in the light of the current financial situation in the UK, but we continue to work towards this and are determined to succeed.

Clinical Services

We are striving to allow clients the choice of online or face-to-face therapy dependent on their preference whilst meeting the needs of our staff by offering a flexible, family friendly approach.

We are continuing to focus on our two 'big things' – therapy and Autism/ADHD Services for people of all ages. We offer a balance between self-funded and NHS funded services.

We continue to promote our online services to people on a sub-regional basis, widening our reach and providing services further afield.

Investments and Resources - The Retreat continued to draw down on Investments during 2024. Retaining £0.176m in December 2024 (£2.237m December 2023). In addition to the investments The Retreat held £0.637m in cash at the end of December 2024. Included within the cash held were two loans, please see Financial Review section for a detailed breakdown. These figures exclude our unlisted investments.

David Robson
Clerk to The Board

Ruth Dixon
Chief Executive Officer

The Trustees present their report and the audited financial statements for the year ended 31 December 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the requirement of the Directors' Report as required under company law, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives

The focus of our work

The Retreat is a charitable, not-for-profit provider of care related to people's mental wellbeing and enabling neurodiverse people to reach their full potential and live well. We work both with the NHS and with self-funded clients and organisations in the provision of community based neurodevelopmental and mental health services for people of all ages.

The Retreat Clinics 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.

Our main objectives for 2024 continued to be the promotion of positive mental health and the acceptance and celebration of neurodiversity. The strategies we used to meet these objectives continued to include:

- Providing a range of community-based services designed to meet the needs of people of all ages who experience mental ill-health;
- Providing community-based assessment, diagnostic and therapy services for people of all ages with neurodevelopmental conditions;
- 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 wellbeing.

The Trustees review the aims, the objectives and activities of the charity each year. In 2024 the Trustees decided that the organisation's current aims, objectives and activities did not require a change and that the main aims during 2024 (as in 2023) were stability, financial steady state and employee wellbeing. These objectives will be considered further in 2025.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes

Purposes 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'.

Our strategic objectives for 2024

Our strategic objective remained the same during 2024. The neurodevelopmental services remain a priority due to the levels of referrals within the NHS contract

Objectives: Psychological Therapy Services

- To extend our psychological assessment and therapy services to a sub-regional audience
- To ensure the activity undertaken by psychological therapies staff is sufficient to cover their costs
- To grow our current psychological assessment and therapy service offer through promotion, marketing and awareness raising of the excellence of our services.

Objectives: Neurodevelopmental Services

- To maintain and successfully deliver the key performance indicators for our NHS funded adult Autism and ADHD Assessment, Diagnosis and post-diagnostic support services.
- Where capacity allows, to expand our self-funded neurodevelopmental services through effective promotion and awareness raising.
- To increase staffing for our neurodevelopmental services to ensure we are ready for planned (and potential) expansion.

Objectives: Services for Children and Young people

- To extend the reach of our services for Children and Young People
- To establish and grow our facility for children and young people and extend our Manchester services for children and young people – providing a service across the North of England.
- Where capacity allows, to expand our self-funded neurodevelopmental and psychological therapy services for children and young people in York, in Manchester, sub-regional northern demographics and online.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. All of the work we undertake focuses on the benefits we can offer to the public and, wherever we can, we work with the NHS to offer services free at the point of delivery.

Risk Review

Risk Governance: Strategic Risk

The following table reflects the position of high-level strategic risks at the date of the approval of the Financial Statements.

Key risks	Mitigation	Next steps
Failure to meet quality standards in the context of capacity issues and recruitment problems	Maintain our APPTS accreditation and continue to self-assess the quality of our services. Recruit where possible and use carefully curated agency staff when recruitment is impacting on capacity to deliver	Continue striving to recruit suitably qualified staff, especially in the Autism / ADHD Service Monitor and act on the Quality Improvement Plan, developing this continually
Failure to dispose appropriately of The Retreat's estate and to provide a high-quality environment for its clinical services	Plans for the estate were carefully considered, using advisers to ensure the right decisions were made and the estate was sold. The sale completed in April 2025. The remaining Retreat estate has a strategic focus on delivery needs and not about retaining Land assets for their own sake.	Consolidate retained buildings Consider further changes to buildings where necessary – including ownership v rental models.
Financial sustainability	This sale provided net proceeds to the Retreat in April 2025 in the sum of £2.063m (this figure is after repayment of the bridging loan and costs associated with the sale). £1.5m has been invested in short-medium term investments to provide additional income to the Retreat. Further instalments of £1.5m will be received annually for the next 3 years Further to this, a decision was made to sell the Manchester property and trial a flexible model of service delivery in the area. Continually analysing our cost base with a view to reducing costs whilst endeavouring to increase our presence through additional contracts	Ensure we are working efficiently and offering best value. Consolidate current services, increase self-funded Autism / ADHD services and deliver to plan. Explore becoming a Right to Choose provider

Risk Management: Operational risks

The Board of Trustees is responsible for reviewing major financial and operational risks to which the charity is exposed, and to ensure that systems have been established to mitigate those risks. These risks include:

- Changes in NHS Commissioning
- Loss of key personnel
- Recruiting specialist clinicians
- Inability to attract sufficient numbers of self-funded clients

Methods of dealing with these risks include:-

- Maintaining close working relationships with key NHS Commissioners
- Ensuring key personnel have cross-cover where possible and comprehensive process notes
- Temporary use of specialists and key personnel through agencies until vacant posts are filled
- Streamlining and adapting our service offer, ensuring we are very aware of market trends.
- Effective marketing of our services
- Promotional and branding activities to raise awareness of our brand and our service offers.

Board Assurance Framework

The Trustees are responsible for the Board Assurance Framework, which is reviewed on an annual basis. The following objectives and associated risks for 2024 were considered and reviewed:-

Corporate and strategic objectives	Review of objective
Ensure The Retreat's three-year strategy is current, fit for purpose, in place and has shared ownership across the organisation	A 3 year strategy began in January 2024, and each service has objectives for marketing, delivery and quality. All members of the Senior Leadership Team (SLT) are fully aware of the need for increasing income and reducing costs, and targets are reviewed at least monthly Staff and Trustees attended an away day in June 2025 to consider future possibilities for the services
Information Governance standards and GDPR compliance	Each year we submit our Data Protection and Security Toolkit (DSP) – this assures our compliance and the last four years we have reached compliance. The Chief Executive successfully submitted the GDPR toolkit submissions for 2024
Continually work towards improvements in quality	Improvements are monitored via monthly stats, audits, CQC, APTS and DSP toolkit compliance. Issues are reported regularly via Committees and the Board The Retreat is APTS registered, and we are working towards full CQC compliance via their new online reporting site. We have been fully DSP toolkit compliant for four years. We monitor incidents, complaints, comments and issues and regularly review in SLT, Committees and Board
Develop an estates strategy to ensure our environment is fit for modern purposes and	Following the decision to sell Hampden House in Manchester, the charity will only hold The Tuke Centre for service delivery. The building is in reasonable condition with the potential to utilise a large walled garden for future service delivery as the organisation grows

Corporate and strategic objectives	Review of objective
that it can be used flexibly and smartly	
Monitor and track our marketing and promotional strategy to ensure it increases business	Our marketing team consists of external SEO and digital marketing support, and an in-house Relationship Manager. Clinical staff assist with supplying material to promote services and present on behalf of the Retreat at various events. There is a 12 month marketing plan used to plan, deliver and monitor our presence and successes. Recent improvements to online presence are starting to show increases in enquiries. SEO is improving. Face to face presence in both York and Manchester is crucial for relationship building. Service provision in Manchester will be a flexible model utilising room hire across various locations in the area We need to increase online presence and focus, and to be increasingly visible in our target communities We are currently reviewing our website to ensure we reach the widest audience possible
Ensure the organisation achieves a stable financial position	The Board are regularly monitoring the financial position The strategy and the business plan will improve the quality of the services offered but also enable business development within a clear strategic framework, through innovation, relationship development and partnerships
Review The Retreat's Business Continuity Plan annually	Our Business Continuity Plan has recently been reviewed; taking into account direction and information staff would require in the event of a serious incident occurring. The revised Business Continuity Plan is now accessible through BreatheHR so that all staff can access it
Improve staff wellbeing	Our Wellbeing Group invites involvement and ideas from all staff to improve staff wellbeing.
Relationships with Commissioners and the way they commission	We have a 5 year contract for Adult Autism and ADHD Diagnostic Assessment Services in York (2023-2027), with a potential 2 year extension. We continue to meet with the ICB on a regular basis. The issues raised by the DoltProfiler will continue to be discussed with the ICB and the community, and we will work with our commissioners and our clients to provide the best service possible We continue to seek extra commissioned services, for the stability of provision and finances
Use of Professional advisers and outsourced support	The Board have sanctioned the use of outsourced support service as an economic solution until the strategy changes (increasing the scale of charity). Risk includes expensive service accompanied by poor or inappropriate advice. We plan to re-tender most services each 5 years subject to Board approvals to ensure best-value is tested. The Executive are able to select specialist advisors over £50k when agreed with The Board of Directors eg Legal claims, enforcement issues etc. Any service outside budget eg specialist legal advice – require Board approval
Reputation and clients	We increasingly ask user groups and partners for feedback, and value the wider input this offers

Financial review

The Statement of Financial Activities for the period is set out on page 25 of the financial statements.

The financial results can be summarised in the following table.

	2024	2023
Operating Surplus / (Deficit)	£(2,848,213)	£(2,723,105)
Disposal of Fixed Assets	£13,500	£17,369
Net Gains on Investments	£47,278	£114,179
Accounting adjustments in relation to defined benefit pension	£(3,659,000)	£(1,041,000)
Net Movement of funds per SOFA	£(6,446,435)	£(3,632,557)

The operating results of The Retreat, which include expenditure on the charity's two key areas of Outpatient Services and Estates and Property Management, in the year ended 31 December 2024 produced a deficit of £(2,848,213) (2023 – deficit £(2,723,105)). The higher costs were associated with keeping the buildings secure until the completion of the land sale, including on-site security and increased insurance premiums

Other income from investments and donations produced income of £60,909 (2023 - £69,141). Investment income was lower as we were drawing down the investments throughout the year to operate the service.

Other trading income was reduced to £149,224 (2023: 484,320) as we vacated the final building in readiness for the land sale to complete

The overall result, before gains / losses on investments and movement on pensions, for the year amounting to £(2,834,713) (2023 - deficit £(2,705,736)).

Review of Cash Position

Towards the end of 2024, the Retreat received two loans.

An unsecured loan from Dr David Robson, Clerk to the Trustees of the Retreat of £25,000 which was unsecured and free from interest. This was repaid in full on 14th February 2025.

The second was a bridging loan from TAB London Ltd, proceeds were received on 23rd December 2024, secured on The Tuke Centre, York and Hampden House, Manchester. The actual cash received after deduction of fees was £597,942. The monthly interest rate on the loan was 1% and this loan was repaid out of the first stage proceeds of the land sale which completed on 8th April 2025. Total interest payable was £28,080 (4 months interest on the gross loan of £702,000).

First stage proceeds from the completion of the land sale amounted to £2,191,716 after payment of legal and professional fees and repayment of the TAB loan.

Reserves policy and going concern

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 £1,200,000 and £3,600,000. This period of sufficiency aligns with NHS community contracts periods and lease periods for some short-term tenancies.

This is to ensure that in periods of weaker trading, the company can continue to operate without cash-flow problems.

There was a negative value of Free Reserves at the year end £(0.7m) (2023 – £1.22m). Working capital was supported by two loans as noted above, ahead of the completion of the land sale. The Trustees took professional advice throughout the 2024 period and considered all options in relation to going concern.

The pension asset of £141,000 (2023 £4,132,000) is excluded from free reserves on the basis that this asset does not result in any cash flow to the charity and is diminishing significantly.

Investment Policy

The Retreat holds investments in a portfolio approach that includes cash balances, Investment properties, long-term reserves and short-term reserve instrument holdings.

The investments are held to enable the charity to discharge its charitable purposes and serving as a safety-net in the face of challenges and to enable some sustainability and capital investment in the medium term.

Short term reserves are held with a minimal return objective and are used to preserve capital, longer term reserves are held to obtain a return above inflation over the medium term. The Retreat Board recommended a more ethical portfolio to actively support ethical causes and further move away from companies involved in some sectors which did not align to the Quaker values. The portfolio moved to a global equity based ethical scheme in 2020 generating a total income of £20.7k in 2024 (see note 4). The Investments in total realised a net gain of £47k in 2024 versus a net gain of £114k in 2023 (see note 14),

As a Quaker charity, The Retreat has an ethical investment approach, avoiding direct investments in companies that derive more than 5% of their revenue from Arms sales, tobacco manufacture and sale of alcohol, gambling, and facilitation of pornography or prostitution.

Going Concern

2024 has been extremely financially challenging for The Retreat. The financial stability of the organisation has been, for a number of years, dependent upon the successful sale of a large part of the estate to a local developer. The decision to sell off the estate began in 2018 with completion on 8th April 2025.

During this period, buildings on the part of estate included in the sale were made vacant in readiness for the development to commence. Due to the long delays, insurance costs rose exponentially; additionally, on-site security was required, at considerable cost, to protect the site. This protection was not entirely successful and as a result a significant amount of lead was removed from one of the buildings, culminating in a reduction in the first stage payment of £45,000. The extraordinary costs to mitigate risks put severe financial pressure on the charity to such a level that a bridging loan was obtained to maintain ongoing clinical services.

Finalisation of the sale has provided financial security of the organisation for the foreseeable future and the organisation is exploring various options to secure additional income to further stabilise the finances for the long-term sustainability of the charity. The Retreat receives the remainder of the sale income in three annual equal payments of £1,500,000.

The Retreat continues to adopt the going concern basis in preparing the financial statements.

Fundraising Policy

The Retreat is not a conventional charity, most of our income is generated from our charitable service provision and from the assets of the charity which includes investments and investment properties. We do not actively raise funds from the public and we have no agency arrangements in place in respect of fundraising. We have received no complaints during the year in respect of our fundraising activities.

Plans for the Future

We have spent 2024 reviewing all our costs and have reduced them where possible. Our aim is to diversify our income streams by seeking small manageable contracts with a view to finding a break-even financial position over the coming years. Costs will continue to be reviewed and any contracts will need to help cover our direct costs and contribute to overheads. Detailed work will commence during the second half of 2025.

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, February 2012 and November 2016.

Directors

The management of The Retreat York is vested in the Board of Directors. The Directors are also charity Trustees as defined in the Charities Act 2011. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the financial statements.

Management

Whilst strategic decisions are taken by the Directors, the day-to-day management of the charity is the responsibility of the Chief Executive who reports directly to the Board of Directors.

Finance & Resources Committee

During 2024 the board of Trustees met monthly and discussed in detail the current financial position of the charity. Board meetings are to continue monthly during 2025 and therefore this committee has been paused.

Quality, safety and Governance Committee

This committee meet 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 Executive Director.

Audit Committee

The Audit committee is formed as a sub-committee of the Board and is responsible for reviewing the Audit processes and work of the external auditors in addressing financial assurance issues of the company.

Appointment of Trustees

Trustee Directors are appointed for a period of four years and are eligible for re-appointment for a further four years. The maximum number of Directors is eleven and the minimum three. The person appointed as the chair of the Directors is known as the Clerk. The Clerk and Deputy Clerk must be members of The Religious Society of Friends.

The Society of Friends has up to three representatives on The Retreat Nominations Committee that is responsible for recommending the names of individuals for appointment as Directors and for other working groups at The Retreat. Both Friends and non-Friends are appointed as Directors but there must always be more Friend Directors than non-Friend Directors.

Trustee 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.

Remuneration policy for key management personnel

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 senior members of staff.

Employee Information

Policy for employment of disabled persons

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, pay, selection, retention and training of disabled staff.

Employee Consultation

Employees have been consulted on issues of concern to them by means of regular staff 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.

The Living Wage

The Retreat operates a living wage policy and regime. The Retreats adheres to minimum wage legislation and is a living wage employer. The Retreat ensures that contractor staff also adheres to living wage guidance and seek positive assurance from key suppliers each year.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Retreat York 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 that period. 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 and statements of recommended practice 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2023 was 6 (2022: 7).

The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the assets of the charity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 11th July 2025 and signed on their behalf by:

David Robson

Clerk to the Trustees

Opinion

We have audited the financial statements of The Retreat York (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2024 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Retreat York's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

- Capability of the audit in detecting irregularities
- In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:
- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

-
- We reviewed any reports made to regulators.
 - We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
 - We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
 - In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date 15 July 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Retreat York

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

For the year ended 31 December 2024

	Note	Unrestricted – General £	Unrestricted – Designated Pension Scheme £	Unrestricted – Designated Other £	Restricted £	2024 Total £	2023	Total £
Income from:								
Donations	2	3,356	–	–	30,000	33,356		7,083
Charitable activities – outpatient services		1,656,596	–	–	–	1,656,596		1,825,694
Other trading activities	3	149,224	–	–	–	149,224		484,320
Investments	4	27,553	–	–	–	27,553		62,058
Net interest on pension scheme asset	24	–	175,000	–	–	175,000		245,000
Total income		1,836,729	175,000	–	30,000	2,041,729		2,624,155
Expenditure on:								
Raising funds								
Other trading activities – estates and property		1,572,396	16,512	–	–	1,588,908		1,626,918
Charitable activities								
Outpatient services		2,719,306	499,488	38,740	30,000	3,287,534		3,702,973
Total expenditure	5	4,291,702	516,000	38,740	30,000	4,876,442		5,329,891
Net (expenditure) before other gains/(losses)		(2,454,973)	(341,000)	(38,740)	–	(2,834,713)		(2,705,736)
Net gains on investments	14	47,278	–	–	–	47,278		114,179
Actuarial (losses) on defined benefit pension schemes	24	–	(3,659,000)	–	–	(3,659,000)		(1,041,000)
Net (expenditure) for the year		(2,407,695)	(4,000,000)	(38,740)	–	(6,446,435)		(3,632,557)
Transfers between funds	20	493,707	9,000	(502,707)	–	–		–
Net movement in funds		(1,913,988)	(3,991,000)	(541,447)	–	(6,446,435)		(3,632,557)
Reconciliation of funds:								
Total funds brought forward		1,218,521	4,132,000	8,616,812	–	13,967,333		17,599,890
Total funds carried forward		(695,467)	141,000	8,075,365	–	7,520,898		13,967,333

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

A fully detailed Statement of Financial Activities for the year ending 31 December 2023 is shown at note 25 to these financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Retreat York

Balance sheet

Company no. 04325622

As at 31 December 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Goodwill	11		–		13,750
Tangible assets	12		7,650,693		7,718,097
Investment properties	13		350,000		350,000
Investments	14		226,186		2,237,136
			<u>8,226,879</u>		<u>10,318,983</u>
Current assets:					
Debtors	16	288,691		118,275	
Cash at bank and in hand		637,018		573,546	
		<u>925,709</u>		<u>691,821</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	(1,772,690)		(1,175,471)	
Net current liabilities			<u>(846,981)</u>		<u>(483,650)</u>
Net assets excluding pension asset			<u>7,379,898</u>		<u>9,835,333</u>
Defined benefit pension scheme asset	24		141,000		4,132,000
Total net assets			<u><u>7,520,898</u></u>		<u><u>13,967,333</u></u>
The funds of the charity:	19,20				
Unrestricted income funds:					
Designated funds	20	8,216,365		12,748,812	
General funds	19	(695,467)		1,218,521	
			<u>7,520,898</u>		<u>13,967,333</u>
Total unrestricted funds			<u>7,520,898</u>		<u>13,967,333</u>
Total charity funds			<u><u>7,520,898</u></u>		<u><u>13,967,333</u></u>

These financial statements were approved by the Trustees on 11th July 2025 and signed on their behalf by:

David Robson
Clerk to The Trustees

The Retreat York

Statement of cash flows

For the year ended 31 December 2024

Reconciliation of net (expenditure) to net cash flow from operating activities

	2024		2023
	£	£	£
Cash flows from operating activities			
Net (expenditure) for the reporting period (as per the statement of financial activities)	(6,446,435)		(3,632,557)
Actuarial losses	3,659,000		1,041,000
Depreciation and amortisation charges	81,154		566,484
Dividends, interest and rent from investments	(27,553)		(62,058)
Change in fair value of investments	(47,278)		(114,179)
Net interest on pension scheme asset	(175,000)		(245,000)
Defined benefit pension scheme adjustments	516,000		381,000
Defined benefit pension scheme contributions paid	(9,000)		(33,000)
(Profit) on the disposal of fixed assets	(13,500)		(15,078)
(Profit) on the disposal of investment properties	–		(2,179)
(Increase)/decrease in debtors	(170,416)		55,577
(Decrease) in creditors	(41,641)		(154,533)
Net cash (used in) operating activities	(2,674,669)		(2,214,523)
Cash flows from investing activities:			
Dividends, interest and rents from investments	27,553		62,058
Proceeds from sale of fixed assets	13,500		20,164
Proceeds from sale of investment properties	–		552,179
Proceeds from sale of investments	2,383,618		3,131,199
Purchase of investments	(291,755)		(1,980,193)
Net cash provided by investing activities	2,132,916		1,785,407
Cash flows from financing activities			
Cash inflows from new borrowing	638,860		–
Net cash provided by financing activities	638,860		–
Change in cash and cash equivalents in the year	97,107		(429,116)
Cash and cash equivalents at the beginning of the year	615,192		1,044,308
Cash and cash equivalents at the end of the year	712,299		615,192
Analysis of cash and cash equivalents and of net debt			
	At 1 January 2024	Cash flows	Other changes
	£	£	£
Cash at bank and in hand	573,546	63,472	–
Cash awaiting investment	41,646	33,635	–
Total cash and cash equivalents	615,192	97,107	–
Loans falling due within one year	–	(638,860)	–
Net debt	615,192	(541,753)	–

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies

a) Statutory information

The Retreat York is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal business address is The Tuke Centre, 28 Green Dykes Lane, York, YO10 3HH.

b) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Retreat York meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees acknowledge that there has been some uncertainties, during 2024, regarding the charitable Company's ability to continue as a going concern due to the extraordinary delays in selling part of the estate, factors which have been outside the control of the trustees. The land sale completed on 8th April 2025 which provides sufficient cash reserves for the foreseeable future and with further payments to be released over the coming years. See Trustee Report for detailed analysis of net income received

Therefore the trustees do not consider that there are any sources of estimation uncertainties at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next reporting period

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

f) Interest receivable and dividends

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are amounts received from listed investments as notified by investment managers and are re-invested in the funds available to the investment managers.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the invoiced costs of professional property and estate management.
- Expenditure on charitable activities includes the costs of delivering Specialist Mental Health Services undertaken to further the purposes of the charity and their associated support costs.
- Expenditure on estates management includes the cost of maintaining and running the buildings and grounds owned by the charity which are partially rented out to tenants.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Building shared services are allocated between charitable activities and estates and property management based on approximate floor area. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned according to staff headcount.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Land and buildings are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Short Leasehold Buildings	Over the period of the lease
● Furniture, plant and equipment	16.5% straight line
● Vehicles	25% reducing balance
● Fire Precaution Work	4% straight line
● Computer Equipment	25% straight line

l) Intangible fixed assets

Goodwill relates to the excess consideration over net assets acquired on trade acquisitions. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 4 years, subject to an annual impairment review.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Unlisted Investments

Unlisted investments are measured initially at cost and subsequently included in the balance sheet at historic cost less impairment for amounts considered irrecoverable. Any change in carrying value is recognised in the statement of financial activities.

p) Investments in subsidiaries

Investments in subsidiaries are at cost less impairment.

q) 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.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) 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.

t) 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.

u) Financial instruments

The charity 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 which are subsequently measured at amortised cost using the effective interest method.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

v) Pensions

The charity operates a defined benefit plan for the benefit of its eligible 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. The Scheme closed to new entrants in 2013. The scheme was closed to all members on 31st March 2024. The charity also operates a Defined Contribution Scheme for those members of staff not eligible to join the Defined Benefit Scheme. This Scheme is also used to discharge our auto enrolment obligations.

2 Income from Donations

	2024 Total £	2023 Total £
Unrestricted	3,356	7,083
Restricted	30,000	–
Total income from donations	33,356	7,083

The £30,000 restricted donation from The Sir James Reckitt Charity was to be used for Children and Young People and was fully utilised during the year

3 Income from other trading activities

	2024 Total £	2023 Total £
Rental income	60,000	253,710
Facilities costs recharged to tenants	78,617	230,610
Income from Tend VR Ltd trial	10,607	–
	149,224	484,320

All income from other trading activities is unrestricted in both periods

4 Income from investments

	2024 Total £	2023 Total £
Dividends	17,801	40,269
Bank interest	6,772	12,120
Interest from listed investments	2,980	9,669
	27,553	62,058

All income from investments for the current and previous financial year was unrestricted.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

5 Analysis of expenditure

For the year ended 31 December 2024	Charitable activities £	Estates and property management £	Governance costs £	Support costs £	2024 Total £
Staff costs (Note 7)	1,398,459	45,705	–	9,000	1,453,164
Direct costs	651,731	539,712	5,677	52,479	1,249,599
Legal & professional fees	–	158,299	124,655	18,481	301,435
Insurance	7,621	442,969	–	30,588	481,178
IT costs	2,361	–	–	320,423	322,784
Office costs	92,397	2,564	2,181	33,602	130,744
Property costs	82,493	249,964	–	862	333,319
Auditor's remuneration	–	–	23,006	–	23,006
Depreciation and (profit)/loss on disposal	–	53,904	–	–	53,904
Amortisation	13,750	–	–	–	13,750
Trustee expenses	–	–	6,559	–	6,559
Pension administration expenses (Note 26)	–	–	–	507,000	507,000
	2,248,812	1,493,117	162,078	972,435	4,876,442
Support cost allocation	941,317	31,118	–	(972,435)	–
Governance costs	97,405	64,673	(162,078)	–	–
Total expenditure 2024	3,287,534	1,588,908	–	–	4,876,442

Estates and property management costs relate to the costs of running the elements of the estate which are not currently utilised by outpatient services, to which appropriate estates costs have been allocated. Some of the residual estate was tenanted by third parties for the first part of the year and generated a small amount of rental income which contributed to both the direct costs of that tenancy. The estate includes certain areas which are intentionally not tenanted and generate no income but still require expenditure for their upkeep and management to ensure the property of the charity is appropriately safeguarded. As a result Estates and Property Management generated a net deficit of £1,435,779 (2023: £691,157 deficit). The support cost allocation is based on the proportion of salaries allocated to the estate management. The increased deficit was mainly due to extremely high insurance costs and site security to protect a large unoccupied site.

For the year ended 31 December 2023	Outpatient services £	Estates and property management £	Governance costs £	Support costs £	2023 Total £
Staff costs (Note 7)	1,640,890	142,766	–	33,000	1,816,656
Direct costs	799,989	342,442	6,566	44,348	1,193,345
Legal & professional fees	1,147	1,300	180,547	1,570	184,564
Insurance	4,767	4,978	6,100	238,373	254,218
IT costs	26,961	–	37,334	308,569	372,864
Office costs	102,394	739	5,184	16,226	124,543
Property costs	81,368	377,454	–	377	459,199
Auditor's remuneration	–	–	21,880	–	21,880
Depreciation and Loss on disposal	–	535,365	–	–	535,365
Amortisation	13,750	–	–	–	13,750
Trustee expenses	–	–	5,507	–	5,507
Pension administration expenses (Note 26)	–	–	–	348,000	348,000
	2,671,266	1,405,044	263,118	990,463	5,329,891
Support cost allocation	859,282	131,181	–	(990,463)	–
Governance costs	172,425	90,693	(263,118)	–	–
Total expenditure 2023	3,702,973	1,626,918	–	–	5,329,891

Estates and property management costs relate to the costs of running the elements of the estate which are not currently utilised by outpatient services, to which appropriate estates costs have been allocated. Some of the residual estate is tenanted by third parties and generates rental income which contributes to both the direct costs of that tenancy and to the overall upkeep of the rest of estate. This includes certain areas which are intentionally not tenanted and generate no income but still require expenditure for their upkeep and management to ensure the property of the charity is appropriately safeguarded. As a result Estates and Property Management generated a net deficit of £691,157 (2022: £913,147 deficit) after the allocation of support costs of £131,181 (2022: £147,597) which is based on headcount.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

6 Net (expenditure) for the year

This is stated after charging:

	2024 £	2023 £
Depreciation and Amortisation	56,547	566,484
(Profit) / Loss on disposal of fixed assets	(13,500)	(15,078)
Operating lease rentals:		
Property	75,000	75,000
Auditor's remuneration (excluding VAT):		
Audit	17,750	17,750
	<u>17,750</u>	<u>17,750</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	1,219,849	1,559,796
Redundancy and termination costs	49,136	-
Social security costs	124,468	153,204
Pension contribution to defined contribution schemes	50,711	70,656
	<u>1,444,164</u>	<u>1,783,656</u>
Operating costs of defined benefit pension schemes (Note 26)	9,000	33,000
	<u>1,453,164</u>	<u>1,816,656</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	1	1
£80,000 – £89,999	2	1
	<u>2</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £202,972 (2023: £206,526).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £6,559 (2023: £5,507) incurred by 6 (2023: 5) members relating to attendance at meetings of the trustees.

8 Staff numbers

Total staff numbers are as follows (average head count based on number of staff employed):

	2024 No.	2023 No.
	36	49
	<u>36</u>	<u>49</u>

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

9 Related party transactions

In June 2020, the Retreat made an investment of £50,000 in to convertible preference shares of Tend VR Limited (company number 11552335). Tend VR Limited is developing technological solutions to mindfulness and low level mental interventions and the Retreat is supporting the trial and development phases of the project. The Investment can be converted to Ordinary and voting shares of Tend VR Limited in the future and under specific circumstances relating to the future ownership of the company. Tend VR Limited has three Directors, one of whom is Mr Matthew Hoad-Robson. Mr Hoad-Robson is the son of Dr David Robson, the Clerk to the Trustees of the Retreat. Dr Robson took no part in the in discussion or decision-making processes related to the investment in Tend VR Ltd. An impairment of £49,999 was recognised during 2021 to write down the carrying value of the investment to £1.

At the Board Meeting held on 6th May, it was noted that Tend VR Limited had reached a financial milestone and had forwarded the options available to the Retreat to either receive back the original £50,000 invested or to convert the preference shares to ordinary shares providing a 5% equity stake in the company. The Trustees agreed to convert the shares. Dr David Robson, the Clerk to the Trustees of the Retreat took no part in the discussion or decision-making process

A decision was subsequently taken to reverse the impairment of £49,999 in the 2024 financial year

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties in either period. Dr David Robson (Clerk to the Trustees of The Retreat) made an unsecured loan of £25,000 to the charity on 5th December 2024, with no interest payable. This loan was repaid in full on 14th February 2025

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Goodwill

	Goodwill
	£
Cost	
At the start of the year	55,000
Additions in year	–
Disposals in year	–
At the end of the year	<u>55,000</u>
Amortisation	
At the start of the year	41,250
Charge for the year	13,750
Eliminated on disposal	–
At the end of the year	<u>55,000</u>
Net book value	
At the end of the year	<u>–</u>
At the start of the year	<u>13,750</u>

Goodwill represents the surplus of cost over the fair value of assets acquired on the purchase of Hampden House.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

12 Tangible fixed assets

	Freehold property £	Leasehold property £	Equipment £	Total £
Cost				
At the start of the year	12,793,977	797,166	967,443	14,558,586
Additions in year				–
Disposals in year	–	(797,166)		(797,166)
At the end of the year	12,793,977	–	967,443	13,761,420
Depreciation				
At the start of the year	5,142,043	797,166	901,280	6,840,489
Charge for the year	24,607	–	42,797	67,404
Eliminated on disposal	–	(797,166)		(797,166)
At the end of the year	5,166,650	–	944,077	6,110,727
Net book value				
At the end of the year	7,627,327	–	23,366	7,650,693
At the start of the year	7,651,934	–	66,163	7,718,097

The estate with the exception of The Tuke Centre was sold to a property developer on 8th April 2025. The sale price was £7,500,000. The Tuke Centre was valued by Aithison Rafferty in on 31 October 2024 at £700,000 giving the trustees assurance of the valuations currently shown.

All of the above assets are used for charitable purposes.

13 Investment Properties

	2024 £	2023 £
Fair value at the start of the year	350,000	900,000
Disposals	–	(550,000)
Revaluation during the year	–	–
Fair value at the end of the year	350,000	350,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

14 Investments

Investments comprise:	2024 £	2023 £
Listed investments	100,904	2,195,488
Cash	75,281	41,646
Equity investment in group undertaking	1	1
Unlisted investment	50,000	1
	226,186	2,237,136
Listed investments and cash comprise:	2024 £	2023 £
Fair value at the start of the year	2,195,488	3,232,315
Additions at cost	291,755	1,980,193
Disposal proceeds	(2,383,618)	(3,131,199)
Revaluation during the year	(2,721)	114,179
	100,904	2,195,488
Cash held by investment broker pending reinvestment	75,281	41,646
Fair value at the end of the year	176,185	2,237,134
Unlisted investment comprises:	2024 £	2023 £
Cost at the start of the year	1	1
Additions at cost	-	-
Impairment reversal	49,999	-
Cost at the end of the year	50,000	1

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Cottage Villa Limited, a company registered in England (company number 09650020). The company was set up to collect rents from The Retreat York's Learning Disability Service. The Learning Disability Service was transferred to Mencap on 1 January 2019 and rents continued to be collected. The company is now dormant. The process to strike the company off commenced in April 2025

16 Debtors

	2024 £	2023 £
Trade debtors	237,838	16,073
Prepayments	50,853	102,202
	288,691	118,275

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	356,828	137,386
Other creditors	29,651	37,515
Loans	638,860	–
Accruals	277,386	231,750
Deferred income	469,965	768,820
	1,772,690	1,175,471

Loans include an unsecured loan of £25,000 to the charity on 5th December 2024 by Dr David Robson (Clerk to the Trustees), with no interest payable. This loan was repaid in full on 14th February 2025. The remainder comprises of a 1 year bridging loan (secured on The Tuke Centre and Hampden House) from TAB London Ltd, with an interest rate of 12%, fully repaid in April 2025 with the interest payable pro-rata (total interest paid £28,080)

18 Deferred income

	2024 £	2023 £
Deferred income at 1 January	768,820	972,864
Amounts released from previous years	(768,820)	(972,864)
Income deferred during the year	469,965	768,820
Deferred income at 31 December	469,965	768,820

19 Analysis of net assets between funds

As at 31 December 2024	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	7,650,693	7,650,693
Investment properties	–	350,000	350,000
Investments	226,186	–	226,186
Net current assets/ (liabilities)	(921,653)	74,672	(846,981)
Defined benefit pension asset	–	141,000	141,000
Net assets at 31 December 2024	(695,467)	8,216,365	7,520,898

As at 31 December 2023	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	7,718,097	7,718,097
Goodwill	–	13,750	13,750
Investment properties	–	350,000	350,000
Investments	2,237,136	–	2,237,136
Net current assets / (liabilities)	(1,018,615)	534,965	(483,650)
Defined benefit pension asset	–	4,132,000	4,132,000
Net assets at 31 December 2023	1,218,521	12,748,812	13,967,333

The balance of general unrestricted funds also represents the charity's free reserves.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

20 Movement in funds

For the year to 31 December 2024	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Restricted Funds					
Sir James Reckitt Foundation	–	30,000	(30,000)		–
Designated funds					
Tangible fixed assets	8,153,400	–	–	(502,707)	7,650,693
Investment properties	350,000	–	–	–	350,000
Charitable service reserve	42,003	–	–	–	42,003
Hardship fund	71,409	–	(38,740)	–	32,669
Pension reserve	4,132,000	175,000	(4,175,000)	9,000	141,000
Total designated funds	12,748,812	175,000	(4,213,740)	(493,707)	8,216,365
General funds	1,218,521	1,884,007	(4,291,702)	493,707	(695,467)
Total unrestricted funds	13,967,333	2,059,007	(8,505,442)	–	7,520,898
Total funds	13,967,333	2,089,007	(8,535,442)	–	7,520,898
For the year to 31 December 2023	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Designated funds					
Tangible fixed assets	8,303,417	–	–	(150,017)	8,153,400
Investment properties	900,000	–	–	(550,000)	350,000
Charitable service reserve	46,045	–	(4,042)	–	42,003
Hardship fund	83,776	–	(12,367)	–	71,409
Pension reserve	5,276,000	–	(1,177,000)	33,000	4,132,000
Total designated funds	14,609,238	–	(1,193,409)	(667,017)	12,748,812
General funds	2,990,652	2,493,334	(4,932,482)	667,017	1,218,521
Total unrestricted funds	17,599,890	2,493,334	(6,125,891)	–	13,967,333
Total funds	17,599,890	2,493,334	(6,125,891)	–	13,967,333

Purposes of restricted funds:

Sir James Reckitt Foundation – donated £30,000 for work with children and young persons and was fully utilised within the year

Purposes of designated funds:

Pension scheme – as detailed in note 24 the charity is party to a defined benefit pension scheme which was in surplus at 31 December 2024. This amount has been designated as it does not form funds freely available to the charity for charitable purpose.

Hardship fund – The Board of the Retreat requested the establishment of a designated fund specifically for those in need who were not applicable for NHS based funding and were unable, or unlikely to be able, to pay the self-funded fees for The Retreat services usually charged. This fund was developed to consider individual Client requests.

Charitable Service Reserve – The trustees decided to set aside an amount of £50,000 to undertake non-chargeable service to special cases agreed by the Board. It was initially set up to provide mental health services to first line staff during COVID-19 such as care home workers and nursing staff in NHS hospitals in York. This was repurposed following the end of the pandemic to provide support to refugees. The fund remained unused in 2024 and will be re-purposed during 2025

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2024 £	2023 £
Less than one year	-	75,000
One to five years	-	75,000
	-	75,000

22 Rents receivable

The charity's total future rent receivable from investment properties is as follows for each of the following periods

	2024 £	2023 £
Less than one year	-	60,000
	-	60,000

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

24 Defined benefit pension scheme

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme, with both Final Salary and Career Average Revalued Earnings benefits. For service prior to 1 August 2006, benefits are linked to members' final pensionable salaries at their retirement or earlier leaving. For service after 31 July 2006, benefits are built up each year, linked to members' salaries in that year and then increased each year in line with inflation. The Scheme was closed to new entrants on 31 December 2013 but accrual of benefits continues for current members of the Scheme. The most recent valuation as at 31 December 2024 was performed on 5 March 2025 by First Actuarial LLP.

The contributions made during the year ended 31 December 2024 were only for January–March 2024 and the scheme was closed to all members on 31st March 2024. The employer contributions paid over to the Scheme trustees in the year amounting to £9,000 (2022: £33,000), together with the actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102. Insurance premiums for death in service benefits were payable in addition.

The employee benefit obligations recognised in the balance sheet are as follows:

	2024 £	2023 £
Present value of funded obligations	(25,650,000)	(29,181,000)
Fair value of plan assets	25,791,000	33,313,000
	141,000	4,132,000
Amounts in the balance sheet:		
Liabilities	(25,650,000)	(29,181,000)
Assets	25,791,000	33,313,000
Net asset	141,000	4,132,000

Amounts recognised in the statement of financial activities are as follows:

	2024 £	2023 £
Current service cost	516,000	381,000
Net interest credit	(175,000)	(245,000)
Total cost	341,000	136,000

Changes in the present value of the defined benefit obligation are as follows:

	2024 £	2023 £
Opening defined benefit obligation	29,181,000	29,223,000
Service cost	(12,000)	10,000
Interest cost	1,256,000	1,356,000
Actuarial (gains)/losses – change of basis	(2,735,000)	53,000
Actuarial losses – experience	186,000	515,000
Members contributions	–	6,000
Benefits paid	(2,226,000)	(1,982,000)
Closing defined benefit obligation	25,650,000	29,181,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2024

24 Defined benefit pension scheme (continued)

Changes in the fair value of plan assets are as follows:

	2024 £	2023 £
Opening fair value of plan assets	33,313,000	34,499,000
Interest Income	1,431,000	1,601,000
Administration expenses	(528,000)	(371,000)
Actuarial gains/(losses)	(6,208,000)	(473,000)
Contributions by employer	9,000	33,000
Members contributions	-	6,000
Benefits paid	(2,226,000)	(1,982,000)
Closing fair value of plan assets	<u>25,791,000</u>	<u>33,313,000</u>

	2024 £	2023 £
Net actuarial (loss)/gain on defined benefit pension scheme		
Actuarial (loss) /gain on plan obligations	2,549,000	(568,000)
Actuarial (loss) /gain on plan assets	(6,208,000)	(473,000)
	<u>(3,659,000)</u>	<u>(1,041,000)</u>

Members contributions were only for the first 3 months of 2024 totalling £963.21 and are rounded down in the audit statements

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2024 %	2023 %
Retail Price Inflation assumption before retirement	3.1%	3.0%
Retail Price Inflation assumption after retirement	3.1%	3.0%
Consumer Price Inflation assumption before retirement	2.6%	2.4%
Consumer Price Inflation assumption after retirement	2.7%	2.6%
Discount rate at the end of the year	5.5%	4.5%
Future salary increases	0.0%	2.4%
Future pension increases where linked to inflation:		
• Limited price index 5%	2.7%	2.6%
• Limited price index 3%	2.3%	2.3%
• Limited price index 2.5%	2.1%	2.0%

Amounts for the current and previous four periods are as follows:

	2024 £	2023 £	2022 £	2021 £	2020 £
Defined benefit obligation	(25,650,000)	(29,181,000)	(29,223,000)	(43,454,000)	(45,289,000)
Plan assets	25,791,000	33,313,000	34,499,000	52,926,000	50,003,000
Surplus	141,000	4,132,000	5,276,000	9,472,000	4,714,000
Experience gain/(loss) on benefit obligation	(6,208,000)	(473,000)	(17,334,000)	3,857,000	4,181,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

25 Comparative Statement of Financial Activities for the year ended 31 December 2023

	Unrestricted – General	Unrestricted – Designated Pension Scheme	Unrestricted – Designated Other	2023 Total
	£	£	£	£
Income from:				
Donations and legacies	7,083	–	–	7,083
Charitable activities – outpatient services	1,825,694	–	–	1,825,694
Other trading activities	484,320	–	–	484,320
Investments	62,058	–	–	62,058
Net interest on pension scheme asset	–	245,000	–	245,000
Total income	2,379,155	245,000	–	2,624,155
Expenditure on:				
<i>Raising funds –</i>				
Other trading activity – estates and property	1,626,918	–	–	1,626,918
<i>Charitable activities –</i>				
Outpatient services	3,305,564	–	16,409	3,321,973
Current service cost on pension scheme asset	–	381,000	–	381,000
<i>Total charitable activities</i>	3,305,564	381,000	16,409	3,702,973
Exceptional transition costs	–	–	–	–
Total expenditure	4,932,482	381,000	16,409	5,329,891
Net (expenditure) before other gains/(losses)	(2,553,327)	(136,000)	(16,409)	(2,705,736)
Net (losses) on investments	114,179	–	–	114,179
Actuarial (losses) on defined benefit pension schemes	–	(1,041,000)	–	(1,041,000)
Net (expenditure) for the year	(2,439,148)	(136,000)	(16,409)	(3,632,557)
Transfers between funds	667,017	33,000	(700,017)	–
Net movement in funds	(1,772,131)	(1,144,000)	(716,426)	(3,632,557)
Reconciliation of funds:				
Total funds brought forward	2,990,652	5,276,000	9,333,238	17,599,890
Total funds carried forward	1,218,521	4,132,000	8,616,812	13,967,333

Accounts

The Retreat York

Company number: 04325622

Charity number: 1089826

Report and Financial Statements

For the year ended 31 December 2023

Contents

Reference and administrative information	1
Report of the Clerk to the Board.....	2
Trustees' annual report	3
Independent auditor's report	13
Statement of financial activities (incorporating an income and expenditure account).....	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

Company number	4325622
Charity number	1089826
Registered office address	107 Heslington Road York YO10 5BN
Country of registration	England & Wales
Country of incorporation	United Kingdom

Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

James Eddington ^{1,4,3}

Martin Ford ^{1,4,3}

David Robson² Clerk to the Board

Beverley Goddard^{1,4,3} Resigned 23rd January, 2023

Paul Henderson- Grey² Resigned 18th December, 2023

Clare Scott Booth ^{1,4,3}

Christian Farrell ² Resigned 16th December 2024

Ruth McTighe ² Appointed 14th December, 2023

1 Member of the Finance & Resources Committee

2 Member of the Quality and Safety Committee

3 Member of the Remuneration Committee

4 Member of the Audit Committee

Key Management Personnel	Ruth Dixon	Chief Officer (now Chief Executive) - Appointed 1 st March, 2023
	Kim Bevan	Chief Officer (Clinical Services) - Left 28/02/2023
	Ian Holborn	Chief Officer (Corporate) - Left 14/07/2023

Bankers HSBC Bank plc
13 Parliament Street
York YO1 1XS

Solicitors Rollits LLP
Citadel House
58 High Street
Hull HU1 1QE

Investment Managers Sarasin & Partners
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Auditor Sayer Vincent LLP
110 Golden Lane
London EC1Y 0TG

Report of the Clerk to the Board

The sale of our estate is continuing to face delays, due to circumstances outside of our control, and is currently still progressing positively, although the planning process seems exceptionally slow. The board is acutely aware that our ability to deliver clinical services in the short to medium term is dependent upon receiving the proceeds of the sale. In the meantime, we are taking a range of steps to improve our profitability.

The Board continues to show commitment to in-person service delivery at both the Tuke Centre in York and Hampden House in Manchester.

Recruitment of specialist clinical staff continues to be challenging.

Our mission is to deliver high quality, sustainable, renowned mental health services, alongside Autism and ADHD Services, helping people to live well with themselves so that we all live better together.

This is a challenging mission in the light of the current financial situation in the UK, but we continue to work towards this and are determined to succeed.

Clinical Services

We are striving to allow clients the choice of online or face-to-face therapy dependent on their preference whilst meeting the needs of our staff by offering a flexible, family friendly approach.

We are continuing to focus on our two 'big things' – therapy and Autism/ADHD Services for people of all ages. We offer a balance between self-funded and NHS funded services.

We continue to promote our online services to people on a sub-regional basis, widening our reach and providing services further afield.

We are working tirelessly to explore new income streams and reduce costs in order to become a sustainable organisation for the future. This will only be achieved, in the short to medium term, with the proceeds from the sale of the estate and in the medium to long term, with the support and innovations provided by our committed and talented staff and our relationship with Key commissioners and other partners.

Investments and Resources - The Retreat continued to draw down on Investment values during 2023. Retaining £2.237m in December 2023 (£3.328m December 2022). In addition to the investments The Retreat held £0.574m in cash at the end of December 2023.

The Trustees present their report and the audited financial statements for the year ended 31 December 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the requirement of the Directors' Report as required under company law, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

David Robson
Clerk to The Board

Ruth Dixon
Chief Executive

Objectives

The focus of our work

The Retreat is a charitable, not-for-profit provider of care related to people's mental wellbeing and enabling neurodiverse people to reach their full potential and live well. We work both with the NHS and with self-funded clients and organisations in the provision of community based neurodevelopmental and mental health services for people of all ages.

The Retreat Clinics 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.

Our main objectives for 2023 continued to be the promotion of positive mental health and the acceptance and celebration of neurodiversity. The strategies we used to meet these objectives continued to include:

- Providing a range of community-based services designed to meet the needs of people of all ages who are experience mental ill-health;
- Providing community-based assessment, diagnostic and therapy services for people of all ages with neurodevelopmental conditions;
- 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 wellbeing.

The Trustees review the aims, the objectives and activities of the charity each year. In 2023 the Trustees decided that the organisation's current aims, objectives and activities did not require a change and that the main aims during 2023 were stability, financial steady state and employee wellbeing. These objectives will be considered further in 2024.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes

Purposes 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'.

Our strategic objectives for 2023

Our strategic objective largely remained the same during 2023. The only objectives that we changed were those related to our neurodevelopmental services. This was because of the exponential increase in referrals during 2022 and the subsequent maintenance of our contract requirements that became an urgent priority.

Objectives: Psychological Therapy Services

- To extend our psychological assessment and therapy services to a sub- regional audience
- To ensure the activity undertaken by psychological therapies staff is sufficient to cover their costs
- To grow our current psychological assessment and therapy service offer through promotion, marketing and awareness raising of the excellence of our services.

Objectives: Neurodevelopmental Services

- To maintain and successfully deliver the key performance indicators for our NHS funded adult Autism and ADHD Assessment, Diagnosis and post-diagnostic support services.
- Where capacity allows, to expand our self-funded neurodevelopmental services through effective promotion and awareness raising.
- To increase staffing for our neurodevelopmental services to ensure we are ready for planned (and potential) expansion.

Objectives: Services for Children and Young people

- To extend the reach of our services for Children and Young People
- To establish and grow our facility for children and young people and extend our Manchester services for children and young people – providing a service across the North of England.
- Where capacity allows, to expand our self-funded neurodevelopmental and psychological therapy services for children and young people in York, in Manchester, sub-regional northern demographics and online.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. All of the work we undertake focuses on the benefits we can offer to the public and, wherever we can, we work with the NHS to offer services free at the point of delivery.

Risk Review

Risk Governance: Strategic Risk

The following table reflects the position of high-level strategic risks at the date of the approval of the Financial Statements.

Key risks	Mitigation	Next steps
Failure to meet quality standards in the context of capacity issues and recruitment problems	Maintain our APPTS accreditation and continue to self-assess the quality of our services. Recruit where possible and use carefully curated agency staff when recruitment is impacting on capacity to deliver	Continue striving to recruit suitably qualified staff, especially in the Autism / ADHD Service Monitor and act on the Quality Improvement Plan, developing this continually
Failure to dispose appropriately of The Retreat's estate and to provide a high-quality environment for its clinical services	Plans for the estate were carefully considered, using advisers to ensure the right decisions were made and the estate was sold, subject to planning. The wider Retreat estate has a strategic focus on delivery needs and not about retaining Land assets for their own sake.	Complete the estate sale Consolidate retained buildings Consider further changes to buildings where necessary – including ownership v rental models.
Financial sustainability	This is dependent on the sale of the estate together with careful reserve and investment management. Continually analysing our cost base with a view to reducing costs whilst endeavouring to increase our presence on a regional basis and working to grow our presence in Greater Manchester.	Ensure we are working efficiently and offering best value. Consolidate current services, increase self-funded Autism / ADHD services and deliver to plan.

Risk Management: Operational risks

The Board of Trustees is responsible for reviewing major financial and operational risks to which the charity is exposed, and to ensure that systems have been established to mitigate those risks. These risks include:

- Changes in NHS Commissioning
- Loss of key personnel
- Recruiting specialist clinicians
- Maintaining an ageing and deteriorating estate
- Inability to attract sufficient numbers of self-funded clients

Methods of dealing with these risks include:-

- Maintaining close working relationships with key NHS Commissioners
- Streamlining and adapting our service offer, ensuring we are very aware of market trends.
- Effective marketing of our services
- Promotional and branding activities to raise awareness of our brand and our service offers.

Board Assurance Framework

The Trustees are responsible for the Board Assurance Framework, which is reviewed on an annual basis. The following objectives and associated risks for 2023 were considered and reviewed:-

Corporate and strategic objectives	Review of objective
Ensure The Retreat's three-year strategy is current, fit for purpose, in place and has shared ownership across the organisation	A 3 year strategy was begun in January 2024, and each service has objectives for marketing, delivery and quality. All members of the Senior Leadership Team (SLT) are fully aware of the need for increasing income and reducing costs, and targets are reviewed at least monthly. SLT meets for an organisational review quarterly, and sets appropriate objectives for the next quarter
Information Governance standards and GDPR compliance	Each year we submit our Data Protection and Security Toolkit (DSP) – this assures our compliance and the last three years we have reached compliance. The Chief Executive and Head of APTS (York) will take over the GDPR toolkit submissions for 2024, and this is in progress for complete submission in June
Continually work towards improvements in quality	Improvements are monitored via monthly stats, audits, CQC, APTS and DSP toolkit compliance. Issues are reported regularly via Committees and the Board The Retreat is APTS registered, and we are working towards full CQC compliance via their new online reporting site. We have been fully DSP toolkit compliant for three years. We monitor incidents, complaints, comments and issues and regularly review in SLT, Committees and Board
Develop an estates strategy to ensure our environment is fit for modern purposes and that it can be used flexibly and smartly	The Board Advisor, and an Estates Adviser, alongside expert planning and property advisers, ensure the plans for the estate are the best they can be. The Resources Committee, made up of Trustee Directors, Chief Executive and specialist advisors has been set up to oversee the development of the estates strategy Planning permission for the Retreat site remains crucial for our future clinical business plans
Monitor and track our marketing and promotional strategy to ensure it increases business	Our marketing team consists of external SEO and digital marketing support, and an inhouse Relationship Manager. All Heads of Service are responsible for supplying material to promote services. There is a 12 month marketing plan which can be used to plan, deliver and monitor our presence and successes. Recent improvements to online presence are starting to show increases in enquiries. SEO is improving. Face to face presence in both York and Manchester is crucial for relationship building We need to increase online presence and focus, and to be increasingly visible in our target communities
Ensure the organisation achieves a stable financial position	The Board and the Resource Committees are regularly monitoring the financial position The strategy and the business plan will improve the quality of the services offered but also enable business development within a clear strategic framework, through innovation, relationship development and partnerships The future of the organisation is reliant on the completion of the land sale by the end of 2024

Corporate and strategic objectives	Review of objective
Review The Retreat's Business Continuity Plan annually	Our Business Continuity Plan has recently been reviewed; taking into account direction and information staff would require in the event of a serious incident occurring. The revised Business Continuity Plan is now accessible through BreatheHR so that all staff can access it
Improve staff wellbeing	Our Wellbeing Group has restarted and is inviting involvement and ideas from all staff. The most recent idea implemented has been a move to a 50 minute meeting instead of hourly to give staff chance for breaks between meetings.
Relationships with Commissioners and the way they commission	We have a 5+2 year contract for Adult Autism and ADHD Diagnostic Assessment Services in York, and continue to meet with the ICB on a regular basis. The issues raised by the DoltProfiler will continue to be discussed with the ICB and the community, and we will work with our commissioners and our clients to provide the best service possible We continue to seek extra commissioned services, for the stability of provision and finances
Use of Professional advisers and outsourced support	The Board have sanctioned the use of outsourced support service as an economic solution until the strategy changes (increasing the scale of charity). Risk includes expensive service accompanied by poor or inappropriate advice. We plan to re-tender most services each 5 years subject to Board approvals to ensure best-value is tested. The Executive are able to select specialist advisors over £50k when agreed with Resources comm eg Legal claims, enforcement issues etc. Any service outside budget eg specialist legal advice – required Resources Comm / Trustees approval
Reputation and clients	We increasingly ask user groups and partners for feedback, and value the wider input this offers

Financial review

The Statement of Financial Activities for the period is set out on page 25 of the financial statements.

The financial results can be summarised in the following table.

	2023	2022
	£	£
Operating Surplus / (Deficit)	(2,723,105)	(2,123,708)
Change Program Impacts and transition costs	-	(561,041)
Profit / Loss on disposal / Fixed Asset write down	17,369	-
Profit on disposal of Joint Venture	-	-
Net Gains on Investments	114,179	(879,005)
Revaluation of Investment Properties	-	204,000
Accounting adjustments in relation to defined benefit pension scheme	(1,041,000)	(4,159,000)
Net Movement of funds per SOFA	(3,632,557)	(7,518,754)

The operating results of The Retreat, which include expenditure on the charity's two key areas of Outpatient Services and Estates and Property Management, in the year ended 31 December 2023 produced a deficit of £(2,723,105) (2022 – deficit £(2,123,708)). Included within this is other income from investments, donations, legacies and government grant produced income of £69,141 (2022 - £225,438).

The overall result, before gains / losses on investments and movement on pensions, for the year amounting to £(2,705,736) (2022 - deficit £(2,684,749)).

Reserves policy and going concern

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 £1,500,000 and £4,500,000. This period of sufficiency aligns with NHS community contracts periods and lease periods for some short-term tenancies.

This is to ensure that in periods of weaker trading, the company can continue to operate without cash-flow problems.

Free Reserves at the year end were £1.22m (2022 – £3.1m)

The pension asset of £4,132,000 (2022 £5,276,000) is excluded from free reserves on the basis that this asset does not result in any cash flow to the charity and is likely to diminish over time.

Investment Policy

The Retreat holds investments in a portfolio approach that includes cash balances, Investment properties, long-term reserves and short-term reserve instrument holdings.

The investments are held to enable the charity to discharge its charitable purposes and serving as a safety-net in the face of challenges and to enable some sustainability and capital investment in the medium term.

Short term reserves are held with a minimal return objective and are used to preserve capital, longer term reserves are held to obtain a return above inflation over the medium term. The Retreat Board recommended a more ethical portfolio to actively support ethical causes and further move away from companies involved in some sectors which did not align to the Quaker values. The portfolio moved to a global equity based ethical scheme in 2020 generating a total income of £62k in 2023 (see note 4). The Investments in total realised a net gain of £114k in 2023 versus a net loss of £(879k) in 2022 (see note 14),

As a Quaker charity, The Retreat has an ethical investment approach, avoiding direct investments in companies that derive more than 5% of their revenue from Arms sales, tobacco manufacture and sale of alcohol, gambling, and facilitation of pornography or prostitution.

Going Concern

2024 has been an extremely financially challenging year for The Retreat. The financial stability of the organisation is dependent upon the successful sale of a large part of the estate to a local developer. The decision to sell off the estate began in 2018 with planning permission only granted in August 2024. Following the initial planning permission, the decision was referred to the Secretary of State due to an objection from Sport England. This referral time period was delayed and subsequent delays occurred, that were all outside the control of the trustees. These delays culminated in the planning decision not being published until January 2025 with a judicial review period to follow.

During this period, buildings on the part of estate included in the sale were made vacant in readiness for the development to commence. Due to the long delays, insurance costs rose exponentially; additionally, on-site security was required, at considerable cost, to protect the site. This put severe financial pressure on the charity to such a level that a bridging loan was obtained to maintain ongoing clinical services.

The agreement to sell became unconditional on 13 March 2024, with the first tranche of proceeds due within 20 days. Now having reasonable expectation of receipt of these proceeds means this will safeguard the financial future of the organisation for the foreseeable future, at least 12 months from signing the report and accounts. The organisation is exploring various options to secure additional income to further stabilise the finances for the long-term sustainability of the charity.

The Retreat continues to adopt the going concern basis in preparing the financial statements.

Fundraising Policy

The Retreat is not a conventional charity, most of our income is generated from our charitable service provision and from the assets of the charity which includes investments and investment properties. We do not actively raise funds from the public and we have no agency arrangements in place in respect of fundraising. We have received no complaints during the year in respect of our fundraising activities.

Plans for the Future

Plans for the future have been on pause awaiting the successful sale of the land which has been a prolonged process. We have spent 2024 reviewing all our costs and have reduced them where possible. Our aim is to diversify our income streams by seeking small manageable contracts with a view to finding a break-even financial position over the coming years. Costs will continue to be reviewed and any contracts will need to help cover our direct costs and contribute to overheads. Detailed work will commence once the land sale is completed.

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, February 2012 and November 2016.

Directors

The management of The Retreat York is vested in the Board of Directors. The Directors are also charity Trustees as defined in the Charities Act 2011. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the financial statements.

Management

Whilst strategic decisions are taken by the Directors, the day-to-day management of the charity is the responsibility of the Chief Executive who reports directly to the Board of Directors.

Finance & Resources Committee

This committee meets 6 times a year to consider matters of a financial nature, including operational performance, investments, Pensions, together with human resource issues.

Quality, safety and 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 Executive Director.

Audit Committee

The Audit committee is formed as a sub-committee of the Board and is responsible for reviewing the Audit processes and work of the external auditors in addressing financial assurance issues of the company.

Appointment of Trustees

Trustee Directors are appointed for a period of four years and are eligible for re-appointment for a further four years. The maximum number of Directors is eleven and the minimum three. The person appointed as the chair of the Directors is known as the Clerk. The Clerk and Deputy Clerk must be members of The Religious Society of Friends.

The Society of Friends has up to three representatives on The Retreat Nominations Committee that is responsible for recommending the names of individuals for appointment as Directors and for other working groups at The Retreat. Both Friends and non-Friends are appointed as Directors but there must always be more Friend Directors than non-Friend Directors.

Trustee 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.

Remuneration policy for key management personnel

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 senior members of staff.

Employee Information

Policy for employment of disabled persons

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, pay, selection, retention and training of disabled staff.

Employee Consultation

Employees have been consulted on issues of concern to them by means of regular staff 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.

The Living Wage

The Retreat operates a living wage policy and regime. The Retreats adheres to minimum wage legislation and is a living wage employer. The Retreat ensures that contractor staff also adheres to living wage guidance and seek positive assurance from key suppliers each year.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Retreat York 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 that period. 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 and statements of recommended practice 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2023 was 6 (2022: 7).

The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the assets of the charity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 14th March 2025 and signed on their behalf by:

David Robson

Clerk to the Trustees

Opinion

We have audited the financial statements of The Retreat York (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2023 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Retreat York's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements

made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)
18 March 2025
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

The Retreat York

Statement of Financial Activities (incorporating the Income and Expenditure Account)

For the year ended 31 December 2023

	Note	Unrestricted – General £	Unrestricted – Designated Pension Scheme £	Unrestricted – Designated Other £	2023 Total £	2022 Total £
Income from:						
Donations		7,083	–	–	7,083	112,084
Charitable activities – outpatient services	2	1,825,694	–	–	1,825,694	2,514,926
Other trading activities:						
Other trading income – estates and property management	3	484,320	–	–	484,320	424,828
Investments	4	62,058	–	–	62,058	113,354
Net interest on pension scheme asset	24	–	245,000	–	245,000	178,000
Total income		2,379,155	245,000	–	2,624,155	3,343,192
Expenditure on:						
Raising funds –						
Other trading activity – estates and property		1,626,918	–	–	1,626,918	1,337,976
Charitable activities						
Outpatient services		3,305,564	–	16,409	3,321,973	3,882,924
Current service cost on pension scheme asset	24	–	381,000	–	381,000	246,000
<i>Total charitable activities</i>		<i>3,305,564</i>	<i>381,000</i>	<i>16,409</i>	<i>3,702,973</i>	<i>4,128,924</i>
Exceptional transition costs		–	–	–	–	561,041
Total expenditure	5	4,932,482	381,000	16,409	5,329,891	6,027,941
Net (expenditure) before other gains/(losses)		(2,553,327)	(136,000)	(16,409)	(2,705,736)	(2,684,749)
Net gains/(losses) on investments	14	114,179	–	–	114,179	(879,005)
Revaluation gains on investment properties	13	–	–	–	–	204,000
Actuarial (losses) on defined benefit pension schemes	24	–	(1,041,000)	–	(1,041,000)	(4,159,000)
Net (expenditure) for the year		(2,439,148)	(1,177,000)	(16,409)	(3,632,557)	(7,518,754)
Transfers between funds	20	667,017	33,000	(700,017)	–	–
Net movement in funds		(1,772,131)	(1,144,000)	(716,426)	(3,632,557)	(7,518,754)
Reconciliation of funds:						
Total funds brought forward		2,990,652	5,276,000	9,333,238	17,599,890	25,118,644
Total funds carried forward		1,218,521	4,132,000	8,616,812	13,967,333	17,599,890

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

A fully detailed Statement of Financial Activities for the year ending 31 December 2022 is shown at note 27 to these financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Retreat York

Balance sheet

Company no. 04325622

As at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Goodwill	11		13,750		27,500
Tangible assets	12		7,718,097		8,275,917
Investment properties	13		350,000		900,000
Investments	14		2,237,136		3,328,698
			<u>10,318,983</u>		<u>12,532,115</u>
Current assets:					
Debtors	16	118,275		173,852	
Cash at bank and in hand	22	573,546		947,927	
			<u>691,821</u>	<u>1,121,779</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	(1,175,471)		(1,330,004)	
			<u>(483,650)</u>	<u>(208,225)</u>	
Net current liabilities					
			<u>9,835,333</u>		<u>12,323,890</u>
Net assets excluding pension asset					
Defined benefit pension scheme asset	24		4,132,000		5,276,000
Total net assets			<u>13,967,333</u>		<u>17,599,890</u>
The funds of the charity:	19,20				
Unrestricted income funds:					
Designated funds	20	12,748,812		14,609,238	
General funds	19	1,218,521		2,990,652	
			<u>13,967,333</u>	<u>17,599,890</u>	
Total unrestricted funds					
			<u>13,967,333</u>	<u>17,599,890</u>	
Total charity funds					
			<u>13,967,333</u>	<u>17,599,890</u>	

These financial statements were approved by the Trustees on 14 March 2025 and signed on their behalf by:

David Robson
Clerk to The Trustees

The Retreat York

Statement of cash flows

For the year ended 31 December 2023

Reconciliation of net (expenditure) to net cash flow from operating activities

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net (expenditure) for the reporting period (as per the statement of financial activities)	(3,632,557)		(7,518,754)	
Actuarial losses	1,041,000		4,159,000	
Depreciation and amortisation charges	566,484		161,347	
Dividends, interest and rent from investments	(62,058)		(113,354)	
Change in fair value of investments	(114,179)		879,005	
Net interest on pension scheme asset	(245,000)		(178,000)	
Defined benefit pension scheme adjustments	381,000		246,000	
Defined benefit pension scheme contributions paid	(33,000)		(31,000)	
Revaluation gains on investment properties	–		(204,000)	
(Profit) / Loss on the disposal of fixed assets	(15,078)		–	
(Profit) / Loss on the disposal of investment properties	(2,179)		–	
Decrease in debtors	55,577		30,805	
(Decrease) in creditors	(154,533)		(510,694)	
Net cash (used in) operating activities		(2,214,523)		(3,079,645)
Cash flows from investing activities:				
Dividends, interest and rents from investments	62,058		113,354	
Purchase of fixed assets	–		(112,702)	
Proceeds from sale of fixed assets	20,164		–	
Proceeds from sale of investment properties	552,179		–	
Proceeds from sale of investments	3,131,199		2,983,962	
Purchase of investments	(1,980,193)		(567,799)	
Net cash provided by investing activities		1,785,407		2,416,815
Change in cash and cash equivalents in the year		(429,116)		(662,830)
Cash and cash equivalents at the beginning of the year		1,044,308		1,707,138
Cash and cash equivalents at the end of the year		615,192		1,044,308
Analysis of cash and cash equivalents				
	At 1 January 2023 £	Cash flows £	Other changes £	At 31 December 2023 £
Cash at bank and in hand	947,927	(374,381)	–	573,546
Cash awaiting investment	96,381	(54,735)	–	41,646
Total cash and cash equivalents	1,044,308	(429,116)	–	615,192

The charitable company does not have any debt at the current or prior balance sheet date.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies

a) Statutory information

The Retreat York is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 107 Heslington Road, York, YO10 5BN. The principal business address is The Tuke Centre, 28 Green Dykes Lane, York, YO10 3HH.

b) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Retreat York meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Whilst investment values have been impacted by market movements during the COVID-19 virus, the charity has considerable cash reserves, sufficient to meet its immediate requirements. Thus the Trustees have continued to adopt the going concern basis of accounting in preparing the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies (continued)

f) Interest receivable and dividends

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are amounts received from listed investments as notified by investment managers and are re-invested in the funds available to the investment managers.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the invoiced costs of professional property and estate management.
- Expenditure on charitable activities includes the costs of delivering Specialist Mental Health Services undertaken to further the purposes of the charity and their associated support costs.
- Expenditure on estates management includes the cost of maintaining and running the buildings and grounds owned by the charity which are partially rented out to tenants.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Building shared services are allocated between charitable activities and estates and property management based on approximate floor area. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned according to staff headcount.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Land and buildings are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Short Leasehold Buildings	Over the period of the lease
● Furniture, plant and equipment	16.5% straight line
● Vehicles	25% reducing balance
● Fire Precaution Work	4% straight line
● Computer Equipment	25% straight line

l) Intangible fixed assets

Goodwill relates to the excess consideration over net assets acquired on trade acquisitions. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 4 years, subject to an annual impairment review.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Unlisted Investments

Unlisted investments are measured initially at cost and subsequently included in the balance sheet at historic cost less impairment for amounts considered irrecoverable. Any change in carrying value is recognised in the statement of financial activities.

p) Investments in subsidiaries

Investments in subsidiaries are at cost less impairment.

q) 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.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) 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.

t) 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.

u) Financial instruments

The charity 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 which are subsequently measured at amortised cost using the effective interest method.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies (continued)

v) Pensions

The charity operates a defined benefit plan for the benefit of its eligible 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. The Scheme closed to new entrants in 2013.

The charity also operates a Defined Contribution Scheme for those members of staff not eligible to join the Defined Benefit Scheme. This Scheme is also used to discharge our auto enrolment obligations.

2 Income from charitable activities

	2023 Total £	2022 Total £
Out-patient services	1,825,694	2,514,926
Total income from charitable activities	1,825,694	2,514,926

All income from charitable activities for the current and previous financial year was unrestricted.

3 Income from estates and property management

	2023 Total £	2022 Total £
Rental income	253,710	243,702
Facilities costs recharged to tenants	230,610	181,126
	484,320	424,828

All income from donations are unrestricted in both periods.

4 Income from investments

	2023 Total £	2022 Total £
Dividends	40,269	104,705
Bank interest	12,120	3,883
Interest from listed investments	9,669	4,766
	62,058	113,354

All income from investments for the current and previous financial year was unrestricted.

Income from estates and property management amounted to £494,320 (2022: £424,828) and relates to rental income of £253,710 (2022: £243,702) and facilities costs recharged to tenants of £240,610 (2022: £181,126).

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

5 Analysis of expenditure

For the year ended 31 December 2023	Charitable activities £	Estates and property management £	Transition costs £	Governance costs £	Support costs £	2023 Total £
Staff costs (Note 7)	1,640,890	142,766	–	–	33,000	1,816,656
Direct costs	799,989	342,442	–	6,566	44,348	1,193,345
Legal & professional fees	1,147	1,300	–	180,547	1,570	184,564
Insurance	4,767	4,978	–	6,100	238,373	254,218
IT costs	26,961	–	–	37,334	308,569	372,864
Office costs	102,394	739	–	5,184	16,226	124,543
Property costs	81,368	377,454	–	–	377	459,199
Auditor's remuneration	–	–	–	21,880	–	21,880
Depreciation and (profit)/loss on disposal	–	535,365	–	–	–	535,365
Amortisation	13,750	–	–	–	–	13,750
Trustee expenses	–	–	–	5,507	–	5,507
Pension administration expenses (Note 26)	–	–	–	–	348,000	348,000
	2,671,266	1,405,044	–	263,118	990,463	5,329,891
Support cost allocation	859,282	131,181	–	–	(990,463)	–
Governance costs	172,425	90,693	–	(263,118)	–	–
Total expenditure 2023	3,702,973	1,626,918	–	–	–	5,329,891

Estates and property management costs relate to the costs of running the elements of the estate which are not currently utilised by outpatient services, to which appropriate estates costs have been allocated. Some of the residual estate is tenanted by third parties and generates rental income which contributes to both the direct costs of that tenancy and to the overall upkeep of the rest of estate. This includes certain areas which are intentionally not tenanted and generate no income but still require expenditure for their upkeep and management to ensure the property of the charity is appropriately safeguarded. As a result Estates and Property Management generated a net deficit of £691,157 (2022: £913,147 deficit) after the allocation of support costs of £131,181 (2022: £147,597) which is based on headcount.

For the year ended 31 December 2022	Outpatient services £	Estates and property management £	Transition costs £	Governance costs £	Support costs £	2022 Total £
Staff costs (Note 7)	1,887,984	239,513	–	–	31,000	2,158,497
Direct costs	1,216,759	300,111	478,020	33,617	101,242	2,129,749
Insurance	–	5,583	–	10,620	139,242	155,445
IT costs	34,888	87	68,546	19,761	354,747	478,029
Office costs	125,323	1,105	3,693	4,549	14,351	149,021
Property costs	72,455	472,869	10,782	–	2,248	558,354
Auditor's remuneration	–	–	–	19,740	–	19,740
Depreciation and Loss on disposal	–	147,597	–	–	–	147,597
Amortisation	13,750	–	–	–	–	13,750
Trustee expenses	–	–	–	2,759	–	2,759
Pension administration expenses (Note 26)	–	–	–	–	215,000	215,000
	3,351,159	1,166,865	561,041	91,046	857,830	6,027,941
Support cost allocation	710,233	147,597	–	–	(857,830)	–
Governance costs	67,532	23,514	–	(91,046)	–	–
Total expenditure 2022	4,128,924	1,337,975	561,041	–	–	6,027,941

Transition costs above related to incremental exceptional costs incurred relating to the fundamental restructure of the organisation and the strategic review and investment into the outpatient facilities.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

6 Net (expenditure) for the year

This is stated after charging:

	2023 £	2022 £
Depreciation and Amortisation	566,484	161,347
Operating lease rentals:		
Property	75,000	75,000
Equipment	–	5,254
Auditor's remuneration (excluding VAT):		
Audit	17,750	16,450

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,559,796	1,833,147
Redundancy and termination costs	–	16,038
Social security costs	153,204	183,686
Pension contribution to defined contribution schemes	70,656	94,626
	1,783,656	2,127,497
Operating costs of defined benefit pension schemes (Note 26)	33,000	31,000
	1,816,656	2,158,497

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	1	–
£80,000 – £89,999	1	1
£90,000 – £99,999	–	–
£100,000 – £109,999	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £206,526 (2022: £313,286).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £5,507 (2022: £2,759) incurred by 5 (2022: 5) members relating to attendance at meetings of the trustees.

8 Staff numbers

Total staff numbers are as follows (average head count based on number of staff employed):

	2023 No.	2022 No.
	49	61

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

9 Related party transactions

In June 2020, the Retreat made an investment of £50,000 in to convertible preference shares of Tend VR Limited (company number 11552335). Tend VR Limited is developing technological solutions to mindfulness and low level mental interventions and the Retreat is supporting the trial and development phases of the project. The Investment can be converted to Ordinary and voting shares of Tend VR Limited in the future and under specific circumstances relating to the future ownership of the company. Tend VR Limited has three Directors, one of whom is Mr Matthew Hoad-Robson. Mr Hoad-Robson is the son of Dr David Robson, the Clerk to the Trustees of the Retreat. Dr Robson took no part in the in discussion or decision-making processes related to the investment in Tend. An impairment of £49,999 was recognised during 2021 to write down the carrying value of the investment to £1 (see note 14).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Goodwill

	Goodwill
Cost	
At the start of the year	55,000
Additions in year	–
Disposals in year	–
At the end of the year	<u>55,000</u>
Amortisation	
At the start of the year	27,500
Charge for the year	13,750
Eliminated on disposal	–
At the end of the year	<u>41,250</u>
Net book value	
At the end of the year	<u>13,750</u>
At the start of the year	<u>27,500</u>

Goodwill represents the surplus of cost over the fair value of assets acquired on the purchase of Hampden House.

12 Tangible fixed assets

	Freehold property £	Leasehold property £	Equipment £	Total £
Cost				
At the start of the year	12,793,977	797,166	1,033,456	14,624,599
Additions in year	–	–	–	–
Disposals in year	–	–	(66,013)	(66,013)
At the end of the year	<u>12,793,977</u>	<u>797,166</u>	<u>967,443</u>	14,558,586
Depreciation				
At the start of the year	5,117,437	326,107	905,138	6,348,682
Charge for the year	24,606	471,059	57,069	552,734
Eliminated on disposal	–	–	(60,927)	(60,927)
At the end of the year	<u>5,142,043</u>	<u>797,166</u>	<u>901,280</u>	6,840,489
Net book value				
At the end of the year	<u>7,651,934</u>	<u>–</u>	<u>66,163</u>	7,718,097
At the start of the year	<u>7,676,540</u>	<u>471,059</u>	<u>128,318</u>	8,275,917

The freehold property was valued by Carter Jonas in February 2021 as at 31 December 2020 on a depreciated replacement cost basis, and the company decided to incorporate this valuation into the financial statements. The Trustees remain satisfied that this is a reasonable estimated valuation of the properties.

All of the above assets are used for charitable purposes.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

13 Investment Properties

	2023 £	2022 £
Fair value at the start of the year	900,000	696,000
Disposals	(550,000)	–
Revaluation during the year	–	204,000
Fair value at the end of the year	<u>350,000</u>	<u>900,000</u>

14 Investments

Investments comprise:	2023 £	2022 £
Listed investments	2,195,488	3,232,315
Cash	41,646	96,381
Equity investment in group undertaking	1	1
Unlisted investment carried at fair value	1	1
	<u>2,237,136</u>	<u>3,328,698</u>

Listed investments and cash comprise:	2023 £	2022 £
Fair value at the start of the year	3,232,315	6,527,483
Additions at cost	1,980,193	567,799
Disposal proceeds	(3,131,199)	(2,983,962)
Realised and unrealised gains on change in fair value	114,179	(879,005)
	<u>2,195,488</u>	<u>3,232,315</u>
Cash held by investment broker pending reinvestment	41,646	96,381
Fair value at the end of the year	<u>2,237,134</u>	<u>3,328,696</u>

Unlisted investment comprises:	2023 £	2022 £
Fair value at the start of the year	1	1
Additions at cost	–	–
Unrealised (losses) on change in fair value	–	–
Fair value at the end of the year	<u>1</u>	<u>1</u>

Change in fair value of investments:	2023 £	2022 £
Realised and unrealised gains on listed investments	114,179	(879,005)
Realised and unrealised gains on unlisted investments	–	–
Fair value at the end of the year	<u>114,179</u>	<u>(879,005)</u>

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Cottage Villa Limited, a company registered in England (company number 09650020). The company was set up to collect rents from The Retreat York's Learning Disability Service. The Learning Disability Service was transferred to Mencap on 1 January 2019 and rents continued to be collected. The company is now dormant.

16 Debtors

	2023 £	2022 £
Trade debtors	16,073	29,451
Prepayments	102,202	144,401
	118,275	173,852

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	137,386	142,685
Other creditors	37,515	15,883
Accruals	231,750	198,572
Deferred income	768,820	972,864
	1,175,471	1,330,004

18 Deferred income

	2023 £	2022 £
Deferred income at 1 January	972,864	1,260,799
Amounts released from previous years	(972,864)	(1,260,799)
Income deferred during the year	768,820	972,864
Deferred income at 31 December	768,820	972,864

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

19 Analysis of net assets between funds

As at 31 December 2023	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	7,718,097	7,718,097
Goodwill	–	13,750	13,750
Investment properties	–	350,000	350,000
Investments	2,237,136	–	2,237,136
Net current assets/ (liabilities)	(1,018,615)	534,965	(483,650)
Defined benefit pension asset	–	4,132,000	4,132,000
Net assets at 31 December 2023	1,218,521	12,748,812	13,967,333

As at 31 December 2022	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	8,275,917	8,275,917
Goodwill	–	27,500	27,500
Investment properties	–	900,000	900,000
Investments	3,328,698	–	3,328,698
Net current assets / (liabilities)	(338,046)	129,821	(208,225)
Defined benefit pension asset	–	5,276,000	5,276,000
Net assets at 31 December 2022	2,990,652	14,609,238	17,599,890

The balance of general unrestricted funds also represents the charity's free reserves.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

20 Movement in funds

For the year to 31 December 2023	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Tangible fixed assets	8,303,417	–	–	(150,017)	8,153,400
Investment properties	900,000	–	–	(550,000)	350,000
Charitable service reserve	46,045	–	(4,042)	–	42,003
Hardship fund	83,776	–	(12,367)	–	71,409
Pension reserve	5,276,000	–	(1,177,000)	33,000	4,132,000
Total designated funds	14,609,238	–	(1,193,409)	(667,017)	12,748,812
General funds	2,990,652	2,493,334	(4,932,482)	667,017	1,218,521
Total unrestricted funds	17,599,890	2,493,334	(6,125,891)	–	13,967,333
Total funds	17,599,890	2,493,334	(6,125,891)	–	13,967,333

For the year to 31 December 2022	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Other	4,216	–	–	(4,216)	–
Total restricted funds	4,216	–	–	(4,216)	–
Designated funds:					
Tangible fixed assets	8,310,812	–	–	(7,395)	8,303,417
Investment properties	696,000	–	204,000	–	900,000
Development fund	(12,762)	–	(561,041)	573,803	–
Charitable service reserve	50,000	–	(3,955)	–	46,045
Hardship fund	–	80,460	(900)	4,216	83,776
Pension reserve	9,472,000	–	(4,227,000)	31,000	5,276,000
Total designated funds	18,516,050	80,460	(4,588,896)	601,624	14,609,238
General funds	6,598,378	2,205,727	(5,216,045)	(597,408)	2,990,652
Total unrestricted funds	25,114,428	2,286,187	(9,804,941)	4,216	17,599,890
Total funds	25,118,644	2,286,187	(9,804,941)	–	17,599,890

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

20 Movement in restricted and designated funds (continued)

The transfers out of restricted funds in 2022 represent a historic review of patient transactions and a re-assessment of historic payments.

Purposes of restricted funds:

Other – These funds comprise specific donations from external bodies to be spent on other benefits for patients.

Since the closure of the Retreat Mental Health Hospital Services in January 2019, the only remaining restricted fund was entitled the Patient Clothing Fund. This was a fund established by donations and gifts specifically for the purpose of clothing patients who had no specific means of their own and for this purpose. The Departure of all inpatient clients in January 2019 resulted in no means or ability to apply these funds for patient clothing needs. The Board requested that this fund be closed, and balances transferred to general unrestricted reserves and reallocated for other designated purposes befitting a mental health community outpatient service. This action was approved by the Charity Commission in March 2022.

Purposes of designated funds:

Pension scheme – as detailed in note 26 the charity is party to a defined benefit pension scheme which was in surplus at 31 December 2023. This amount has been designated as it does not form funds freely available to the charity for charitable purpose.

Tangible fixed assets and investment properties – These funds have been set up to identify those funds which are not free funds. They represent the carrying value of the charity's fixed assets. The tangible fixed asset fund includes the carrying value of goodwill and a revaluation reserve of £562,804 (2021 – £562,804).

Development fund – An amount of £4,533,327 in total was earmarked for projects for the development of care services and the development of the estate owned by The Retreat York. This was completed during 2021 and the remaining balance transferred to general unrestricted funds in December 2021 statements.

Hardship fund – The Board of the Retreat requested the establishment of a designated fund specifically for those in need who were not applicable for NHS based funding and were unable, or unlikely to be able, to pay the self-funded fees for The Retreat services usually charged. This fund was developed to consider individual Client requests.

Charitable Service Reserve – The trustees decided to set aside an amount of £50,000 to undertake non-chargeable service to special cases agreed by the Board. It was set up to provide mental health services to first line staff during COVID-19 such as care home workers and nursing staff in NHS hospitals in York. This fund was also established to consider requests from cohorts of workers or communities requiring specific mental health support as a result of traumatic or systemic events or circumstances, future examples may include support for refugees or other groups in need of short term support.

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	75,000	75,000		5,254
One to five years		300,000	–	–
	75,000	375,000	–	5,254

22 Rents receivable

The charity's total future rent receivable from investment properties is as follows for each of the following periods

	2023	2022
	£	£
Less than one year	60,000	236,185
One to five years	–	–
	60,000	236,185

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

24 Defined benefit pension scheme

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme, with both Final Salary and Career Average Revalued Earnings benefits. For service prior to 1 August 2006, benefits are linked to members' final pensionable salaries at their retirement or earlier leaving. For service after 31 July 2006, benefits are built up each year, linked to members' salaries in that year and then increased each year in line with inflation. The Scheme was closed to new entrants on 31 December 2013 but accrual of benefits continues for current members of the Scheme. The most recent valuation as at 31 December 2023 was performed on 15 February 2024 by First Actuarial LLP.

The contributions made during the year ended 31 December 2023 for the defined benefit scheme were at a rate of 31.6% (2022: 31.6%) of pensionable salaries for the charity. The employer contributions paid over to the Scheme trustees in the year amounting to £33,000 (2022: £31,000), together with the actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102. Insurance premiums for death in service benefits were payable in addition.

The employee benefit obligations recognised in the balance sheet are as follows:

	2023 £	2022 £
Present value of funded obligations	(29,181,000)	(29,223,000)
Fair value of plan assets	33,313,000	34,499,000
	4,132,000	5,276,000
Amounts in the balance sheet:		
Liabilities	(29,181,000)	(29,223,000)
Assets	33,313,000	34,499,000
Net asset	4,132,000	5,276,000

Amounts recognised in the statement of financial activities are as follows:

	2023 £	2022 £
Current service cost	381,000	246,000
Net interest credit	(245,000)	(178,000)
Total cost	136,000	68,000

Changes in the present value of the defined benefit obligation are as follows:

	2023 £	2022 £
Opening defined benefit obligation	29,223,000	43,454,000
Service cost	10,000	45,000
Interest cost	1,356,000	808,000
Actuarial (gains)/losses – change of basis	53,000	(15,389,000)
Actuarial losses – experience	515,000	2,214,000
Members contributions	6,000	6,000
Benefits paid	(1,982,000)	(1,915,000)
Closing defined benefit obligation	29,181,000	29,223,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

24 Defined benefit pension scheme (continued)

Changes in the fair value of plan assets are as follows:

	2023 £	2022 £
Opening fair value of plan assets	34,499,000	52,926,000
Interest Income	1,601,000	986,000
Administration expenses	(371,000)	(201,000)
Actuarial gains/(losses)	(473,000)	(17,334,000)
Contributions by employer	33,000	31,000
Members contributions	6,000	6,000
Benefits paid	(1,982,000)	(1,915,000)
Closing fair value of plan assets	33,313,000	34,499,000
Net actuarial (loss)/gain on defined benefit pension scheme	2023 £	2022 £
Actuarial (loss) /gain on plan obligations	(568,000)	13,175,000
Actuarial (loss) /gain on plan assets	(473,000)	(17,334,000)
	(1,041,000)	(4,159,000)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2023 %	2022 %
Retail Price Inflation assumption before retirement	3.0%	3.1%
Retail Price Inflation assumption after retirement	3.0%	3.1%
Consumer Price Inflation assumption before retirement	2.4%	2.2%
Consumer Price Inflation assumption after retirement	2.6%	2.8%
Discount rate at the end of the year	4.5%	4.8%
Future salary increases	2.4%	2.2%
Future pension increases where linked to inflation:		
• Limited price index 5%	2.6%	2.8%
• Limited price index 3%	2.3%	2.4%
• Limited price index 2.5%	2.0%	2.1%

Amounts for the current and previous four periods are as follows:

	2023 £	2022 £	2021 £	2020 £	2019 £
Defined benefit obligation	(29,181,000)	(29,223,000)	(43,454,000)	(45,289,000)	(37,587,000)
Plan assets	33,313,000	34,499,000	52,926,000	50,003,000	46,671,000
Surplus	4,132,000	5,276,000	9,472,000	4,714,000	9,084,000
Experience gain/(loss) on benefit obligation	(473,000)	(17,334,000)	3,857,000	4,181,000	4,676,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2023

25 Comparative Statement of Financial Activities for the year ended 31 December 2022

	Unrestricted – General	Unrestricted – Designated Pension Scheme	Unrestricted – Designated Other	Restricted	2022 Total
	£	£	£	£	£
Income from:					
Donations and legacies	31,624	–	80,460	–	112,084
Charitable activities – outpatient services	2,514,926	–	–	–	2,514,926
Other trading activities:					
Other trading income – estates and property management	424,828	–	–	–	424,828
Investments	113,354	–	–	–	113,354
Net interest on pension scheme asset	–	178,000	–	–	178,000
Total income	3,084,732	178,000	80,460	–	3,343,192
Expenditure on:					
Raising funds –					
Other trading activity – estates and property	1,337,976	–	–	–	1,337,976
Charitable activities –					
Outpatient services	3,878,069	–	4,855	–	3,882,924
Current service cost on pension scheme asset	–	246,000	–	–	246,000
Total charitable activities	3,878,069	246,000	4,855	–	4,128,924
Exceptional transition costs	–	–	561,041	–	561,041
Total expenditure	5,216,045	246,000	565,896	–	6,027,941
Net (expenditure) before other gains/(losses)	(2,131,313)	(68,000)	(485,436)	–	(2,684,749)
Net (losses) on investments	(879,005)	–	–	–	(879,005)
Net gain on revaluation of investment properties	–	–	204,000	–	204,000
Actuarial (losses) on defined benefit pension schemes	–	(4,159,000)	–	–	(4,159,000)
Net (expenditure) for the year	(3,010,318)	(4,227,000)	(281,436)	–	(7,518,754)
Transfers between funds	(597,408)	31,000	570,624	(4,216)	–
Net movement in funds	(3,607,726)	(4,196,000)	289,188	(4,216)	(7,518,754)
Reconciliation of funds:					
Total funds brought forward	6,598,378	9,472,000	9,044,050	4,216	25,118,644
Total funds carried forward	2,990,652	5,276,000	9,333,238	–	17,599,890

Accounts

The Retreat York

Report and Financial Statements

For the year ended 31 December 2022

Contents

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	21
Statement of financial activities (incorporating an income and expenditure account).....	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28

Company number	4325622
Charity number	1089826
Registered office address	107 Heslington Road York YO10 5BN
Country of registration	England & Wales
Country of incorporation	United Kingdom
Operating name	The Retreat Clinics

Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

James Eddington^{1,4,3}

Martin Ford^{1,4,3}

David Robson² Clerk to the Board

Beverley Goddard^{1,4,3} Deputy Clerk to the Board, Resigned 23rd January 2023

Paul Henderson- Grey²

Clare Scott Booth^{1,4,3}

Christian Farrell² Appointed 5th May 2022

1 Member of the Finance & Resources Committee

2 Member of the Quality and Safety Committee

3 Member of the Remuneration Committee

4 Member of the Audit Committee

Key Management Personnel	Kim Bevan	Chief Officer (Clinical Services)
		Resigned 28 th February 2023
	Ian Holborn	Chief Officer (Corporate Affairs)
	Ruth Dixon	Chief Officer (Clinical Services)
		Appointed 1 st March 2023
Bankers	HSBC Bank plc 13 Parliament Street York YO1 1XS	
Solicitors	Weightmans Westgate Point Westgate Leeds LS1 2AX	
Investment Managers	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL	

Report of the Clerk to the Board

2022 was a year of contrasts for The Retreat Clinics. We left behind the immediate impact of the Covid-19 pandemic; but the pandemic and war in Ukraine has resulted in a strong economic impact and the financial ramifications remained significant, slowing growth and interfering with new service development.

2022 has also seen some difficult changes in some of our services, particularly the contracted services which saw a major, exponential increase in referral demands that were not funded by our commissioners. We have had some staffing changes, and a minor restructure ensued, because of senior manager departures. Nevertheless, staff remained passionate about the delivery of high-quality services and showed their commitment to this through increases in productivity and a focus on ensuring our clients received a person-centred service.

The sale of our estate continues to progress and, as part of the delivery of our site strategies, the Board has showed their commitment to the continuation of in-person service delivery by agreeing to upgrades to our Tuke Centre building in York and our Hampden House building in Manchester.

During 2020 and 2021, one of our issues was the ability to recruit staff to our Neurodevelopmental Services for adults and for children and young people. These difficulties continued, which meant that we continued to engage agency locums in order to maintain our contracted activity levels. We are continuing to strive to attract permanent staff members and to offer competitive terms and conditions for skilled and suitably qualified staff but we know that this is a problem across our sector. Nevertheless, we did manage to attract some specialist clinical and administrative staff, and our recruitment endeavours will continue.

Our vision remains - to deliver high quality, sustainable, renowned mental health services, alongside Neurodiversity Services, helping people to live well with themselves so that we all live better together.

This is a challenging vision in the light of the current financial situation in the UK, but we continue to work towards this and are determined to succeed.

Clinical Services

With the reduction in Covid-19 concerns, more of our services for adults and for children and young people, in York and in Manchester, are being offered in person. We estimate that we deliver approximately 60% of our services online with a growing number now being offered face to face. We have continued to see an increase in demand from clients asking for face-to-face therapy and we are doing our best to meet this demand, working closely and collaboratively with our staff. We are still offering a hybrid model for staff, with the majority of their time now being spent on site, though we are keen to offer a flexible approach that is family friendly and offers a positive work-life balance. We have also made the decision to recruit staff from further afield who are offering home-based online services only, to our clients.

We are continuing to focus on our two 'big things' – therapy and Neurodiversity (ND) Services for people of all ages. We offer a balance between self-funded and NHS funded services and we have also used some of the organisation's reserves, and some funds that were raised by one of our clients, to offer free at the point of delivery services to refugees, health staff and families who are struggling post-pandemic.

We are also starting to promote our online services to people on a sub-regional basis, widening our reach and providing services further afield.

We know that we still have a long way to go to ensure our clinical services can offer full cost-covering margins and surpluses, and that 2023 will bring with it a range of mostly financial challenges, but we have plans in place to ensure a positive picture will emerge by the end of 2023.

We will only be able to achieve success with the support and innovations provided by our committed and talented staff, our relationship with Key commissioners and other partners, and we know that we need to ensure that our stakeholders are clear about how much they are valued and how committed we are to working towards values -based service delivery for many years to come.

Estates and Property Management – We continue to provide professional landlord services, though only retain The Disabilities Trust as users of the buildings on the site to deliver services. We have continued the development of our tenancy agreement with The Disabilities Trust by working with the Trust for the flexible use of York House until the end of 2023 whilst they develop their new hospital in York.

We also progressed the development plans for our estate, working with PJ Livesey. We are in discussions with the developer and the City of York Council, alongside other stakeholders with an interest in what happens to our estate land and buildings. The offer to PJ Livesey is contingent on them obtaining planning permission for its development of the Heslington Road site. This work will gather pace during 2023 with a view to having firm and agreed plans being in place supported by planning consents by the Winter 2023.

The remaining Tenant, The Disabilities Trust, is financed in the majority by NHS and local authority contracts whereby payments are supported by Government office instruction to support providers of support and service to public bodies.

Investments and Resources - The Retreat continued to draw down on Investment values during 2022. Retaining £3.328m at December 2022 (£6.601m December 2021) . The cash position at the end of December 2022 was £0.947m or about 4 months operating cost cover.

Strategic Delivery - We have reached the end of our Strategy term, but many things have changed in the period since the strategy was first developed and established after the closure of the Main Retreat Hospital provision in 2019. We are committed to developing a new fit for purpose strategy in 2023 and have started discussions relating to new contracts available in the neuro diversity field, the development of much needed children's services in the north of England and whether The Retreat can develop closer joint working in service collaborations and federations with other agencies. Our organisational aims during 2022 were to:

- Become a leader in mental wellbeing.
- Exert our influence through exceptional service quality, outstanding feedback and peer-reviewed research underpinned by our independence.
- Continue to develop a successfully charity with significant outreach, presence and reputation both locally and across the UK.
- Become a sustainable and successful organisation which models good relationships with all stakeholders including service users, staff, volunteers, commissioners, commercial and strategic partners and suppliers.
- Be competent in the management of our reserves and resources for innovation, development, commercial and environmental sustainability.

We know that we have not yet achieved all of these aims but we have continued to work towards them during 2022 and will strive to consider our next strategic steps in 2023.

David Robson

Clerk to The Board

Ruth Dixon

Chief Officer (Clinical)

Ian Holborn

Chief Officer (Corporate)

The Trustees present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the requirement of the Directors' Report as required under company law, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The focus of our work

The Retreat York is a charitable, not-for-profit provider of care related to people's mental wellbeing and enabling neurodiverse people to reach their full potential and live well. To ensure we were clear about the services we offer from our various bases, we changed our operating and trading name during 2022 to "The Retreat Clinics". This made it clear that we had more than one location (including online) and that we had a wide range of services on offer.

We work both with the NHS and with self-funded clients and organisations in the provision of community based neurodevelopmental and mental health services for people of all ages. 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. We continue to develop our services with dignity, respect, equality and diversity as our driving principles and we try our best to respond to what our communities, locally and nationally, need.

The Retreat Clinics 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.

Our main objectives for 2022 continued to be the promotion of positive mental health and the acceptance and celebration of neurodiversity. The strategies we used to meet these objectives continued to include:

- Providing a range of community-based services designed to meet the needs of people of all ages who are experience mental ill-health;
- Providing community-based assessment, diagnostic and therapy services for people of all ages with neurodevelopmental conditions;
- 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 wellbeing.

The Trustees review the aims, the objectives and activities of the charity each year. In 2022 the Trustees decided that the organisation's current aims, objectives and activities did not require a change and that the main aims during 2022 were stability, financial steady state and employee wellbeing. These objectives will be considered further in 2023.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Purposes 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'.

Our mission statement is "To deliver high quality, sustainable, renowned mental health services, alongside Autism and ADHD services, helping people to live well with themselves so that we all live better together."

During 2022, we provided mostly online services and related activities that promote and intervene to enable the improvement of the mental wellbeing of people of all ages. However, as the year progressed we brought staff and clients back to our buildings, offering more and more in person appointments. We continued to focus on issues that affect an individual's cognitive and emotional 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 usually plan to review our aims, objectives and activities each year. However, in 2022 we decided that steady state for our aims and objectives was necessary and we did not change them, nor did we significantly change the range of activities we offered. This 2022 review looks at what we achieved and the outcomes of our work during the year, considering the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The strategy we had already developed to achieve our aims and objective had three themes, all of which remain central to our work:-

- People at the centre of all we do (compassion).
- Partnership development and growth (collaboration).
- The importance of community.

In addition, we remain mindful that we are a Quaker charity and need to consider our charitable objectives and how they are being delivered.

Within any decisions we take we are committed to ensuring that we add value by:

- Offering access to our key assets as far as practicable and in particular community access where possible.
- Careful management of the immediate and future economic viability of The Retreat.
- Building The Retreat name and its Quaker heritage – our brand, which is changed to use the trading name The Retreat Clinics in 2022.
- Building collaborative partnerships in developing our services.
- Developing our regional reach – beyond Heslington Road, York and beyond Hampden House in Manchester, using online methods of service delivery.

Our strategic objectives for 2022

Our strategic objective largely remained the same during 2022. The only objectives that we changed were those related to our neurodevelopmental services. This was because of the exponential increase in referrals during 2022 and the subsequent maintenance of our contract requirements that became an urgent priority.

Objectives: Psychological Therapy Services

- To extend our psychological assessment and therapy services to a sub- regional audience
- To ensure the activity undertaken by psychological therapies staff is sufficient to cover their costs
- To grow our current psychological assessment and therapy service offer through promotion, marketing and awareness raising of the excellence of our services.

Objectives: Neurodevelopmental Services

- To maintain and successfully deliver the key performance indicators for our NHS funded adult Autism and ADHD Assessment, Diagnosis and post-diagnostic support services.
- Where capacity allows, to expand our self-funded neurodevelopmental services through effective promotion and awareness raising.
- To increase staffing for our neurodevelopmental services to ensure we are ready for planned (and potential) expansion.

Objectives: Services for Children and Young people

- To extend the reach of our services for Children and Young People
- To establish and grow our facility for children and young people in Strensall and extend our Manchester services for children and young people – providing a service across the North of England.
- Where capacity allows, to expand our self-funded neurodevelopmental and psychological therapy services for children and young people in York, in Manchester, sub-regional northern demographics and online.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. All of the work we undertake focuses on the benefits we can offer to the public and, wherever we can, we work with the NHS to offer services free at the point of delivery.

Risk Review

Risk Governance: Strategic Risk

The Trustees of The Retreat, through the work of the Quality and Safety Committee and the Resources Committee, review the key strategic risk of The Retreat bimonthly. The following table reflects the position of high-level strategic risks at the date of the approval of the Financial Statements.

Key risks	Mitigation	Next steps
Financial sustainability	Careful reserve and investment management. Analysing our cost base with a view to reducing this during 2023 at the same time as endeavouring to increase our presence on a regional basis and working to grow our presence in Greater Manchester. Productivity increases are being achieved and all staff are aware of their productivity levels and what is expected of them.	Make any changes necessary to our cost base to ensure we are working efficiently and offering best value. Consolidate current services, increase self-funded neurodevelopmental services and deliver to plan.
Failure to meet quality standards in the context of capacity issues and recruitment problems	Maintain our APPTS accreditation and continue to self-assess the quality of our services. Recruit where possible and use carefully curated agency staff when recruitment is impacting on capacity to deliver	Continue striving to recruit suitably qualified staff, especially in the Neurodevelopmental Service Monitor and act on the Quality Improvement Plan, developing this continually
Failure to dispose appropriately of The Retreat's estate and to provide a high-quality environment for its clinical services	Plans for the estate were carefully considered, using advisers to ensure the right decisions were made and the estate was sold, subject to planning. The wider Retreat estate has a strategic focus on delivery needs and not about retaining Land assets for their own sake.	Complete the estate sale Consolidate retained buildings Consider further changes to buildings where necessary – including ownership v rental models.

Risk Management: Operational risks

The Board of Trustees is responsible for reviewing major financial and operational risks to which the charity is exposed, and to ensure that systems have been established to mitigate those risks. These risks include:

- Changes in NHS Commissioning
- Loss of key personnel
- Recruiting specialist clinicians
- Maintaining an ageing and deteriorating estate
- Inability to attract sufficient numbers of self-funded clients
- National and international impacts of the pandemic, Brexit and the financial crisis.

In addition, the risks include how we support staff who are now being asked to return more frequently and consistently to site when they have been used to working in their own way, in their own homes for a long period of time.

Methods of dealing with these risks include:-

- Maintaining close working relationships with key NHS Commissioners
- Streamlining and adapting our service offer, ensuring we are very aware of market trends.
- Effective marketing of our services
- Promotional and branding activities to raise awareness of our brand and our service offers.

The Board can mitigate risks by:-

- Ensuring that risks are reviewed on a regular basis at Board and Committee meetings and that actions are taken
- Establishing clear lines of communication with staff and managers, to ensure that there is the potential to hear directly from staff on a regular basis, outside of Board meetings
- Using the organisation's intranet to ensure they receive regular updates and news from key staff – an important way to keep in touch.

Board Assurance Framework

The Trustees are responsible for the Board Assurance Framework, which is reviewed on an annual basis.

The following objectives and associated risks for 2022 were considered and reviewed:-

Corporate and strategic objectives	Review of objective
Ensure The Retreat's three-year strategy is current, fit for purpose, in place and has shared ownership across the organisation	Long Term Appraisal objectives are aligned to strategic and corporate objectives. Away days for the whole staff team are planned to take place on an annual basis and will be focused upon strategic objectives and the future direction of The Retreat, as well as celebrating successes Meeting in February 2023 for Trustees and COs to discuss a new strategy for 2023 onwards.

Corporate and strategic objectives	Review of objective
	All service managers presented their ideas for the future to the Board in September 2022. Business planning and operational development is a key requirement
Monitor the organisation's Quality Improvement Plan (QIP), which is capable of tracking continuous and sustained improvement across the organisation	A Quality Improvement Plan (QIP) is in place and there is an implementation process which includes operational quality and safety meetings to monitor progress and develop actions The Corporate Governance structure provides an assurance of regulatory compliance across the organization. The organisation has achieved accreditation through the APPTS (Royal College of Psychiatry), the standards of which have been used alongside the CQC KLOEs to determine the items required on the QIP – this is in the process of being reviewed by the Royal College on a self-assessment basis Board assurance is available through the application and review of Governance processes and a streamlined governance structure is in place The number of incidents and safeguarding issues continue to be carefully monitored and reviewed and appropriate action taken. The QIP is considered in the Quality and Safety Committee and any escalated items go to the Board.
Monitor and track our marketing and promotional strategy to ensure it support business expansion.	We have a Marketing and Communications Coordinator who will now lead on all of our marketing and external communications A new website was developed, to ensure improvements in our SEO and market presence, and our new Retreat Clinics brand were launched in September 2022 We have excellent relationships with commissioners and key influencers in the York and North Yorkshire area, but we do not yet have the same approach in Manchester.
Ensure the organisation achieves a stable financial position	The Board is in the process of making decisions about changes to our services where needed, ensuring cost efficiency. There was a financial 'spending freeze' in the summer 2022 to help re-calibrate service needs and financial resources in the second half of 2022. Monthly Finance and Performance meetings have been established, which report back to the Board and which include managers, finance managers and COs The Board and the Resource Committees are regularly monitoring the financial position Staff in all areas are being encouraged to get involved in the development of the business development plans

Corporate and strategic objectives	Review of objective
	Reporting on finance and performance against budget on a monthly basis with tight controls and with feedback to the Board on key operational performance measures
Review The Retreat's Business Continuity Plan annually	Our Business Continuity Plan has recently been reviewed and is always reviewed on an annual basis, taking into account direction and information staff would require in the event of a serious incident occurring. The revised Business Continuity Plan is now accessible through The Retreat Clinics' HR system so that all staff can access it
Improve staff wellbeing	Systems, structures and operational frameworks are being tightened up to ensure staff feel safe. We have had the results from our 2021/22 staff survey and actions identified through that have been added to our quality improvement plan Development of a staff wellbeing strategy and a mobilisation plan Trustees to communicate directly with staff on a more regular basis We have a staff away day in 2023 to bring everyone together to ensure they feel they have a voice on a more direct basis
Use of Professional advisers and outsourced support	The Board sanctioned the use of outsourced support service as an economic solution until the strategy changes (increasing the scale of charity) – however, to ensure costs are managed more efficiently and effectively some of the outsourced support has been removed or reduced and brought in house. We are reviewing Board approvals to ensure best-value is tested for any advisory or outsourced support. Board will review each year the continued appropriateness of outsourcing transactional services versus in-house resources
Reputation and clients	We carry out regular and ongoing client surveys and monitor the results, placing any issues on the quality improvement plan We do ask clients and partners for feedback on clinical services on a regular basis. Need to consider getting feedback on our reputation from other partners, including Quakers.

Strategic report

In 2021 we expected a successful resolution of all of the issues raised by the Covid-19 pandemic. However, for The Retreat Clinics, as for organisations on a national basis in particular, 2022 was a year of further turmoil as a result of not just the pandemic but the impact of Brexit and the financial crisis in the UK.

When we considered our situation at the beginning of 2022 we expected to see all of our services growing and significant increases in our income generation. However, a number of additional issues arose, including:-

- The national fuel and inflation crisis, which led to families having much less disposable income. This led to very little increase in our self-funded business.
- An exponential increase in referrals for our contracted services, with more adults than ever looking for an Autism and/or ADHD assessment. This has led to difficulties with capacity for the whole team alongside remaining issues with recruiting sufficiently specialised staff, leading to challenges for our Neurodevelopmental Team.
- The difficulties with recruiting specialised staff for our children's autism assessment service, funded by the NHS, meant that the capacity of the team to offer self-funded services was significantly diminished and therefore we did not generate the income we predicted at the start of the year.

Nevertheless, our staff remain incredibly responsive, adaptable, flexible and quick to learn. Their commitment and focus on our clients remain one of our greatest organisational strengths.

The Retreat Clinic's business model is now well established as an online provider continuing the Quaker mission to improve mental wellbeing in our communities as we review and manage our estate to a new purpose.

Clinical Services

The three year strategy we develop in 2023 will be crucial to the future direction and success of the clinical services we currently offer. We need to ensure that we maintain our Royal College of Psychiatry accreditation and the excellent feedback we have received from the CQC when we successfully went through their Direct Monitoring Approach in April 2022. We also need to focus on working closely with our NHS commissioners to ensure that we manage effectively, appropriately and efficiently, the huge increase in referrals to our contracted services.

In 2020 and in 2021 we had significant concerns about the waiting lists for adult Autism and ADHD services. These have now grown further and continue to grow on a daily basis. We are working closely with commissioners to ensure we can develop a more streamlined referral approach, with strict referral criteria so that those who are most in need to an assessment can receive it but that those who are less urgent can be offered alternative routes to support. We are also discussion increased funding to meet the increased need for these services.

The great challenge we encountered over the last two years remains - staffing and recruitment. Although this has not stopped us from meeting our targets to the satisfaction of the Commissioners, it remains a risk both clinically and financially.

We delivered further services free at the point of delivery during 2022 – in particular to refugees, to health staff and to vulnerable families. Some of this was a result of setting aside some of The Retreat's reserves for that purpose and some was a result of some fundraising managed by the parent of one of our children's service clients. In addition, we continued to support Quakers with funding from the Quaker Benevolent fund into 2022.

We hope that 2023 will see diversification and significant expansion of our clinical offer as we aim to become regional providers for a wide range of neurodevelopmental and psychological therapy services, moving into work in the corporate and education fields as well as continuing development and growth of our existing client and commissioner base.

Estate and Property Management Services

The Disabilities Trust signed a new lease with the Retreat for the services to continue at York House. With the end of a joint venture between The Disabilities Trust and The Retreat - the Retreat has ended its operating relationship with any inpatient Mental Health Services.

The Heslington Road Development has now moved into a new phase with the approach by the preferred developer , PJ Livesey , to the planning authorities to seek permission to develop the site in 2023.

The Retreat continues to employ a Facilities Management contractor to support in the delivery of Landlord services to tenants and also the support of an independent Health and Safety Advisor to review Compliance and other requirements The Retreat has as a Landlord.

The Retreat supports its Tenants (The Retreat Clinical Services and The Disabilities Trust) with a Tenants Forum and regular reviews and dialogue.

Property Development Initiatives.

The Retreat continues to review its property portfolio - mainly based on the Heslington Road site. The Development strategy places The Retreats Mental Health services at the centre of the development options and considers how the building assets might be used by The Retreat services or used to support the sustainability of these services in the future. It also considers value in use and possible alternative uses as services change over time.

The Retreat and PJ Livesey, the preferred Developer , is in dialogue with the York City council about a range of options for the development of the Heslington Road site. These discussions with PJ Livesey are planning the retention of some Outpatient service building at the Heslington Road site, possible commercial development of parts of the site and an intention to open much of the grounds for access and use.

The Retreat is also managing a short-term lease of the Charles Court site at Strensall, York - a newly refurbished Children's and Young Persons outpatient location; and the building at Palatine Road, Withington in Greater Manchester (Hampden House) acquired as an outpatient centre for all ages from 1st April 2021.

The Retreat retains interest in investment properties at Fairfax House, Heslington Road, and Dower Court, Heslington.

The Retreat's Key Achievements for 2022

The Executive Management of The Retreat are pleased with the continued progress made during 2022, despite the ongoing impact of the pandemic, followed by the cost of living crisis which have significantly disrupted services delivery from March 2020 onwards. The excellence of our 2022 outcomes matched outcomes from previous years. Real testament to the efforts of the staff team, clinicians and non-clinicians. The Retreat reflects on the achievements of 2022:

- Delivery of some of the later stages of the innovative three-year strategy since the closure of the Retreat Hospital, despite the ongoing pandemic and economic pressures.
- Service efficiency and capacity improvements, including a capacity review process and recruitment of more sessional therapists to increase workforce responsiveness and flexibility.
- Launch of a new trading name and an increase in the public's awareness of our existing services and expansion into children's service.
- Embedding the high quality psychological therapies service in Manchester, which started operating in April 2021.
- Continued support for a research project with Tend, for a Mindfulness Based Cognitive Therapy Virtual Reality programme. The research project commenced in 2021 and continued until late 2022.
- Further development of the support and placement offer to Psychotherapy and Psychology students, with a number of placements during 2022.
- Significant expansion of our online therapy services, alongside the development of a successful online service for Autism and ADHD assessments for adults and for children.
- Developed and delivered a therapeutic support service for the Quaker Benevolent Fund, which is free at the point of delivery and which offered support to Quakers with mental health concerns that were initiated or exacerbated by the pandemic.
- Completed refurbishment of our adult facility at the Tuke Centre, Heslington Road, which re-opened in summer 2022 and enable expansion and further development of our services for Adult Clients in North Yorkshire.
- Working with staff on their wellbeing, offering our EAP to support mental health and wellbeing, alongside free mindfulness training and weekly online yoga for relaxation, with regular meetings, communication and offers of support. Our staff communications continued to evidence good levels of job satisfaction and satisfaction with the organisation.
- Positive external relationships with a wide range of stakeholders, including other voluntary sector organisations in the region, CCGs, City of York Council, local councillors and local MPs.
- Completing the contractual relationship with a developer for the site re-purpose plans at Heslington Road concluding with contract signing in December 2021 and amended in Spring 2022.
- Building our relationship with the Retreat Pension Board in reviewing options and initiatives to reduce the scheme liabilities and the future reliance of the Scheme on the Retreat Assets.

Financial review

The Statement of Financial Activities for the period is set out on page 25 of the financial statements.

The financial results can be summarised in the following table.

	2022	2021
	£	£
Operating Surplus / (Deficit)	(2,123,708)	(2,027,228)
Change Program Impacts and transition costs	(561,041)	(956,884)
Profit / Loss on disposal / Fixed Asset write down	-	-
Profit on disposal of Joint Venture	-	182,000
Net Gains on Investments	(879,005)	347,942
Revaluation of Investment Properties	204,000	-
Accounting adjustments in relation to defined benefit pension scheme	(4,159,000)	4,884,000
Net Movement of funds per SOFA	(7,518,754)	2,429,830

The operating results of The Retreat, which include expenditure on the charity's two key areas of Outpatient Services and Estates and Property Management, in the year ended 31 December 2022 produced a deficit of £(2,123,708) (2021 – deficit £(1,845,228)). Included within this is other income from investments, donations, legacies and government grant produced income of £225,438 (2021 - £210,481).

A total of £561,041 (2020 - £956,884) was spent during the year on development of The Retreat York site, The outpatients service and future development activity. These are described as transition costs on the face of the Statement of Financial Activities

The result after these unusual items was an overall net deficit, before gains / losses on investments and movement on pensions, for the year amounting to £(2,684,749) (2021 - deficit £(2,802,112)).

After taking into account net investment losses of £(879,005) (2021 - gains £347,942), and an actuarial loss on the defined benefit pension scheme of £(4,159,000) (2021 – gains £4,884,000), there was a net adverse movement of funds of £(7,518,754) (2021 – positive movement £2,429,830).

Our financial results for the year have been affected by a net pension cost of £(68,000) (2021 - cost £(159,000)) relating to the current services costs for the Trust, net of interest expense.

Reserves policy and going concern

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 £1,500,000 and £4,500,000. This period of sufficiency aligns with NHS community contracts periods and lease periods for some short-term tenancies.

This is to ensure that in periods of weaker trading, the charity can continue to operate without cash-flow problems.

Free Reserves as illustrated as follows:-

	2022	2021
	£m's	£m's
Net Assets – 31 December	17.6	25.1
Pensions reserve	(5.3)	(9.5)
Tangible fixed asset value	(8.3)	(8.3)
Investment Property value	(0.9)	(0.7)
Other designated funds	(0.1)	-
Unrestricted/free reserves 31 December	3.0	6.6

The pension asset of £5,276,000 (2021 £9,472,000) is excluded from free reserves on the basis that this asset does not result in any cash flow to the charity and is likely to diminish over time.

Funds for the necessary upgrade and development of the charity's operational and investment properties and other non-capital, future strategy development projects are segregated into a separate development (designated) fund, currently totalling £nil at the end of 2022 (2021 - £nil). This fund has been used to change the nature of the services and properties since 2019 and has concluded with the Retreat completing the majority of the works by the end of 2021.

Our policy is, therefore, to continue managing reserves to the required level by means of annual operating position and judicious management of our investment assets. The Retreat has gone through a period of significant change and the current level of reserves, over and above the Reserves Policy, reflects the ongoing risks and that the future remains uncertain. The Current unrestricted and undesignated reserves are in line with that required by the reserve policy, though the uncertainty of the future dictates that a holding is required should further non-operational structure changes be required.

Investment Policy

The Retreat holds investments in a portfolio approach that includes a number of forms of holdings including cash balances, Investment properties, long-term reserves and short-term reserve instrument holdings.

The investments are held to enable the charity to discharge its charitable purposes and serving as a safety-net in the face of challenges and to enable some sustainability and capital investment in the medium term.

Short term reserves are held with a minimal return objective and are used to preserve capital, longer term reserves are held to obtain a return above inflation over the medium term. The Retreat Board recommended

a more ethical portfolio to actively support ethical causes and further move away from companies involved in some sectors which did not align to the Quaker values. The portfolio moved to a global equity based ethical scheme in 2020 generating a total income of £113k in 2022 (see note 4). The Investments in total realised a net loss of £(879)k in 2022 versus a fair value gain of £347k in 2021 (see note 14),

As a Quaker charity, The Retreat has an ethical investment approach, avoiding direct investments in companies that derive more than 5% of their revenue from Arms sales, tobacco manufacture and sale of alcohol, gambling, and facilitation of pornography or prostitution.

Going Concern

The Retreat's activities, its current financial position and factors impacting on its future development and associated risks are set out here. The Retreat has been through significant change to put the charitable company on a sustainable footing and in line with the reserves policy. Forecasts have been sensitised to take account of the possible crystallisation of major risks and to show how the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, The Retreat continues to adopt the going concern basis in preparing the financial statements and the Trustees are comfortable that no material uncertainties exist, including the potential prolonged impact of the cost-of-living crisis, which would threaten the operational existence of The Retreat for the next 12 months given the free reserves position versus the operating cost base of the organisation.

Fundraising Policy

The Retreat is not a conventional fundraising charity, most of our income is generated from our charitable service provision and from the assets of the charity which includes investments and investment properties. We do benefit from the generous support of the public and during the year we benefitted from a number of donations totalling £112,084, although these were unsolicited. We do not actively raise funds from the public and we have no agency arrangements in place in respect of fundraising. We have received no complaints during the year in respect of our fundraising activity.

Plans for the future

The Retreat has come through 2022 with some positive developments and a strong staff team to take us forward into a somewhat unsure future. We have started to offer services face to face again, though a proportion will remain virtually delivered and we think this will meet the need of our local community as well as potential service users nationally. We are in the process of conducting a review of our strategy, focusing more on our neurodiversity and our children and young people services during 2023, as well as our Manchester acquisition which launched in April 2021.

The Retreat Clinical Services are looking to the future and we are in the process of developing a new operational plan to deliver our strategic objective over the next year.

The next few years promise to be challenging for The Retreat as they will for many organisations emerging from the current economic uncertainties. However, we look forward with optimism to the future and the opportunities it will bring alongside those inevitable challenges. There will almost certainly be additional pressure on Government debt as a consequence of the decisions taken during the pandemic and as a result of the war in Ukraine and we know that this will have an impact on the NHS, a key part of our funding model. This means that we will need to continue to manage our cost base carefully, whilst continuing to maintain high quality services. We are looking to the future and hoping the pandemic and its legacy will have no further major impacts on our business. We are confident that we will be able to start the next part of our journey, with some optimism, into 2023.

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, February 2012 and November 2016.

Directors

The management of The Retreat York is vested in the Board of Directors. The Directors are also charity Trustees as defined in the Charities Act 2011.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the financial statements.

Management

Whilst strategic decisions are taken by the Directors, the day-to-day management of the charity is the responsibility of the Executive Directors which comprises two individuals - one is the Chief Officers responsible for Clinical Services, the other is the Chief Officer responsible for Corporate activity and Resources. The Executive Directors report directly to the Board of Directors.

Finance & Resources Committee

This committee meets 6 times a year to consider matters of a financial nature, including operational performance, investments, Pensions, together with human resource issues.

Quality and Safety Committee

This committee meet 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 Executive Directors.

Audit Committee

The Audit committee is formed as a sub-committee of the Board and is responsible for reviewing the Audit processes and work of the external auditors in addressing financial assurance issues of the company.

Estates Group

Though not a formal sub-committee of the Board, it has the responsibility for considering the estates developments and the impact on the resources of the charity. The Estates group is a group reporting through the Resources Committee and updates the Board as required.

Appointment of Trustees

Trustee Directors are appointed for a period of four years and are eligible for re-appointment for a further four years. The maximum number of Directors is eleven and the minimum three. The person appointed as the chair of the Directors is known as the Clerk. The Clerk and Deputy Clerk must be members of The Religious Society of Friends.

The Society of Friends has up to three representatives on The Retreat Nominations Committee that is responsible for recommending the names of individuals for appointment as Directors and for other working groups at The Retreat. Both Friends and non-Friends are appointed as Directors but there must always be more Friend Directors than non-Friend Directors.

Trustee 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.

Related parties and relationships with other organisations

For some years The Retreat York had 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. This joint venture was ended in September 2021 and the Disabilities Trust acquired the shares of the company for consideration, which is disclosed in Note 16 to the accounts.

Remuneration policy for key management personnel

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 senior members of staff. During 2019 the Remuneration Committee undertook a benchmarking exercise to review the pay levels of senior post-holders in The Retreat. Some changes to pay across the banding levels were made, and salary bands have applied to new posts informed by this review. The Remuneration Committee has not met in 2021 or 2022 and Executive pay remains unchanged during 2022 with the exception of cost of living uplifts.

Employee Information

Policy for employment of disabled persons

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, pay, selection, retention and training of disabled staff.

Employee Consultation

Employees have been consulted on issues of concern to them by means of regular staff 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.

The Living Wage

The Retreat operates a living wage policy and regime. The Retreat adheres to minimum wage legislation and is a living wage employer. The Retreat ensures that contractor staff also adheres to living wage guidance and seek positive assurance from key suppliers each year.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Retreat York 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 that period. 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 and statements of recommended practice 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 7 (2021:6).

The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the assets of the charity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 6 July 2023 and signed on their behalf by:

David Robson

Clerk to the Trustees

Independent auditor's report

To the members of

The Retreat York

Opinion

We have audited the financial statements of The Retreat York (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2022 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Retreat York's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

To the members of

The Retreat York

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Independent auditor's report

To the members of

The Retreat York

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

11 July 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Retreat York

Statement of Financial Activities (Incorporating the Income and Expenditure Account) For the year ended 31 December 2022

	Note	Unrestricted – General £	Unrestricted – Designated Pension Scheme £	Unrestricted – Designated Other £	Restricted £	2022 Total £	2021 Total £
Income from:							
Donations	2	31,624	–	80,460	–	112,084	39,836
Charitable activities – outpatient services	3	2,514,926	–	–	–	2,514,926	2,005,402
Other trading activities:							
Exceptional profit on disposal of joint venture	16	–	–	–	–	–	182,000
Other trading income – estates and property management	4b	424,828	–	–	–	424,828	613,005
Investments	4a	113,354	–	–	–	113,354	170,645
Net interest on pension scheme asset	26	–	178,000	–	–	178,000	60,000
Total income		3,084,732	178,000	80,460	–	3,343,192	3,070,888
Expenditure on:							
Raising funds –							
Other trading activity – estates and property		1,337,976	–	–	–	1,337,976	1,475,336
Charitable activities							
Outpatient services		3,878,069	–	4,855	–	3,882,924	3,196,351
Current service cost on pension scheme asset	26	–	246,000	–	–	246,000	219,000
Net expenditure from joint ventures	16	–	–	–	–	–	25,429
Total charitable activities		3,878,069	246,000	4,855	–	4,128,924	3,440,780
Exceptional transition costs		–	–	561,041	–	561,041	956,884
Total expenditure	5	5,216,045	246,000	565,896	–	6,027,941	5,873,000
Net (expenditure) before other gains/(losses)		(2,131,313)	(68,000)	(485,436)	–	(2,684,749)	(2,802,112)
Net (losses)/gains on investments	14	(879,005)	–	–	–	(879,005)	347,942
Revaluation gains / (losses) on investment properties	13	–	–	204,000	–	204,000	–
Actuarial gains/(losses) on defined benefit pension schemes	26	–	(4,159,000)	–	–	(4,159,000)	4,884,000
Net (expenditure) / income for the year		(3,010,318)	(4,227,000)	(281,436)	–	(7,518,754)	2,429,830
Transfers between funds	20	(597,408)	31,000	570,624	(4,216)	–	–
Net movement in funds		(3,607,726)	(4,196,000)	289,188	(4,216)	(7,518,754)	2,429,830
Reconciliation of funds:							
Total funds brought forward		6,598,378	9,472,000	9,044,050	4,216	25,118,644	22,688,814
Total funds carried forward		2,990,652	5,276,000	9,333,238	–	17,599,890	25,118,644

All of the above results are derived from continuing activities, except where shown.

There were no other recognised gains or losses other than those stated above.

A fully detailed Statement of Financial Activities for the year ending 31 December 2021 is shown at note 27 to these financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Retreat York

Balance sheet

Company no. 04325622

As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Goodwill	11		27,500		41,250
Tangible assets	12		8,275,917		8,310,812
Investment properties	13		900,000		696,000
Investments	14		3,328,698		6,601,733
			<u>12,532,115</u>		<u>15,649,795</u>
Current assets:					
Debtors	17	173,852		204,657	
Cash at bank and in hand	22	947,927		1,632,890	
			<u>1,121,779</u>	<u>1,837,547</u>	
Liabilities:					
Creditors: amounts falling due within one year	18	(1,330,004)		(1,840,698)	
Net current liabilities			<u>(208,225)</u>		<u>(3,151)</u>
Net assets excluding pension asset			12,323,890		15,646,644
Defined benefit pension scheme asset	26		5,276,000		9,472,000
Total net assets			<u>17,599,890</u>		<u>25,118,644</u>
The funds of the charity:	19,20				
Restricted funds			–		4,216
Unrestricted income funds:					
Designated funds	20	14,609,238		18,516,050	
General funds	19	2,990,652		6,598,378	
			<u>17,599,890</u>		<u>25,114,428</u>
Total unrestricted funds			<u>17,599,890</u>		<u>25,114,428</u>
Total charity funds			<u>17,599,890</u>		<u>25,118,644</u>

These financial statements were approved by the Trustees on 6 July 2023 and signed on their behalf:

David Robson
Clerk to The Trustees

The Retreat York

Statement of cash flows

For the year ended 31 December 2022

Reconciliation of net (expenditure) to net cash flow from operating activities

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net (expenditure) / income for the reporting period (as per the statement of financial activities)		(7,518,754)		2,429,830	
Actuarial (gains)/losses	26	4,159,000		(4,884,000)	
Depreciation and amortisation charges		161,347		206,071	
Dividends, interest and rent from investments		(113,354)		(170,645)	
Change in fair value of investments		879,005		(347,942)	
Net interest on pension scheme asset		(178,000)		(60,000)	
Defined benefit pension scheme adjustments		246,000		219,000	
Defined benefit pension scheme contributions paid		(31,000)		(33,000)	
Revaluation gains / (losses) on investment properties		(204,000)		–	
(Profit) / Loss on the disposal of fixed assets		–		(182,000)	
Decrease in debtors		30,805		132,149	
(Decrease) / Increase in creditors		(510,694)		1,123,365	
Net cash (used in) operating activities			(3,079,645)		(1,567,172)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	113,354		170,645	
Purchase of fixed assets	12	(112,702)		(976,729)	
Goodwill acquired on purchase of trade and assets	11	–		(55,000)	
Proceeds from sale of fixed assets		–		–	
Proceeds from sale of investments	14	2,983,962		2,558,474	
Proceeds from sale of share of joint ventures	14	–		182,500	
Purchase of investments	14	(567,799)		(320,402)	
Net cash provided by investing activities			2,416,815		1,559,488
Change in cash and cash equivalents in the year			(662,830)		(7,684)
Cash and cash equivalents at the beginning of the year	22		1,707,138		1,714,822
Cash and cash equivalents at the end of the year	22		1,044,308		1,707,138

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

a) Statutory information

The Retreat York is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 107 Heslington Road, York, YO10 5BN.

b) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

Whilst the Charity has net current liabilities of £208,225 (£3,151 net current liabilities 2021), the trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Whilst investment values have been impacted by market movements, the charity has adequate cash reserves, sufficient to meet its immediate requirements. Thus the Trustees have continued to adopt the going concern basis of accounting in preparing the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Much of the Heslington Road site is subject to formal developer interests and also the Retreat conclude a commercial property purchase in Greater Manchester in March 2021. The Investment Properties are subject to freehold purchase interests and the Board of the Retreat will consider these when in its strategic interests to do so.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable and dividends

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are amounts received from listed investments as notified by investment managers and are re-invested in the funds available to the investment managers.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the invoiced costs of professional property and estate management
- Expenditure on charitable activities includes the costs of delivering Specialist Mental Health Services undertaken to further the purposes of the charity and their associated support costs
- Expenditure on estates management includes the cost of maintaining and running the buildings and grounds owned by the charity which are partially rented out to tenants.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Building shared services are allocated between charitable activities and estates and property management based on approximate floor area. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned according to staff headcount.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Land and Buildings have been valued in April 2019 and February 2021 by external valuers. Revaluation of investment properties are only considered on formal valuer report or on contracted terms agreed.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--|--|
| • Freehold Property | Not depreciated as recoverable amount deemed to exceed carrying value. |
| • Short Leasehold Buildings | Over the period of the lease |
| • Furniture, plant and equipment | 16.5% straight line |
| • Vehicles | 25% reducing balance |
| • Fire Precaution Work – included within freehold property | 4% straight line |
| • Computer Equipment | 25% straight line |

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

l) Intangible fixed assets

Goodwill relates to the excess consideration over net assets acquired on trade acquisitions. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 4 years, subject to an annual impairment review.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Unlisted Investments

Unlisted investments are measured initially at cost and subsequently included in the balance sheet at historic cost less impairment for amounts considered irrecoverable. Any change in carrying value is recognised in the statement of financial activities.

p) Investments in subsidiaries

Investments in subsidiaries are at cost less impairment.

q) 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.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) 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.

t) 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.

u) Financial instruments

The charity 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 which are subsequently measured at amortised cost using the effective interest method.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

v) Pensions

The charity operates a defined benefit plan for the benefit of its eligible 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. The Scheme closed to new entrants in 2013.

The charity also operates a Defined Contribution Scheme for those members of staff not eligible to join the Defined Benefit Scheme. This Scheme is also used to discharge our auto enrolment obligations.

2 Income from donations

	2022 Total £	2021 Total £
Donations	112,084	39,836
	<u>112,084</u>	<u>39,836</u>

All income from donations are unrestricted in both periods.

3 Income from charitable activities

	2022 Total £	2021 Total £
Out-patient services	2,514,926	2,005,402
Total income from charitable activities	<u>2,514,926</u>	<u>2,005,402</u>

All income from charitable activities for the current and previous financial year was unrestricted.

4a Income from investments

	2022 Total £	2021 Total £
Dividends	104,705	161,788
Bank interest	3,883	3,317
Interest from listed investments	4,766	5,540
	<u>113,354</u>	<u>170,645</u>

All income from investments for the current and previous financial year was unrestricted.

4b Other Trading Income – Estates and Property Management

Income from estates and property management amounted to £424,828 (2021: £613,005) and relates to rental income of £243,702 (2021: £295,901) and facilities costs recharged to tenants of £181,126 (2021: £317,104).

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

5 Analysis of expenditure

For the year ended 31 December 2022	Charitable activities £	Estates and property management £	Transition costs £	Governance costs £	Support costs £	2022 Total £
Staff costs (Note 7)	1,887,984	239,513	-	-	31,000	2,158,497
Direct costs	1,216,759	300,111	478,020	33,617	101,242	2,129,749
Insurance	-	5,583	-	10,620	139,242	155,445
IT costs	34,888	87	68,546	19,761	354,747	478,029
Office costs	125,323	1,105	3,693	4,549	14,351	149,021
Property costs	72,455	472,869	10,782	-	2,248	558,354
Auditor's remuneration	-	-	-	19,740	-	19,740
Depreciation and (profit)/loss on disposal	-	147,597	-	-	-	147,597
Amortisation	13,750	-	-	-	-	13,750
Trustee expenses	-	-	-	2,759	-	2,759
Pension administration expenses (Note 26)	-	-	-	-	215,000	215,000
	3,351,159	1,166,865	561,041	91,046	857,830	6,027,941
Support cost allocation	710,233	147,597	-	-	(857,830)	-
Governance costs	67,532	23,514	-	(91,046)	-	-
Total expenditure 2022	4,128,924	1,337,976	561,041	-	-	6,027,941

Transitional expenditure relates to incremental exceptional costs incurred relating to the fundamental restructure of the organisation and the strategic review and investment into the outpatient facilities.

Estates and property management costs relate to the costs of running the elements of the estate which are not currently utilised by outpatient services, to which appropriate estates costs have been allocated. Some of the residual estate is tenanted by third parties and generates rental income which contributes to both the direct costs of that tenancy and to the overall upkeep of the rest of estate. This includes certain areas which are intentionally not tenanted and generate no income but still require expenditure for their upkeep and management to ensure the property of the charity is appropriately safeguarded. A number of tenants left the estate at the end of 2020 and during 2021 and this resulted in a significant reduction in rental income during 2022. As a result Estates and Property management generated a net loss of £913,148 (2021: £862,330 deficit) after the allocation of support costs of £147,597 (2021: £192,320) which is based on headcount.

For the year ended 31 December 2021	Charitable activities £	Estates and property management £	Transition costs £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 7)	1,520,777	233,809	-	-	33,000	1,787,586
Direct costs	1,074,622	198,815	910,190	130,814	86,467	2,400,908
Insurance	-	4,198	1,008	12,653	71,978	89,837
IT costs	26,848	-	9,436	31,970	279,222	347,476
Office costs	101,986	24,408	1,066	2,517	18,893	148,870
Property costs	55,009	570,585	35,184	-	3,556	664,334
Auditor's remuneration	-	-	-	15,400	-	15,400
Depreciation and Loss on disposal	-	192,321	-	-	-	192,321
Amortisation	13,750	-	-	-	-	13,750
Trustee expenses	-	-	-	1,089	-	1,089
Pension administration expenses (Note 26)	-	-	-	-	186,000	186,000
Net expenditure from joint ventures (Note 16)	25,429	-	-	-	-	25,429
	2,818,421	1,224,136	956,884	194,443	679,116	5,873,000
Support cost allocation	486,796	192,320	-	-	(679,116)	-
Governance costs	135,563	58,880	-	(194,443)	-	-
Total expenditure 2021	3,440,780	1,475,336	956,884	-	-	5,873,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

6 Net (expenditure) for the year

This is stated after charging /(crediting):

	2022 £	2021 £
Depreciation and Amortisation	161,347	206,071
Operating lease rentals:		
Property	75,000	75,000
Equipment	5,254	5,731
Auditor's remuneration (excluding VAT):		
Audit	16,450	14,700

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,833,147	1,521,083
Redundancy and termination costs	16,038	-
Social security costs	183,686	145,731
Pension contribution to defined contribution schemes	94,626	87,772
	2,127,497	1,754,586
Operating costs of defined benefit pension schemes (Note 26)	31,000	33,000
	2,158,497	1,787,586

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	-	1
£80,000 – £89,999	1	1
£90,000 – £99,999	-	-
£100,000 – £109,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £300,056 (2021: £312,062).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,759 (2021: £1,089) incurred by 5 (2021: 4) members relating to attendance at meetings of the trustees.

8 Staff numbers

Total staff numbers are as follows (average head count based on number of staff employed):

	2022 No.	2021 No.
	61	51

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

9 Related party transactions

In June 2020, the Retreat made an investment of £50,000 in to convertible preference shares of Tend VR Limited (company number 11552335). Tend VR Limited is developing technological solutions to mindfulness and low level mental interventions and the Retreat is supporting the trial and development phases of the project. The Investment can be converted to Ordinary and voting shares of Tend VR Limited in the future and under specific circumstances relating to the future ownership of the company. Tend VR Limited has three Directors, one of whom is Mr Matthew Hoad-Robson. Mr Hoad-Robson is the son of Dr David Robson, the Clerk to the Trustees of the Retreat. Dr Robson took no part in the in discussion or decision-making processes related to the investment in Tend. An impairment of £49,999 was recognised during 2021 to write down the carrying value of the investment to £1 (see note 14).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Goodwill

	Goodwill
Cost	
At the start of the year	55,000
Additions in year	–
Disposals in year	–
At the end of the year	<u>55,000</u>
Amortisation	
At the start of the year	13,750
Charge for the year	13,750
Eliminated on disposal	–
At the end of the year	<u>27,500</u>
Net book value	
At the end of the year	<u>27,500</u>
At the start of the year	<u>41,250</u>

Goodwill represents the surplus of cost over the fair value of assets acquired on the purchase of Hampden House.

12 Tangible fixed assets

	Freehold property £	Leasehold property £	Equipment £	Total £
Cost				
At the start of the year	12,753,009	761,174	997,714	14,511,897
Additions in year	40,968	35,992	35,742	112,702
Disposals in year	–	–	–	–
At the end of the year	<u>12,793,977</u>	<u>797,166</u>	<u>1,033,456</u>	<u>14,624,599</u>
Depreciation				
At the start of the year	5,092,830	263,435	844,820	6,201,085
Charge for the year	24,607	62,672	60,318	147,597
Eliminated on disposal	–	–	–	–
At the end of the year	<u>5,117,437</u>	<u>326,107</u>	<u>905,138</u>	<u>6,348,682</u>
Net book value				
At the end of the year	<u>7,676,540</u>	<u>471,059</u>	<u>128,318</u>	<u>8,275,917</u>
At the start of the year	<u>7,660,179</u>	<u>497,739</u>	<u>152,894</u>	<u>8,310,812</u>

The freehold property was valued by Carter Jonas in February 2021 as at 31 December 2020 on a depreciated replacement cost basis, and the company decided to incorporate this valuation into the financial statements. The Trustee remain satisfied that this is a reasonable estimated valuation of the properties.

All of the above assets are used for charitable purposes.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

13 Investment Properties

	2022 £	2021 £
Fair value at the start of the year	696,000	696,000
Revaluation during the year	204,000	-
Fair value at the end of the year	900,000	696,000

The investment properties at 31 December 2021 and 31 December 2022 comprise Dower Court and Fairfax House. Having taken advice, the trustees have reviewed the values of the investment properties and believe that their market value at 31 December 2022 is now £900,000. Accordingly, an uplift of £204,000 has been recognised.

14 Investments

Investments comprise:	2022 £	2021 £
Listed investments	3,232,315	6,527,483
Cash	96,381	74,248
Equity investment in group undertaking	1	1
Unlisted investment carried at fair value	1	1
	3,328,698	6,601,733

Listed investments and cash comprise:	2022 £	2021 £
Fair value at the start of the year	6,527,483	8,367,614
Additions at cost	567,799	320,402
Disposal proceeds	(2,983,962)	(2,558,474)
Realised and unrealised (losses)/gains on change in fair value	(879,005)	397,941
	3,232,315	6,527,483
Cash held by investment broker pending reinvestment	96,381	74,248
Fair value at the end of the year	3,328,696	6,601,731

Unlisted investment comprises:	2022 £	2021 £
Fair value at the start of the year	1	50,000
Additions at cost	-	-
Unrealised (losses) on change in fair value	-	(49,999)
Fair value at the end of the year	1	1

Change in fair value of investments:	2022 £	2021 £
Realised and unrealised (losses) / gains on listed investments	(879,005)	397,941
Realised and unrealised (losses) on unlisted investments	-	(49,999)
Fair value at the end of the year	(879,005)	347,942

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Cottage Villa Limited, a company registered in England (company number 09650020), now dormant. There has been no activity in the year. The prior year showed a break even position, with £10,866 of income and turnover and costs. The company had been set up to collect rents from The Retreat York's Learning Disability Service, which was transferred to Mencap on 1 January 2019. Prior year results and assets were not consolidated into the financial statements of The Retreat York as it was not considered material. Available profits were distributed under gift aid to the charitable company.

16 Investments in joint ventures

York House

Between 1998 and 2021, The Retreat participated in a joint venture, owning 50% of the share capital, which operated a unit for individuals with acquired brain injury. The other 50% was owned by The Disabilities Trust. When The Retreat disposed of its share in the joint venture, a profit of £182,000 was realised and recognised in the 2021 accounts. Alongside this £25,429 was recognised in last year's accounts as its share of expenditure on charitable activities up to the point of disposal.

17 Debtors

	2022 £	2021 £
Trade debtors	29,451	61,810
Other debtors	–	5,514
Prepayments	144,401	133,079
Accrued income	–	4,254
	173,852	204,657

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	142,685	208,319
Other creditors	15,883	15,923
Accruals	198,572	274,489
Deferred income	972,864	1,260,799
Monies held on behalf of patients	–	81,168
	1,330,004	1,840,698

18A Deferred income

	2022 £	2021 £
Deferred income at 1 January	1,260,799	274,668
Amounts released from previous years	(1,260,799)	(274,668)
Income deferred during the year	972,864	1,260,799
Deferred income at 31 December	972,864	1,260,799

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

19 Analysis of net assets between funds

As at 31 December 2022	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	–	8,275,917	8,275,917
Goodwill	–	27,500	27,500
Investment properties	–	900,000	900,000
Investments	3,328,698	–	3,328,698
Net current assets/ (liabilities)	(338,046)	129,821	(208,225)
Defined benefit pension asset	–	5,276,000	5,276,000
Net assets at 31 December 2022	2,990,652	14,609,238	17,599,890

As at 31 December 2021	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	8,310,812	–	8,310,812
Goodwill	41,250	–	–	41,250
Investment properties	–	696,000	–	696,000
Investments	6,614,495	(12,762)	–	6,601,733
Net current assets / (liabilities)	(57,367)	50,000	4,216	(3,151)
Defined benefit pension asset	–	9,472,000	–	9,472,000
Net assets at 31 December 2021	6,598,378	18,516,050	4,216	25,118,644

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

20 Movement in funds

For the year to 31 December 2022	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Other	4,216	–	–	(4,216)	–
Total restricted funds	4,216	–	–	(4,216)	–
Designated funds:					
Tangible fixed assets	8,310,812	–	–	(7,395)	8,303,417
Investment properties	696,000	204,000	–	–	900,000
Development fund	(12,762)	–	(561,041)	573,803	–
Charitable service reserve	50,000	–	(3,955)	–	46,045
Hardship fund	–	80,460	(900)	4,216	83,776
Pension reserve	9,472,000	–	(4,227,000)	31,000	5,276,000
Total designated funds	18,516,050	284,460	(4,792,896)	601,624	14,609,238
General funds	6,598,378	3,084,732	(6,095,050)	(597,408)	2,990,652
Total unrestricted funds	25,114,428	3,369,192	(10,887,946)	4,216	17,599,890
Total funds	25,118,644	3,369,192	(10,887,946)	–	17,599,890
For the year to 31 December 2021	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Other	4,216	–	–	–	4,216
Total restricted funds	4,216	–	–	–	4,216
Designated funds:					
Tangible fixed assets	7,526,404	–	–	784,408	8,310,812
Investment properties	696,000	–	–	–	696,000
Development fund	1,016,280	–	(956,884)	(72,158)	(12,762)
Charitable service reserve	–	–	–	50,000	50,000
Pension reserve	4,714,000	4,944,000	(219,000)	33,000	9,472,000
Total designated funds	13,952,684	4,944,000	(1,175,884)	795,250	18,516,050
General funds	8,731,914	3,358,830	(4,697,116)	(795,250)	6,598,378
Total unrestricted funds	22,684,598	8,302,830	(5,873,000)	–	25,114,428
Total funds	22,688,814	8,302,830	(5,873,000)	–	25,118,644

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

20 Movement in restricted and designated funds (continued)

The transfers out of restricted funds in 2022 represents a historic review of patient transactions and a re-assessment of historic payments.

Purposes of restricted funds:

Other – These funds comprise specific donations from external bodies to be spent on other benefits for patients.

Since the closure of the Retreat Mental Health Hospital Services in January 2019, the only remaining restricted fund was entitled the Patient Clothing Fund. This was a fund established by donations and gifts specifically for the purpose of clothing patients who had no specific means of their own and for this purpose. The Departure of all inpatient clients in January 2019 resulted in no means or ability to apply these funds for patient clothing needs. The Board requested that this fund be closed, and balances transferred to general unrestricted reserves and reallocated for other designated purposes befitting a mental health community outpatient service. This action was approved by the Charity Commission in March 2022.

Purposes of designated funds:

Pension scheme – as detailed in note 26 the charity is party to a defined benefit pension scheme which was in surplus at 31 December 2022. This amount has been designated as it does not form funds freely available to the charity for charitable purpose.

Tangible fixed assets – This fund has been set up to identify those funds which are not free funds. It represents the net book value of the charity's fixed assets, including the Goodwill recognised upon the acquisition of the Hampden House operation in 2021. The Fixed assets and Goodwill are used almost entirely for the provision of care services either by the Retreat or by health care service tenants. The fund includes a revaluation reserve of £562,804 (2021 – £562,804).

Development fund – An amount of £4,533,327 in total was earmarked for projects for the development of care services and the development of the estate owned by The Retreat York. This was completed during the 2021 and the remaining balance transferred to general unrestricted funds in December 2021 statements.

Hardship fund – The Board of the Retreat requested the establishment of a designated fund specifically for those in need who were not applicable for NHS based funding and were unable, or unlikely to be able, to pay the self-funded fees for The Retreat services usually charged. This fund was developed to consider individual Client requests.

Charitable Service Reserve – The trustees decided to set aside an amount of £50,000 to undertake non-chargeable service to special cases agreed by the Board. It was set up to provide mental health services to first line staff during covid such as care home workers and nursing staff in NHS hospitals in York. This fund was also established to consider requests from cohorts of workers or communities requiring specific mental health support as a result of traumatic or systemic events or circumstances, future examples may include support for refugees or other groups in need of short term support.

21 Free Reserves :

The free reserves are determined after the movement of all restricted, designated and general purposed reserves have been determined :

	At 31 December 2022 £	At 31 December 2021 £
Net funds of the charity	17,599,890	25,118,644
Restricted funds	–	(4,216)
Pension reserve	(5,276,000)	(9,472,000)
Tangible and fixed asset reserve	(8,303,417)	(8,310,812)
Investment property values	(900,000)	(696,000)
General future development fund	–	12,762
Hardship fund	(83,776)	–
Charitable service reserve	(46,045)	(50,000)
Free reserves	2,990,652	6,598,378

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

22 Analysis of cash and cash equivalents

	At 1 January 2022 £	Cash flows £	Other changes £	At 31 December 2022 £
Cash at bank and in hand	1,632,890	(684,963)	–	947,927
Cash awaiting investment	74,248	22,133	–	96,381
Total cash and cash equivalents	1,707,138	(662,830)	–	1,044,308

The charitable company does not have any debt at the current or prior balance sheet date.

23 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2022 £	2021 £	2022 £	2021 £
Less than one year	75,000	75,000	5,254	5,254
One to five years	300,000	375,000	–	–
	375,000	450,000	5,254	5,254

24 Rents receivable

The charity's total future rent receivable from investment properties is as follows for each of the following periods

	2022 £	2021 £
Less than one year	236,185	255,910
One to five years	–	234,876
	236,185	490,786

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

26 Defined benefit pension scheme

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme, with both Final Salary and Career Average Revalued Earnings benefits. For service prior to 1 August 2006, benefits are linked to members' final pensionable salaries at their retirement or earlier leaving. For service after 31 July 2006, benefits are built up each year, linked to members' salaries in that year and then increased each year in line with inflation. The Scheme was closed to new entrants on 31 December 2013 but accrual of benefits continues for current members of the Scheme. The most recent valuation as at 31 December 2022 was performed on 3 February 2023 by First Actuarial LLP.

The contributions made during the year ended 31 December 2022 for the defined benefit scheme were at a rate of 31.6% (2021: 31.6%) of pensionable salaries for the charity. The employer contributions paid over to the Scheme trustees in the year amounting to £31,000 (2021: £33,000), together with the actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102. Insurance premiums for death in service benefits were payable in addition.

The employee benefit obligations recognised in the balance sheet are as follows:

	2022 £	2021 £
Present value of funded obligations	(29,223,000)	(43,454,000)
Fair value of plan assets	34,499,000	52,926,000
	5,276,000	9,472,000
Amounts in the balance sheet:		
Liabilities	(29,223,000)	(43,454,000)
Assets	34,499,000	52,926,000
Net asset	5,276,000	9,472,000

Amounts recognised in the statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	246,000	219,000
Net interest credit	(178,000)	(60,000)
Total cost	68,000	159,000

Changes in the present value of the defined benefit obligation are as follows:

	2022 £	2021 £
Opening defined benefit obligation	43,454,000	45,289,000
Service cost	45,000	51,000
Interest cost	808,000	580,000
Actuarial (gains)/losses – change of basis	(15,389,000)	–
Actuarial losses / (gains) – experience	2,214,000	(1,027,000)
Members contributions	6,000	7,000
Benefits paid	(1,915,000)	(1,446,000)
Closing defined benefit obligation	29,223,000	43,454,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

26 Defined benefit pension scheme (continued)

Changes in the fair value of plan assets are as follows:

	2022 £	2021 £
Opening fair value of plan assets	52,926,000	50,003,000
Interest Income	986,000	640,000
Administration expenses	(201,000)	(168,000)
Actuarial gains/(losses)	(17,334,000)	3,857,000
Contributions by employer	31,000	33,000
Members contributions	6,000	7,000
Benefits paid	(1,915,000)	(1,446,000)
Closing fair value of plan assets	34,499,000	52,926,000

	2022 £	2021 £
Net actuarial (loss)/gain on defined benefit pension scheme		
Actuarial (loss) /gain on plan obligations	13,175,000	1,027,000
Actuarial (loss) /gain on plan assets	(17,334,000)	3,857,000
	(4,159,000)	4,884,000

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022 %	2021 %
Retail Price Inflation assumption before retirement	3.1%	3.7%
Retail Price Inflation assumption after retirement	3.1%	3.3%
Consumer Price Inflation assumption before retirement	2.2%	2.7%
Consumer Price Inflation assumption after retirement	2.8%	2.9%
Discount rate at the end of the year	4.8%	1.9%
Future salary increases	2.2%	2.7%
Future pension increases where linked to inflation:		
• Limited price index 5%	2.8%	2.9%
• Limited price index 3%	2.4%	2.4%
• Limited price index 2.5%	2.1%	2.2%

Amounts for the current and previous four periods are as follows:

	2022 £	2021 £	2020 £	2019 £	2018 £
Defined benefit obligation	(29,223,000)	(43,454,000)	(45,289,000)	(37,587,000)	(36,098,000)
Plan assets	34,499,000	52,926,000	50,003,000	46,671,000	42,771,000
Surplus	5,276,000	9,472,000	4,714,000	9,084,000	6,673,000
Experience gain/(loss) on benefit obligation	(17,334,000)	3,857,000	4,181,000	4,676,000	(3,110,000)

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

27 Comparative Statement of Financial Activities for the year ended 31 December 2021

	Unrestricted – General	Unrestricted – Designated Pension Scheme	Unrestricted – Designated Other	Restricted	2021 Total
	£	£	£	£	£
Income from:					
Donations and legacies	39,836	–	–	–	39,836
Charitable activities – outpatient services	2,005,402	–	–	–	2,005,402
Other Trading activities:					
Exceptional profit on disposal of joint venture	182,000	–	–	–	182,000
Other trading income – estates and property management	613,005	–	–	–	613,005
Investments	170,645	–	–	–	170,645
Net interest on pension scheme asset	–	60,000	–	–	60,000
Total income	3,010,888	60,000	–	–	3,070,888
Expenditure on:					
Raising funds –					
Investment management	–	–	–	–	–
Other trading activity – estates and property	1,475,336	–	–	–	1,475,336
Charitable activities – outpatient services	3,196,351	–	–	–	3,196,351
Current service cost on pension scheme asset	–	219,000	–	–	219,000
Net expenditure from joint ventures	25,429	–	–	–	25,429
Total charitable activities	4,697,116	219,000	–	–	4,916,116
Transition costs	–	–	956,884	–	956,884
Total expenditure	4,697,116	219,000	956,884	–	5,873,000
Net (expenditure) before other gains/(losses)	(1,686,228)	(159,000)	(956,884)	–	(2,802,112)
Net gains/(losses) on investments	347,942	–	–	–	347,942
Net loss on revaluation of investment properties	–	–	–	–	–
Actuarial gains/(losses) on defined benefit pension schemes	–	4,884,000	–	–	4,884,000
Net (expenditure) for the year	(1,338,286)	4,725,000	(956,884)	–	2,429,830
Transfers between funds	(795,250)	33,000	762,250	–	–
Net movement in funds	(2,133,536)	4,758,000	(194,634)	–	2,429,830
Reconciliation of funds:					
Total funds brought forward	8,731,914	4,714,000	9,238,684	4,216	22,688,814
Total funds carried forward	6,598,378	9,472,000	9,044,050	4,216	25,118,644

Accounts

Company number: 04325622

Charity number: 1089826

The Retreat York

Report and Financial Statements

For the year ended 31 December 2021

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	20
Statement of financial activities (incorporating an income and expenditure account).....	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27

Company number	4325622
Country of incorporation	United Kingdom
Charity number	1089826
Country of registration	England & Wales
Registered office and operational address	107 Heslington Road York YO10 5BN

Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

James Eddington^{1 4}

Martin Ford^{1 4}

Rob Griffiths³ Resigned 6 December 2021

David Robson^{2 3} Clerk to the Board

Christine Abbott² Resigned 4 November 2021

Beverley Goddard^{1, 4}

Paul Henderson- Grey²

Clare Scott Booth¹

Christian Farrell Trustee from 5th May 2022.

1 Member of the Finance & Resources Committee

2 Member of the Quality and Safety Committee

3 Member of the Remuneration Committee

4 Member of the Audit Committee

Key management personnel	Kim Bevan	Chief Officer (Clinical Services)
	Ian Holborn	Chief Officer (Corporate Affairs)

Bankers	HSBC Bank plc 13 Parliament Street York YO1 1XS
Solicitors	Weightmans Westgate Point Westgate Leeds LS1 2AX
Investment Managers	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL

Report of the Clerk to the Board and the Chief Officers

The impact of the world-changing Pandemic continued into 2021 and beyond. In its turn, The Retreat continued to adapt, change and grow. Our staff also continued to show their commitment to the organisation and their passion to ensure that the people we work-with and support receive the highest quality services possible, despite the constraints of the pandemic. The plans for our estate progressed to the point of identifying a buyer for the majority of our 40 acres, through a robust and values-based process, aiming to assuring the legacy of our founders and to retain sufficient parts of our estate to continue the delivery of mental health and neurodevelopmental services.

One of our issues during 2021 has been the ability to recruit staff to our Neurodevelopmental Services and to our psychological therapy services for children and young people. The consequences of this has been the engagement of agency locums where recruitment has been problematic, which has allowed us to maintain our contracted activity levels. We continue to strive to attract permanent staff members and to offer competitive terms and conditions for skilled and suitably qualified staff.

Our original 3-year clinical strategy was co-produced with all of our staff, with service users and with our Trustees. The aim was to develop a strategy that would enable us to become a leader in the areas we feel can make a key contribution to the improvement of mental wellbeing, by the end of 2022. This remains our endeavour and our vision is still to deliver high quality, sustainable, renowned mental health services, alongside Neurodiversity Services, helping people to live well with themselves so that we all live better together.

Clinical Services

Many things have changed over the last year and the pandemic has created opportunities as well as challenges. Our services have remained mostly online, though we are beginning to see an increase in demand from clients asking for face- to- face therapy. We are doing our best to meet this demand whilst being careful about asking all staff to return to our workplace immediately. We want to ensure that our staff get the chance to return gradually. We will retain a permanent online offer for our clients and we are considering recruiting staff from further afield who can offer home-based online services.

We remain focused on our two 'big things'– Therapy and Neurodiversity Services for people of all ages. The thing that has changed irrevocably, resulting from the pandemic, is how we deliver these services. Going forward, a proportion will continue to be delivered online rather than in person and we are beginning to promote our online services in a more focused way, to reach people on a national basis. We know that further challenges will arise during 2022; however, we know that with the support and innovations provided by our committed and talented staff we're confident that we can sustain our values -based service delivery for years to come.

Estates and Property Management

We continue to provide professional landlord services, though we say "farewell" to our Mencap clients at the Cottage and East Villas leaving the Retreat and York House Ventures as users of the buildings on the site to deliver services. We have continued the development of our tenancy agreement with The Disabilities Trust by agreeing a new short terms lease with the Trust for the use of York House until the end of 2023 whilst they develop their new hospital in York.

We also progressed the development plans for our estate, have signed a contract for sale to PJ Livesey In December 2021, and are in discussions with the developer and the City of York Council, alongside other stakeholders with an interest in what happens to our estate land and buildings. The offer to PJ Livesey is

contingent on them obtaining planning permission for its development of the Heslington Road site. This work will gather pace during 2022 with a view to firm and agreed plans being in place by the Winter 2022.

The Tenants/ Landlord function and services have remained largely without impact during the pandemic, with no tenants yet claiming distress or unable to pay rental / service payment requests as a result of the Covid Pandemic. The Tenants are financed in the majority by NHS and local authority contract and payments and are supported by Government office instruction to support providers of support and service to public bodies.

Investments and Resources

The Retreat continued to draw down on Investment values during 2021. Retaining £6.601m at December 2021 (£8.441m December 2020) . The cash position at the end of December 2021 was £1.632m or about 8 months operating cost cover.

Strategic Delivery

We are now more than halfway into the term of our Strategy, and we have achieved a great deal towards our aims, despite the continuation of the impact of Covid-19. Our aims continue to be:

- To become a leader in mental wellbeing.
- To exert our influence through exceptional service quality, outstanding feedback and peer-reviewed research underpinned by our independence.
- To continue to develop a successfully Charity with significant outreach, presence and reputation both locally and across the UK.
- To become a sustainable and successful organisation which models good relationships with all stakeholders including service users, staff, volunteers, commissioners, commercial and strategic partners and suppliers.
- To be competent in the management of our reserves and resources for innovation, development, commercial and environmental sustainability.

David Robson

Clerk to The Board

Kim Bevan

Chief Officer (Clinical)

Ian Holborn

Chief Officer (Corporate)

The Trustees present their report and the audited financial statements for the year ended 31 December 2021.

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with the requirement of the Directors' Report as required under company law, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The focus of our work

The Retreat is a charitable, not-for-profit provider of care related to people's mental wellbeing and enabling neurodiverse people to reach their full potential and live well. We work both with the NHS and with private clients and organisations in the provision of community based neurodevelopmental and mental health services for people of all ages. 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. We continue to develop our services with dignity, respect, equality and diversity as our driving principles and we try our best to respond to what our communities, locally and nationally, need.

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.

Our main objectives for 2021 continued to be the promotion of positive mental health and the acceptance and celebration of neurodiversity. The strategies we used to meet these objectives continued to include:

- Providing a range of community-based services designed to meet the needs of people of all ages who are experience mental ill-health;
- Providing community-based assessment, diagnostic and therapy services for people of all ages with neurodevelopmental conditions;
- 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 wellbeing.

The Trustees review the aims, objectives and activities of the charity each year. In 2021 the Trustees decided that the organisation's current aims, objectives and activities did not require a change and that the main aims during 2021 were stability, financial steady state and employee wellbeing as we begin to come out of the main impact of the pandemic.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Purposes 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'.

Our mission statement is “To deliver high quality, sustainable, renowned mental health services, alongside Autism and ADHD services, helping people to live well with themselves so that we all live better together.”

Added to this was an aim to continue to survive the Covid-19 pandemic. By and large, we feel that we achieved this.

During 2021, we worked to achieve this through the provision of mostly online services and related activities that promote and intervene to enable the improvement of the mental wellbeing of people of all ages. We started to bring people back on site and to offer some face-to-face appointments as the year progressed. The areas of work we focus on are those that affect 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 2021. 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 Trustees consider how planned activities will contribute to the aims and objectives of the charity.

The strategy we developed to achieve our aims and objective had three themes that run throughout, all of which remain central to our work:-

- People at the centre of all we do (compassion).
- Partnership development and growth (collaboration).
- The importance of community.

In addition, we remain mindful that we are a Quaker charity and need to consider our charitable objectives and how they are being delivered.

Within any decisions we take we are committed to ensuring that we add value by:

- Offering access to our key assets as far as practicable and in particular community access where possible.
- Careful management of the immediate and future economic viability of The Retreat.
- Building The Retreat name and its Quaker heritage – our brand, which is changing in 2022.
- Building collaborative partnerships in developing our services.
- Developing our national reach – beyond Heslington Road, York and beyond Hampden House in Manchester, using online methods of service delivery.

Our strategic objectives for 2021/22

Objectives: Psychological Therapy Services

- To extend our psychological assessment and therapy services to a national audience
- To ensure the activity undertaken by psychological therapies staff is sufficient to cover their costs
- To grow our current psychological assessment and therapy service offer through promotion, marketing and awareness raising of the excellence of our services.

Objectives: Neurodevelopmental Services

- To grow our NHS funded adult Autism and ADHD Assessment, Diagnosis and post-diagnostic support services, through tendering for additional contracts and for waiting list reduction initiatives.
- Where capacity allows, to expand our privately funded neurodevelopmental services through effective promotion and awareness raising.
- To increase staffing for our neurodevelopmental services to ensure we are ready for planned (and potential) expansion.

Objectives: Services for Children and Young people

- To extend the reach of our services for Children and Young People
- To establish and grow our facility for children and young people in Strensall and extend our Manchester services for children and young people.
- To secure further NHS contracts and waiting list initiatives for neurodevelopmental services in North Yorkshire, the North and potentially in Manchester and beyond.
- To expand our privately funded neurodevelopmental and psychological therapy services for children and young people in York, in Manchester and online.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. All of the work we undertake focuses on the benefits we can offer to the public and, wherever we can, we work with the NHS to offer services free at the point of delivery.

Risk Review

Risk Governance: Strategic Risk

The Trustees of The Retreat, through the work of the Quality and Safety Committee and the Resources Committee, review the key strategic risk of The Retreat bimonthly. The following table reflects the position of high level strategic risks at the date of the approval of the Financial Statements.

Key risks	Mitigation	Next steps
Financial sustainability	Careful reserve and investment management. Also, increasing our presence on a national basis through expanding our online services and working growing our presence in Greater Manchester.	Further develop online services for a national audience. Address productivity and activity levels to ensure maximum effectiveness of existing resources Consolidate current services and deliver to plan
Failure to meet quality standards in the context of capacity issues and recruitment problems	Ensure that the accreditation by the Royal College of Psychiatry is obtained , meeting all quality standards, achieved in 2021, is built upon	Continue striving to recruit suitably qualified staff, especially in the Neurodevelopmental Service Monitor and act on the Quality Improvement Plan, developing this continually
Failure to dispose appropriately of The Retreat's estate and to provide a high-quality environment for its clinical services	Advisers have been commissioned to provide The Retreat with appropriate and commercially and clinically viable recommendations and clinicians are involved in the plans for the Estate.	Strensall site opened in April 2021 and Board has accepted a bid for the main site subject to planning approvals.

Risk Management: Operational risks

The Trustees are responsible for reviewing major 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, recruiting new specialist clinicians, maintaining an ageing and deteriorating estate, communication across the organisation and inability to attract sufficient numbers of private paying clients, and national and international pandemic impacts. In addition, as the pandemic eases, the risks include how we support dissatisfied and isolated staff being asked to return to site when they have been used to working in their own way, in their own homes for almost 2 years.

Methods of dealing with these risks include:-

- Maintaining close working relationships with key NHS Commissioners
- Streamlining and adapting our service offer so that more can be provided online.
- Offering much needed and in demand services to attract more clients and marketing these services
- Promotional and branding activities to raise awareness of our brand and our service offers.

Internal risks are minimised by:-

- Establishing further systems and processes to ensure that risks are reviewed on a regular basis
- Establishing clear meeting structures and regular communications
- Developing an intranet to facilitate communications
- Listening to and supporting staff to return to site in a gradual way.

The Impact of Covid-19

The safety of Staff and Clients is paramount to The Retreat, and the Flexible and Home Working Policy remains in place for the foreseeable future. We have contingency plans in place for all our suppliers and our facilities management company and security company remain with essential key worker status to protect the tenants and their health provision which currently remains unchanged as registered in-patient hospitals.

Board Assurance Framework

The Trustees are responsible for the Board Assurance Framework reviews annually. The following objectives and associated risks for 2021 were considered and reviewed:

Corporate and strategic objectives	Review of objective
1. Ensure The Retreat's three-year strategy is fit for purpose, in place and shared across the organisation.	We did not review the strategy in 2021 but we decided to consolidate the existing strategy with a view to reviewing and revising the strategy in 2022, in partnership with our staff
2. Attract a high calibre of Trustee Directors with a skill mix and experience that is a good fit for The Retreat's future direction.	Some Trustees resigned during 2021 and we are going through a recruitment process for new Trustees with a view to engaging them in 2022. We have been able to recruit a new Trustee in May 2022.
3. Achieve accreditation from the Royal College of Psychiatry's Accreditation Programme for Psychological Therapies, building on our Quality Improvement Plan and making quality improvement central to our work.	We successfully achieved this in 2021
4. Maintain our GDPR compliance, work towards our Cyber Security Certification.	We remain GDPR compliant and in early 2022 we were awarded certification for Cyber Security
5. Secure NHS re-tendered contract for adult Autism and ADHD services	We were awarded a 5-year (plus 2 years) contract for adult Autism and ADHD diagnostic assessment services towards the end of 2021. This begins in 2022 and extend to at least 2027.
6. Manage our estates and the sales of our buildings effectively, working towards a new estates strategy in 2022.	By the end of 2021 our advisers and our Estates team have completed a sale process and the Board have appointed a preferred developer, agreeing terms subject to planning conditions.

Corporate and strategic objectives	Review of objective
7. Ensure the Clinical Services organisation achieves a stable financial position.	The Board and the Resources Committee are regularly monitoring the financial position and advising on planning assumptions for next three years. The Chief Officers meet regularly with Service Managers to monitor activity and our financial position and encourage changes where needed to achieve better financial outcomes
8. Legislative compliance in terms of running an estate with consideration for landlord responsibilities to tenants until the final tenancies conclude.	We have a tenants' handbook for remaining tenants explaining their estate management responsibilities and The Retreats as landlord. We have formal procedures with Tenants which are being audited by our FM contractors. We have an professional HSE advisor (retained) to undertake audit, give advice, attend FSHE meetings and review progress re compliance. We have an FM contractor monitoring our compliance in areas for which we have legal responsibility each month - fire, water, asbestos, Gas & Electric, lifts, lighting and security amongst others.
9. Improve staff wellbeing.	We undertook a staff survey in 2021, which was generally positive. However, there were some lessons to be learned from that and we are in the process of implementing improvements. We are working with staff teams to support their return and manage their anxieties since the pandemic. We are planning a staff away day in 2022 to bring everyone back together and revisit our values

Strategic report

For The Retreat, as for organisations across the globe, 2021 was a year of further turmoil as a result of the pandemic. We expected to see our psychological services growing and our children and young people's services beginning to have a regional impact, through the development of partnerships with at least one other provider and contracting with commissioners. The lockdowns that started in Jan 2021 gave us an unexpected further pause in all of our plans and a move to a different delivery model for our services. However, as we adapted to the further remote working arrangements, our services began to thrive again and our plans to grow adult services and to expand our online services began to be operationalised. The staff were incredibly responsive, adaptable, flexible and quick to learn a new way of working. Their commitment and focus on our clients was impressive and they enabled the organisation to endure and grow.

The Retreat's business model is now well established as an online provider continuing the Quaker mission to improve mental wellbeing in our communities as we review and manage our estate to a new purpose.

The three year strategy remains important and relevant and our strategic objectives have been adapted rather than completely changing.

Clinical Services

The concerns we had in 2020 in relation to our waiting lists for adult Autism and ADHD services grew during 2021 as the waiting lists continued to grow. We made proposals to the commissioners which led to an increase waiting list reduction initiative being offered to reduce the waiting list by 50%. Our commissioners worked hard with their financial teams and their senior leadership to pull together the finances for the waiting list initiative, which commenced formally in April 2021. This will not enable the waiting list to reduce to the level that is recommended in NICE guidance, but it will be of enormous benefit to people waiting for an assessment and it will help allay some of the major concerns expressed by the CQC. The great challenge in 2021 has been staffing and recruitment, but we have been able to fully operational and meeting our targets to the satisfaction of the Commissioners since the middle of 2021.

We were awarded the contract for autism assessment services for children and young people in Scarborough and Ryedale in 2019 and we continued to deliver these services, after a short delay, online during 2020's lockdown and into 2021. This approach will continue beyond lockdown restrictions due to the success of online delivery of the assessment pathway. There will continue to be a need to offer some face- to- face assessments but at least part of the assessment pathway should be able to continue online.

We delivered some new services in 2021 including supporting primary care patients' mental health and offering a mental health support and therapy service through the Quaker Benevolent fund – and independent charity supported by the national meeting of Quakers in England. These new services were sufficiently successful to enable us to consider offering the primary care mental health services to GP federations nationally and we have been marketing that during 2021. We have continued to support Quakers with funding from the Quaker Benevolent fund into 2021.

The expansion of our services beyond our geographical borders has been a very positive development in 2021 and it demonstrates the confidence we have in our clinical services and our capabilities to expand and offer our service model in another location. The Retreat is becoming an "approach to service delivery" and a values-based business rather than a location and buildings. This was a key aim when we developed our strategy in 2018/19.

We are confident that 2022 will see further diversification and significant expansion of our clinical offer as we aim to become national providers for a wide range of neurodevelopmental and psychological therapy services in 2022, moving into work in the corporate and medico-legal fields as well as continuing development and growth of our existing client and commissioner base. It is significant that our plans for future growth now include a major stream of virtual working as the opportunities presented themselves during the 18 month lock-down periods.

Estate and Property Management Services

The Retreat has had partnerships and shared use of the facilities at Heslington Road for many years. Joint Ventures with the Disabilities Trust and Turning Point particularly have been based on The Retreat as a provider of buildings and accommodation to run these services.

During 2019 decision were made to reconsider these relationships, as a result the Joint Venture with Turning Point was ended in July 2019 and this was re-enforced by the disposal of the shares in the York House Ventures Joint Venture with the Disabilities Trust in September 2021. The Company continues to trade; however, it is in the sole ownership of The Disabilities Trust. The Disabilities Trust signed a new lease with the Retreat for the services to continue at York House. With the end of this joint venture, the Retreat has ended its operating relationship with any inpatient Mental Health Services.

The Heslington Road Development has now moved into a new phase which sees tenants leaving and the approach by the preferred developer, PJ Livesey, to the planning authorities to seek permission to develop the site in 2023.

Leases were ended with the following organisations:

- Multiple leases for room accommodation at East and Cottage Villa – independent residents of Mencap's Services. These lease and Services have since been concluded and Mencap departed the site on 7th May ,2021.

The remaining Tenants into 2022 include

- York House - York House Ventures (The Disabilities Trust)

The Retreat continues to employ a Facilities Management contractor to support in the delivery of Landlord services to tenants and also the support of an independent Health and Safety Advisor to review Compliance and other requirements The Retreat has as a Landlord.

The Retreat supports its Tenants (The Retreat Clinical Services and The Disabilities Trust) with a Tenants Forum and regular reviews and dialogue.

Property Development Initiatives

The Retreat continues to review its property portfolio - mainly based on the Heslington Road site. The Development strategy places The Retreats Mental Health services at the centre of the development options and considers how the building assets might be used by The Retreat services or used to support the sustainability of these services in the future. It also considers value in use and possible alternative uses as services change over time.

The Retreat and PJ Livesey, the preferred Developer , is in dialogue with the York City council about a range of options for the development of the Heslington Road site. These discussions with PJ Livesey are planning the retention of some Outpatient service building at the Heslington Road site, possible commercial development of parts of the site and an intention to open much of the grounds for access and use.

The Retreat is also managing a short-term lease of the Charles Court site at Strensall, York - a newly refurbished Children's and Young Persons outpatient location; and the building at Palatine Road, Withington in Greater Manchester (Hampden House) acquired as an outpatient centre for all ages from 1st April 2021.

The Retreat retains interest in investment properties at Fairfax House, Heslington Road, and Dower Court, Heslington.

The Retreat's Key Achievements for 2021

The Executive Management of The Retreat are pleased with the continued progress made during 2021, despite the ongoing impact of the pandemic which significantly disrupted services delivery from March 2020. The excellence of our 2021 outcomes matched outcomes from previous years. Real testament to the efforts of the staff team, clinicians and non-clinicians. The Retreat reflects on the achievements of 2021:

- Delivery of the early stages of the innovative three-year strategy, despite the ongoing pandemic pressures.
- Service efficiency and capacity improvements, including a capacity review process and recruitment of more sessional therapists to increase workforce responsiveness and flexibility.

- Launch of a new website and an increase in the public's awareness of our existing services and expansion into children's service with focused marketing campaigns and a significantly increased social media presence.
- Established a strong relationship with a local radio station, Jorvik Radio, as their resident Mental Health advisers and with other media outlets.
- Executed the purchasing a property, along with the intellectual property of a high quality psychological therapies service in Manchester, which started operating in April 2021.
- Made an investment in a research project with Tend, for a Mindfulness Based Cognitive Therapy Virtual Reality programme. The research project commenced in 2021.
- Further development of the support and placement offer to Psychotherapy and Psychology students, with three placements during 2021.
- Significant expansion of our online therapy services, alongside the development of a successful online service for Autism and ADHD assessments for adults and for children.
- Developed and delivered a therapeutic support service for the Quaker Benevolent Fund, which is free at the point of delivery and which offered support to Quakers with mental health concerns that were initiated or exacerbated by the pandemic.
- Completed refurbishment of a dedicated children and young people's facility in Strensall, which launched in April 2021 and enable expansion and further development of our services for children and young people.
- Working with staff on their wellbeing, offering our EAP to support mental health and wellbeing, alongside free mindfulness training and weekly online yoga for relaxation, with regular meetings, communication and offers of support. Our staff communications continued to evidence good levels of job satisfaction and satisfaction with the organisation.
- Appointing an additional Expert by Experience who has been working with York's Mental Health Partnership.
- Positive external relationships with a wide range of stakeholders, including other voluntary sector organisations in the region, CCGs, City of York Council, local councillors and local MPs.
- Finalising the contractual relationship with a developer for the site re-purpose plans at Heslington Road concluding with contract signing in December 2021.
- Building our relationship with the Retreat Pension Board in reviewing options and initiatives to reduce the scheme liabilities and the future reliance of the Scheme on the Retreat Assets.
- The orderly and jointly planned departure of some long-standing Tenants at Heslington Road during 2021.

Financial review

The Statement of Financial Activities for the period is set out on page 25 of the financial statements.

The financial results can be summarised in the following table.

	2021	2020
	£	£
Operating Surplus / (Deficit)	(1,679,286)	124,960
Change Program Impacts and transition costs	(956,884)	(740,419)
Loss on disposal / Fixed Asset write down	-	(40,266)
Profit on disposal of Joint Venture	182,000	-
Revaluation of Investment Properties	-	(3,938,000)
Accounting adjustments in relation to defined benefit pension scheme	4,884,000	(4,144,000)
Net Movement of funds per SOFA	2,429,830	(8,737,725)

The operating results of The Retreat, which include expenditure on the charity's two key areas of Outpatient Services and Estates and Property Management, in the year ended 31 December 2021 produced a deficit of £(1,679,286) (2020 – surplus £124,960). Included within this is other income from investments, donations, legacies, joint venture trading activities and government grant produced income of £210,481 (2020 - £339,840).

A total of £956,884 (2020 - £740,419) was spent during the year on development of The Retreat York site, The outpatients service and future development activity. These are described as transition costs on the face of the Statement of Financial Activities

The result after these unusual items was an overall net deficit, before gains / losses on investments and movement on pensions, for the year amounting to £(2,802,112) (2020 - deficit £(1,315,844)).

After taking into account net investment gains of £347,942 (2020 - gains £660,119), a loss on revaluation of investment properties of £nil (2020 - £ 3,938,000) and an actuarial gain on the defined benefit pension scheme of £4,884,000 (2020 – loss £(4,144,000)), there was a net positive movement of funds of £2,429,830 (2020 – negative movement £(8,737,725)).

Our financial results for the year have been affected by a net pension cost of £(159,000) (2020 - income £20,000) relating to the current services costs for the Trust, net of interest expense.

Reserves policy and going concern

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 £1,500,000 and £4,500,000. This period of sufficiency aligns with NHS community contracts periods and lease periods for some short-term tenancies.

This is to ensure that in periods of weaker trading, the company can continue to operate without cash-flow problems.

Free Reserves as illustrated as follows:

	2021	2020
	£m's	£m's
Net Assets – 31 December	25.1	22.7
Restricted funds and donations	(-)	(-)
Pensions reserve	(9.5)	(4.7)
Tangible fixed asset value	(8.3)	(7.5)
Investment Property value	(0.7)	(0.7)
General future development fund	-	(1.0)
Charitable Service Reserve	-	-
Unrestricted/free reserves 31 December	6.6	8.8

The pension asset of £ 9,472,000 (2020 £4,714,000) is excluded from free reserves on the basis that this asset does not result in any cash flow to the charity and is likely to diminish over time.

Funds for the necessary upgrade and development of the charity's operational and investment properties and other non-capital, future strategy development projects are segregated into a separate development (designated) fund, currently totalling £nil at the end of 2021 (2020 - £1,016,280). This fund has been used to change the nature of the services and properties since 2019 and has concluded with the Retreat completing the majority of its objectives.

Our policy is, therefore, to continue managing reserves to the required level by means of annual operating position and judicious management of our investment assets. The Retreat has gone through a period of significant change and the current level of reserves, over and above the Reserves Policy, reflects the ongoing risks and that the future remains uncertain. The Current unrestricted and undesignated reserves are greater than required by the reserve policy, though the uncertainty of the future dictates that a greater holding is required should further non-operational structure changes be required.

Investment Policy

The Retreat holds investments in a portfolio approach that includes a number of forms of holdings including cash balances, Investment properties, long-term reserves and short-term reserve instrument holdings.

The investments are held to enable the charity to discharge its charitable purposes and serving as a safety-net in the face of challenges and to enable some sustainability and capital investment in the medium term.

Short term reserves are held with a minimal return objective and are used to preserve capital, longer term reserves are held to obtain a return above inflation over the medium term. The Retreat Board recommended a more ethical portfolio to actively support ethical causes and further move away from companies involved in some sectors which did not align to the Quaker values. The portfolio moved to a global equity based ethical scheme in 2020k generating an income of £170k in 2021 (see note 4). The Investment realised a net gain of £357k in 2021 versus a fair value gain of £660k in 2020 (see note 14),

As a Quaker charity, The Retreat has an ethical investment approach, avoiding direct investments in companies that derive more than 5% of their revenue from Arms sales, tobacco manufacture and sale of alcohol, gambling, and facilitation of pornography or prostitution.

Going Concern

The Retreat's activities, its current financial position and factors impacting on its future development and associated risks are set out here. The Retreat has been through significant change to put the charitable company on a sustainable footing and well within the reserves policy. Forecasts have been sensitised to take account of the possible crystallisation of major risks and to show how the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, The Retreat continues to adopt the going concern basis in preparing the financial statements and the Trustees are comfortable that no material uncertainties exist, including the potential prolonged impact of the Coronavirus pandemic, which would threaten the operational existence of The Retreat for the next 12 months given the free reserves position versus the operating cost base of the organisation.

Fundraising Policy

The Retreat is not a conventional fundraising charity, most of our income is generated from our charitable service provision and from the assets of the charity which includes investments and investment properties. We do benefit from the generous support of the public and during the year we benefitted from a number of donations totalling £39,836, although these were unsolicited. We do not actively raise funds from the public and we have no agency arrangements in place in respect of fundraising. We have received no complaints during the year in respect of our fundraising activity.

Plans for the future

The Retreat has come through 2021 with some positive developments and a strong staff team to take us forward into a somewhat unsure future. As soon as we are able, we will start to offer services face to face again, though a proportion will remain virtually delivered and we think this will meet the need of our local community as well as potential service users nationally. We are in the process of conducting a review of our strategy, focusing more on our neurodiversity and our children and young people services during 2022, as well as our Manchester acquisition which launched in April 2021.

The Retreat Clinical Services are looking to the future and we are in the process of developing a new operational plan to deliver our strategic objective over the next year.

The next few years promise to be challenging for The Retreat as they will for many organisations emerging from the pandemic. However, we look forward with optimism to the future and the opportunities it will bring alongside those inevitable challenges. There will almost certainly be additional pressure on Government debt as a consequence of the decisions taken during the pandemic and we know that this will have an impact on the NHS, a key part of our funding model. This means that we will need to continue to manage our cost base carefully, whilst continuing to maintain high quality services. We are looking to the future and hoping the pandemic will have no further major impacts on our business. We are confident that we will be able to start the next part of our journey, confidently, in 2022.

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, February 2012 and November 2016.

Directors

The management of The Retreat York is vested in the Board of Directors. The Directors are also charity Trustees as defined in the Charities Act 2011.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the financial statements.

Management

Whilst strategic decisions are taken by the Directors, the day-to-day management of the charity is the responsibility of the Executive Directors which comprises two individuals - one is the Chief Officers responsible for Clinical Services, the other is the Chief Officer responsible for Corporate activity and Resources. The Executive Directors report directly to the Board of Directors.

Finance & Resources Committee

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

Quality, safety and Governance Committee

This committee meet 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 Executive Directors.

Audit Committee

The Audit committee is formed as a sub-committee of the Board and is responsible for reviewing the Audit processes and work of the external auditors in addressing financial assurance issues of the company.

Estates Group

Though not a formal sub-committee of the Board, it has the responsibility for considering the estates developments and the impact on the resources of the charity. The Estates group is a group reporting through the Resources Committee and updates the Board as required.

Appointment of Trustees

Trustee Directors are appointed for a period of four years and are eligible for re-appointment for a further four years. The maximum number of Directors is eleven and the minimum three. The person appointed as the chair of the Directors is known as the Clerk. The Clerk and Deputy Clerk must be members of The Religious Society of Friends.

The Society of Friends has three representatives on The Retreat Nominations Committee that is responsible for recommending the names of individuals for appointment as Directors and for other working groups at

The Retreat. Both Friends and non-Friends are appointed as Directors but there must always be more Friend Directors than non-Friend Directors.

Trustee 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.

Related parties and relationships with other organisations

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. This joint venture was ended in September 2021 and the Disabilities Trust acquired the shares of the company for consideration which is disclosed in Note 16 to the accounts.

Remuneration policy for key management personnel

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 senior members of staff. During 2019 the Remuneration Committee undertook a benchmarking exercise to review the pay levels of senior post-holders in The Retreat. Some changes to pay across the banding levels were made, and salary bands have applied to new posts informed by this review. The Remuneration Committee has not met in 2020 or 2021 and Executive pay remains unchanged during this period with the exception of cost-of-living uplifts.

Employee Information

Policy for employment of disabled persons

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, pay, selection, retention and training of disabled staff.

Employee Consultation

Employees have been consulted on issues of concern to them by means of regular staff 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.

The Living Wage

The Retreat operates a living wage policy and regime. The Retreats adheres to minimum wage legislation and is a living wage employer. The Retreat ensures that contractor staff also adheres to living wage guidance and seek positive assurance from key suppliers each year.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Retreat York 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 that period. 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 and statements of recommended practice 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 6 (2020:8).

The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the assets of the charity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 7 July 2022 and signed on their behalf by:

David Robson

Clerk to the Trustees

Independent auditor's report

To the members of

The Retreat York

Opinion

We have audited the financial statements of The Retreat York (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Retreat York's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

Independent auditor's report

To the members of

The Retreat York

knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

Independent auditor's report

To the members of

The Retreat York

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditor's report

To the members of

The Retreat York

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

19 July 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Retreat York

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

For the year ended 31 December 2021

	Note	Unrestricted – General £	Unrestricted – Designated Pension Scheme £	Unrestricted – Designated Other £	Restricted £	2021 Total £	2020 Total £
Income from:							
Donations and legacies	2	39,836	–	–	–	39,836	78,046
Charitable activities – outpatient services	3	2,005,402	–	–	–	2,005,402	1,057,049
Government grants – coronavirus job retention scheme		–	–	–	–	–	61,915
Other Trading activities:							
Exceptional profit on disposal of joint venture	16	182,000	–	–	–	182,000	–
Other trading income – estates and property management	4	613,005	–	–	–	613,005	1,319,469
Investments	4	170,645	–	–	–	170,645	199,879
Net interest on pension scheme asset	26	–	60,000	–	–	60,000	183,000
Total income		3,010,888	60,000	–	–	3,070,888	2,899,358
Expenditure on:							
Raising funds –							
Investment management		–	–	–	–	–	8,548
Other trading activity – estates and property		1,475,336	–	–	–	1,475,336	1,325,984
Charitable Activities							
Outpatient services		3,196,351	–	–	–	3,196,351	1,977,251
Current service cost on pension scheme asset	26	–	219,000	–	–	219,000	163,000
Net expenditure from joint ventures	16	25,429	–	–	–	25,429	–
Total charitable activities		3,221,780	219,000	–	–	3,440,780	2,140,251
Transition costs		–	–	956,884	–	956,884	740,419
Total expenditure	5	4,697,116	219,000	956,884	–	5,873,000	4,215,202
Net (expenditure) before other gains/(losses)		(1,686,228)	(159,000)	(956,884)	–	(2,802,112)	(1,315,844)
Net gains on investments	14	347,942	–	–	–	347,942	660,119
Revaluation (losses) on investment properties	12	–	–	–	–	–	(3,938,000)
Actuarial gains/(losses) on defined benefit pension schemes	26	–	4,884,000	–	–	4,884,000	(4,144,000)
Net income/(expenditure) for the year		(1,338,286)	4,725,000	(956,884)	–	2,429,830	(8,737,725)
Transfers between funds	20	(795,250)	33,000	762,250	–	–	–
Net movement in funds		(2,133,536)	4,758,000	(194,634)	–	2,429,830	(8,737,725)
Reconciliation of funds:							
Total funds brought forward		8,731,914	4,714,000	9,238,684	4,216	22,688,814	31,426,539
Total funds carried forward		6,598,378	9,472,000	9,044,050	4,216	25,118,644	22,688,814

All of the above results are derived from continuing activities, except where shown.

There were no other recognised gains or losses other than those stated above.

A fully detailed Statement of Financial Activities for the year ending 31 December 2020 is shown at note 27 to these financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Retreat York

Balance sheet

Company no. 04325622

As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Goodwill	11		41,250		–
Tangible assets	12		8,310,812		7,526,404
Investment properties	13		696,000		696,000
Investments	14		6,601,733		8,441,909
Investments in joint ventures	16		–		500
			<u>15,649,795</u>		<u>16,664,813</u>
Current assets:					
Debtors	17	204,657		336,806	
Cash at bank and in hand	22	<u>1,632,890</u>		<u>1,690,528</u>	
			<u>1,837,547</u>	<u>2,027,334</u>	
Liabilities:					
Creditors: amounts falling due within one year	18	<u>(1,840,698)</u>		<u>(717,333)</u>	
Net current assets			<u>(3,151)</u>		<u>1,310,001</u>
Net assets excluding pension asset			<u>15,646,644</u>		<u>17,974,814</u>
Defined benefit pension scheme asset	26		<u>9,472,000</u>		<u>4,714,000</u>
Total net assets			<u><u>25,118,644</u></u>		<u><u>22,688,814</u></u>
The funds of the charity:	19,20				
Restricted funds			4,216		4,216
Unrestricted income funds:					
Designated funds	20	18,516,050		13,952,684	
General funds	19	<u>6,598,378</u>		<u>8,731,914</u>	
Total unrestricted funds			<u>25,114,428</u>		<u>22,684,598</u>
Total charity funds			<u><u>25,118,644</u></u>		<u><u>22,688,814</u></u>

These financial statements were approved by the Trustees on 7 July 2022 and signed on their behalf:

David Robson
Clerk to The Trustees

The Retreat York

Statement of cash flows

For the year ended 31 December 2021

Reconciliation of net (expenditure) to net cash flow from operating activities

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net (expenditure) for the reporting period (as per the statement of financial activities)		2,429,830		(8,737,725)	
Actuarial gains/(losses)	26	(4,884,000)		4,144,000	
Depreciation and amortisation charges		206,071		127,707	
Dividends, interest and rent from investments		(170,645)		(199,879)	
Change in fair value of investments		(347,942)		(660,119)	
Net interest on pension scheme asset		(60,000)		(183,000)	
Defined benefit pension scheme adjustments		219,000		163,000	
Defined benefit pension scheme contributions paid		(33,000)		(24,000)	
Revaluation (losses) on investment properties		–		3,938,000	
(Profit) / Loss on the disposal of investments		–		39,856	
(Profit) / Loss on the disposal of fixed assets		(182,000)		–	
Decrease in debtors		132,149		651,196	
Increase in creditors		1,123,365		169,165	
Net cash (used in) operating activities			(1,567,172)		(571,799)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	170,645		199,879	
Purchase of fixed assets	12	(976,729)		(209,491)	
Goodwill acquired on purchase of trade and assets	11	(55,000)		–	
Proceeds from sale of fixed assets		–		749	
Proceeds from sale of investments	14	2,558,474		1,793,743	
Proceeds from sale of share of joint ventures	14	182,500		–	
Purchase of investments	14	(320,402)		(1,913,018)	
Net cash provided by/(used in) investing activities			1,559,488		(128,138)
Change in cash and cash equivalents in the year			(7,684)		(699,937)
Cash and cash equivalents at the beginning of the year	22		1,714,822		2,414,759
Cash and cash equivalents at the end of the year	22		1,707,138		1,714,822

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies

a) Statutory information

The Retreat York is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 107 Heslington Road, York, YO10 5BN.

b) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Retreat York meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Whilst investment values have been impacted by market movements during the COVID-19 virus, the charity has considerable cash reserves, sufficient to meet its immediate requirements. Thus the Trustees have continued to adopt the going concern basis of accounting in preparing the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Group financial statements

The charitable company has not prepared consolidated financial statements due to the immateriality of its subsidiary. Note 15 discloses the activity of the trading subsidiary in the financial year.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies (continued)

g) Interest receivable and dividends

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are amounts received from listed investments as notified by investment managers and are re-invested in the funds available to the investment managers.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the invoiced costs of professional investment managers
- Expenditure on charitable activities includes the costs of delivering Specialist Older Adult and Specialist Mental Health Services undertaken to further the purposes of the charity and their associated support costs
- Expenditure on estates management includes the cost of maintaining and running the buildings and grounds owned by the charity which are rented out to tenants.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Building shared services are allocated between charitable activities and estates and property management based on approximate floor area. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned according to staff headcount.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Land and Buildings have been valued in April 2019 and February 2021 by external valuers, and whilst at the balance sheet date the book value was deemed to reflect this fair value, impacts of the Covid-19 Pandemic may have had some impact on these values. These impacts are currently unknown, but will be reviewed once the property market has stabilised – in the meantime much of the Heslington Road site is subject to formal developer interests and also the Retreat has recently conclude a commercial property purchase in Greater Manchester in March 2021. There are no new property transactions intended in the foreseeable future.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Short Leasehold Buildings	Over the period of the lease
● Furniture, plant and equipment	16.5% straight line
● Vehicles	25% reducing balance
● Fire Precaution Work	4% straight line
● Computer Equipment	25% straight line

m) Intangible fixed assets

Goodwill relates to the excess consideration over net assets acquired on trade acquisitions. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 4 years.

n) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

o) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

p) Unlisted Investments

Unlisted investments are measured initially at cost and subsequently included in the balance sheet at historic cost less impairment for amounts considered irrecoverable. Any change in carrying value is recognised in the statement of financial activities.

q) Investments in subsidiaries

Investments in subsidiaries are at cost less impairment.

r) Investments in joint ventures

Investments in joint ventures are valued at fair value based on the share of the net assets of the joint venture.

s) 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.

t) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies (continued)

u) 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.

v) 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.

w) Financial instruments

The charity 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 which are subsequently measured at amortised cost using the effective interest method.

x) Pensions

The charity operates a defined benefit plan for the benefit of its eligible 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. The Scheme closed to new entrants in 2013.

The charity also operates a Defined Contribution Scheme for those members of staff not eligible to join the Defined Benefit Scheme. This Scheme is also used to discharge our auto enrolment obligations.

2 Income from donations

	2021 Total £	2020 Total £
Donations	39,836	78,046
	39,836	78,046

All income from donations for the current and previous financial year was unrestricted.

3 Income from charitable activities

	2021 Total £	2020 Total £
Out-patient services	2,005,402	1,057,049
Total income from charitable activities	2,005,402	1,057,049

All income from charitable activities for the current and previous financial year was unrestricted.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

4 Income from investments

	2021 Total £	2020 Total £
Dividends	161,788	187,246
Interest from listed investments	3,317	12,633
Interest from unlisted investments	5,540	–
	<u>170,645</u>	<u>199,879</u>

All income from investments for the current and previous financial year was unrestricted.

Income from estates and property management of £613,005 (2020: £1,319,469) relates to rental income of £295,901 (2020: £674,172) and facilities costs recharged to tenants of £317,104 (2020: £645,297).

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

5a Analysis of expenditure

For the year ended 31 December 2021	Raising funds £	Charitable activities £	Estates and property management £	Transition costs £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 7)	-	1,520,777	233,809	-	-	33,000	1,787,586
Direct costs	-	1,074,622	198,815	910,190	130,814	86,467	2,400,908
Insurance	-	-	4,198	1,008	12,653	71,978	89,837
IT costs	-	26,848	-	9,436	31,970	279,222	347,476
Office costs	-	101,986	24,408	1,066	2,517	18,893	148,870
Property costs	-	55,009	570,585	35,184	-	3,556	664,334
Auditor's remuneration	-	-	-	-	15,400	-	15,400
Depreciation and (profit)/loss on disposal	-	-	192,321	-	-	-	192,321
Amortisation	-	13,750	-	-	-	-	13,750
Trustee expenses	-	-	-	-	1,089	-	1,089
Pension administration expenses (Note 26)	-	-	-	-	-	186,000	186,000
Net expenditure from joint ventures (Note 16)	-	25,429	-	-	-	-	25,429
	-	2,818,421	1,224,136	956,884	194,443	679,116	5,873,000
Support cost allocation	-	486,796	192,320	-	-	(679,116)	-
Governance costs	-	135,563	58,880	-	(194,443)	-	-
Total expenditure 2021	-	3,440,780	1,475,336	956,884	-	-	5,873,000

Transitional expenditure relates to incremental exceptional costs incurred relating to the fundamental restructure of the organisation and the strategic review and investment into the outpatient facilities. This was completed during 2021.

Estates and property management costs relate to the costs of running the elements of the estate which are not currently utilised by outpatient services, to which appropriate estates costs have been allocated. Some of the residual estate is tenanted by third parties and generates rental income which contributes to both the direct costs of that tenancy and to the overall upkeep of the rest of estate. This includes certain areas which are intentionally not tenanted and generate no income but still require expenditure for their upkeep and management to ensure the property of the charity is appropriately safeguarded. A number of tenants left the estate at the end of 2020 and during 2021 and this resulted in a significant reduction in rental income during 2021. As a result Estates and Property management generated a net loss of £862,331 (2020: £47,487 surplus) after the allocation of support costs of £192,320 (2020: £72,394) which is based on headcount.

5b Analysis of expenditure

For the year ended 31 December 2020	Raising funds £	Outpatient services £	Estates and property management £	Transition costs £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	-	1,211,386	187,402	2,550	3,617	24,000	1,428,955
Direct costs	-	292,596	546,505	632,384	15,276	-	1,486,761
Insurance	-	-	-	-	-	76,257	76,257
IT costs	-	-	-	-	-	243,189	243,189
Office costs	-	32,680	142,847	65,219	1,606	-	242,352
Property costs	-	39,871	358,835	-	-	-	398,706
Investment manager fees	8,548	-	-	-	-	-	8,548
Auditor's remuneration	-	-	-	-	17,015	-	17,015
Depreciation and Loss on disposal	-	-	-	40,266	-	127,297	167,563
Trustee expenses	-	-	-	-	6,856	-	6,856
Pension administration expenses (Note 27)	-	-	-	-	-	139,000	139,000
	8,548	1,576,533	1,235,589	740,419	44,370	609,743	4,215,202
Support cost allocation	-	538,843	70,900	-	-	(609,743)	-
Governance costs	-	24,875	19,496	-	(44,370)	-	-
Total expenditure 2020	8,548	2,140,251	1,325,984	740,419	-	-	4,215,202

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

6 Net (expenditure) for the year

This is stated after charging /(crediting):

	2021 £	2020 £
Depreciation	192,321	127,707
(Profit) / Loss on disposal of fixed assets	–	40,266
Operating lease rentals:		
Property	75,000	63,000
Equipment	5,731	478
Auditor's remuneration (excluding VAT):		
Audit	12,833	14,179

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,521,083	1,206,103
Social security costs	145,731	120,207
Pension contribution to defined contribution schemes	87,772	78,645
	<u>1,754,586</u>	<u>1,404,955</u>
Operating costs (service cost) of defined benefit pension schemes (Note 26)	33,000	24,000
	<u>1,787,586</u>	<u>1,428,955</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	–
£80,000 – £89,999	1	1
£90,000 – £99,999	–	1
£100,000 – £109,999	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £312,062 (2020: £228,184).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,089 (2020: £6,856) incurred by 4 (2020: 8) members relating to attendance at meetings of the trustees.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

8 Staff numbers

Total staff numbers are as follows (average head count based on number of staff employed):

2021 No.	2020 No.
51	42

9 Related party transactions

In June 2020, the Retreat made an investment of £50,000 in to convertible preference shares of Tend VR Limited (company number 11552335). Tend VR Limited is developing technological solutions to mindfulness and low level mental interventions and the Retreat is supporting the trial and development phases of the project. The Investment can be converted to Ordinary and voting shares of Tend VR Limited in the future and under specific circumstances relating to the future ownership of the company. Tend VR Limited has three Directors, one of whom is Mr Matthew Hoad-Robson. Mr Hoad-Robson is the son of Dr David Robson, the Clerk to the Trustees of the Retreat. Dr Robson took no part in the in discussion or decision-making processes related to the investment in Tend. An impairment of £49,999 was recognised during 2021 writing down the carrying value of the investment from £50,000 to £1 (see note 14).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Goodwill

	Goodwill
Cost	
At the start of the year	-
Additions in year	55,000
Disposals in year	-
At the end of the year	55,000
Amortisation	
At the start of the year	-
Charge for the year	13,750
Eliminated on disposal	-
At the end of the year	13,750
Net book value	
At the end of the year	41,250
At the start of the year	-

Goodwill represents the surplus of cost over the fair value of assets acquired on the purchase of Hampden House.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

12 Tangible fixed assets

	Freehold property £	Leasehold property £	Equipment £	Total £
Cost				
At the start of the year	12,283,009	397,285	854,874	13,535,168
Additions in year	470,000	363,889	142,840	976,729
Disposals in year	–	–	–	–
At the end of the year	12,753,009	761,174	997,714	14,511,897
Depreciation				
At the start of the year	5,068,223	189,361	751,181	6,008,764
Charge for the year	24,607	74,074	93,640	192,321
Eliminated on disposal	–	–	–	–
At the end of the year	5,092,830	263,435	844,821	6,201,085
Net book value				
At the end of the year	7,660,179	497,739	152,893	8,310,812
At the start of the year	7,214,786	207,924	103,693	7,526,404

The freehold property was valued by Carter Jonas in February 2021 as at 31 December 2020 on a depreciated replacement cost basis, and the company decided to incorporate this valuation into the financial statements.

All of the above assets are used for charitable purposes.

13 Investment Properties

	2021 £	2020 £
Fair value at the start of the year	696,000	4,634,000
Revaluation during the year	–	(3,938,000)
Fair value at the end of the year	696,000	696,000

As at 31 December 2020 a number of the investment properties were either no longer under lease or notice had been served. There was no intention at the balance sheet date to let these properties commercially as these sites form part of the bigger estates plan. The Trustees have taken the view that these properties form part of the estate overall for which there is an ongoing development plan in place, the inclusion of these elements does not materially change the value of the site as a whole and accordingly a revaluation loss was recognised on these assets to reduce the carrying value to £Nil as they no longer represent investment property. The investment properties at 31 December 2020 and 31 December 2021 comprise both Dower Court and Fairfax House. The trustees have reviewed the valuations for the two remaining investment properties and are satisfied they remain materially correct at 31 December 2021.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

14 Investments

Investments comprise:	2021 £	2020 £
Listed investments	6,527,483	8,367,614
Cash	74,248	24,294
Equity investment in group undertaking	1	1
Unlisted investment carried at fair value	1	50,000
	6,601,733	8,441,909
Listed investments and cash comprise:	2021 £	2020 £
Fair value at the start of the year	8,367,614	7,638,220
Additions at cost	320,402	1,863,018
Disposal proceeds	(2,558,474)	(1,793,743)
Realised and unrealised gains on change in fair value	397,941	660,119
	6,527,483	8,367,614
Cash held by investment broker pending reinvestment	74,248	24,294
Fair value at the end of the year	6,601,731	8,391,908
Unlisted investment comprises:	2021 £	2020 £
Cost at the start of the year	50,000	–
Additions at cost	–	50,000
Unrealised (losses) on change in fair value	(49,999)	–
Fair value at the end of the year	1	50,000
Change in fair value of investments:	2021 £	2020 £
Realised and unrealised gains on listed investments	397,941	660,119
Realised and unrealised gains on unlisted investments	(49,999)	–
Fair value at the end of the year	347,942	660,119

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Cottage Villa Limited, a company registered in England (company number 09650020). The company was set up to collect rents from The Retreat York's Learning Disability Service. The Learning Disability Service was transferred to Mencap on 1 January 2019 and rents continued to be collected. The company is now in the process of being made dormant. The results and assets are not consolidated into the financial statements of The Retreat York as it is not considered material. Available profits are distributed under gift aid to the charitable company. A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	10,866	25,469
Cost of sales	(10,866)	(13,321)
Profit on ordinary activities	–	12,148
Distribution to parent under gift aid	–	(12,148)
Result for the financial year	–	–
The aggregate of the assets, liabilities and funds was:		
Assets	1	27,776
Liabilities	–	(27,775)
Funds	1	1

16 Investments in joint ventures

The Retreat York had an investment in one joint venture, York House. These shares were sold on 24/09/2021 for total consideration of £182,500. The value of the investment in this joint venture at the last two financial year-ends is as follows:

	2021 £	2020 £
York House	–	500
	–	500

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

16 Investments in joint ventures (Continued)

Further details of this investment is as follows:

York House

The Retreat York undertook a joint venture to operate a unit for individuals with an acquired brain injury since 1998. The service was known as York House and in 2015, a third unit was opened, adding a further 10 beds to the 28 beds previously on site. The year end of the joint venture was 31 May. The results, based on The Retreat's share of the audited financial statements to 31 May and management account information since that date, are as follows:

	2021 £	2020 £
Fee income and contributions received	–	3,115,029
Expenditure on charitable activities	(25,429)	(3,115,029)
Share of net results for the year to 31 December	<u>(25,429)</u>	<u>–</u>

The company's share of the net assets of the York House joint venture as at 31 December is as follows:

	2021 £	2020 £
Fixed assets	–	45,774
Current assets	–	1,116,280
Current liabilities	–	(1,161,554)
Share of net assets	<u>–</u>	<u>500</u>

This joint venture was operated via a limited company, York House Ventures Limited, a company whose share capital was owned 50% by The Retreat York and 50% by The Disabilities Trust. The Retreat disposed of its share of the joint venture during the year realising a profit over the carrying value of the investment of £182,000.

17 Debtors

	2021 £	2020 £
Trade debtors	61,810	4,599
Amount due from joint ventures	–	112,500
Other debtors	5,514	–
Prepayments	133,079	116,642
Accrued income	4,254	103,065
	<u>204,657</u>	<u>336,806</u>

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	208,319	138,608
Taxation and social security	–	32,497
Other creditors	15,923	55,000
Accruals	274,489	115,281
Deferred income	1,260,799	274,668
Monies held on behalf of patients	81,168	101,279
	<u>1,840,698</u>	<u>717,333</u>

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

18A Deferred income

	2021 £	2020 £
Deferred income at 1 January 2021	274,668	7,700
Amounts released from previous years	(274,668)	(7,700)
Income deferred during the year	1,260,799	274,668
Deferred income at 31 December 2021	<u>1,260,799</u>	<u>274,668</u>

19 Analysis of net assets between funds

As at 31 December 2021	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	8,310,812	–	8,310,812
Goodwill	41,250	–	–	41,250
Investment properties	–	696,000	–	696,000
Investments	6,614,495	(12,762)	–	6,601,733
Net current assets	(57,367)	50,000	4,216	(3,151)
Defined benefit pension asset	–	9,472,000	–	9,472,000
Net assets at 31 December 2021	<u>6,598,378</u>	<u>18,516,050</u>	<u>4,216</u>	<u>25,118,644</u>

As at 31 December 2020	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	7,526,404	–	7,526,404
Investment properties	–	696,000	–	696,000
Investments	7,425,629	1,016,280	–	8,441,909
Investments in joint ventures	500	–	–	500
Net current assets	1,305,785	–	4,216	1,310,001
Defined benefit pension asset	–	4,714,000	–	4,714,000
Net assets at 31 December 2020	<u>8,731,914</u>	<u>13,952,684</u>	<u>4,216</u>	<u>22,688,814</u>

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

20 Movement in restricted and designated funds

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
For the year to 31 December 2021					
Restricted funds:					
Other	4,216	–	–	–	4,216
Total restricted funds	4,216	–	–	–	4,216
Designated funds:					
Tangible fixed assets	7,526,404	–	–	784,408	8,310,812
Investment properties	696,000	–	–	–	696,000
Development fund	1,016,280	–	(956,884)	(72,158)	(12,762)
Charitable service reserve	–	–	–	50,000	50,000
Pension reserve	4,714,000	4,944,000	(219,000)	33,000	9,472,000
Total designated funds	13,952,684	4,944,000	(1,175,884)	795,250	18,516,050
General funds	8,731,914	3,358,830	(4,697,116)	(795,250)	6,598,378
Total unrestricted funds	22,684,598	8,302,830	(5,873,000)	–	25,114,428
Total funds	22,688,814	8,302,830	(5,873,000)	–	25,118,644

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
For the year to 31 December 2020					
Restricted funds:					
Parkinson's grant fund	31,490	–	–	(31,490)	–
Other	4,216	–	–	–	4,216
Total restricted funds	35,706	–	–	(31,490)	4,216
Designated funds:					
Tangible fixed assets	7,485,225	–	–	41,179	7,526,404
Investment properties	4,634,000	–	(3,938,000)	–	696,000
Development fund	1,781,699	–	(634,934)	(130,485)	1,016,280
Patient legacy fund	82,634	–	–	(82,634)	–
Pension reserve	8,814,000	183,000	(4,307,000)	24,000	4,714,000
Total designated funds	22,797,558	183,000	(8,879,934)	(147,940)	13,952,684
General funds	8,593,275	3,376,477	(3,417,268)	179,430	8,731,914
Total unrestricted funds	31,390,833	3,559,477	(12,297,202)	31,490	22,684,598
Total funds	31,426,539	3,559,477	(12,297,202)	–	22,688,814

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

20 Movement in restricted and designated funds (continued)

The transfers out of restricted funds represents a historic review of patient transactions and a re-assessment of historic payments.

Purposes of restricted funds:

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. During 2020 agreement was received from the Charity Commission to transfer the remaining balance to unrestricted funds.

Other – These funds comprise specific donations from external bodies to be spent on other benefits for patients.

Purposes of designated funds:

Pension scheme – as detailed in note 26 the charity is party to a defined benefit pension scheme which was in surplus at 31 December 2021. This amount has been designated as it does not form funds freely available to the charity for charitable purpose.

Tangible fixed assets – 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 either by the Retreat or by health care service tenants. The fund includes a revaluation reserve of £562,804 (2020 – £562,804).

Development fund – An amount of £4,533,327 in total was earmarked for projects for the development of care services and the development of the estate owned by The Retreat York. This was completed during the 2021 and the remaining balance transferred to general unrestricted funds.

Patient legacy fund – Trustees had decided, following discussions with the family, that funds bequeathed to The Retreat be designated for use to enhance the experience of patients at The Retreat on units where the former patient received care and treatment. 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. During 2020 the Trustees decided to re-designate the remaining balance into unrestricted funds.

Charitable service reserve – The trustees decided to set aside an amount of £50,000 to undertake non chargeable service to special cases agreed by the Board. It was set up to provide mental health services to first line staff during covid, for example care home workers and nursing staff in NHS hospitals in York. As at 31 December 2021 none had been used.

21 Free Reserves

The free reserves are determined after the movement of all restricted, designated and general purposed reserves have been determined :

	At 31 December 2021 £	At 31 December 2020 £
Net funds of the charity	25,118,644	22,688,814
Restricted funds	(4,216)	(4,216)
Pension reserve	(9,472,000)	(4,714,000)
Tangible and fixed asset reserve	(8,310,812)	(7,526,404)
Investment property values	(696,000)	(696,000)
General future development fund	12,762	(1,016,280)
Charitable service reserve	(50,000)	–
Free reserves	6,598,378	8,731,914

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

22 Analysis of cash and cash equivalents

	At 1 January 2021 £	Cash flows £	Other changes £	At 31 December 2021 £
Cash at bank and in hand	1,690,528	(57,638)	–	1,632,890
Cash awaiting investment	24,294	49,954	–	74,248
Total cash and cash equivalents	1,714,822	(7,684)	–	1,707,138

The charitable company does not have any debt at the current or prior balance sheet date.

23 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2021 £	2020 £	2021 £	2020 £
Less than one year	75,000	66,000	5,254	5,731
One to five years	150,000	225,000	–	5,254
Over five years	–	–	–	–
	225,000	291,000	5,254	10,985

24 Rents receivable

The charity's total future rent receivable from investment properties is as follows for each of the following periods

	2021 £	2020 £
Less than one year	255,910	272,153
One to five years	234,876	293,335
	490,786	565,488

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

26 Defined benefit pension scheme

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme, with both Final Salary and Career Average Revalued Earnings benefits. For service prior to 1 August 2006, benefits are linked to members' final pensionable salaries at their retirement or earlier leaving. For service after 31 July 2006, benefits are built up each year, linked to members' salaries in that year and then increased each year in line with inflation. The Scheme was closed to new entrants on 31 December 2013 but accrual of benefits continues for current members of the Scheme. The most recent valuation as at 31 December 2021 was performed on 4 February 2022 by First Actuarial LLP.

The contributions made during the year ended 31 December 2021 for the defined benefit scheme were at a rate of 31.6% (2020: 13.7%) of pensionable salaries for the charity. The employer contributions paid over to the Scheme trustees in the year amounting to £33,000 (2020: £24,000), together with the actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102. Insurance premiums for death in service benefits were payable in addition.

The employee benefit obligations recognised in the balance sheet are as follows:

	2021 £	2020 £
Present value of funded obligations	(43,454,000)	(45,289,000)
Fair value of plan assets	52,926,000	50,003,000
	9,472,000	4,714,000
Amounts in the balance sheet:		
Liabilities	(43,454,000)	(45,289,000)
Assets	52,926,000	50,003,000
Net asset	9,472,000	4,714,000

Amounts recognised in the statement of financial activity are as follows:

	2021 £	2020 £
Current service cost	219,000	163,000
Net interest credit	(60,000)	(183,000)
Total cost	159,000	(20,000)

Changes in the present value of the defined benefit obligation are as follows:

	2021 £	2020 £
Opening defined benefit obligation	45,289,000	37,857,000
Service cost	51,000	35,000
Interest cost	580,000	778,000
Actuarial (gains)/losses	(1,027,000)	8,325,000
Members contributions	7,000	11,000
Benefits paid	(1,446,000)	(1,717,000)
Closing defined benefit obligation	43,454,000	45,289,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

26 Defined benefit pension scheme (continued)

Changes in the fair value of plan assets are as follows:

	2021 £	2020 £
Opening fair value of plan assets	50,003,000	46,671,000
Interest Income	640,000	961,000
Administration expenses	(168,000)	(128,000)
Actuarial gains	3,857,000	4,181,000
Contributions by employer	33,000	24,000
Members contributions	7,000	11,000
Benefits paid	(1,446,000)	(1,717,000)
Closing fair value of plan assets	52,926,000	50,003,000

	2021 £	2020 £
Net actuarial gain/(loss) on defined benefit pension scheme		
Actuarial gain/(loss) on plan obligations	1,027,000	(8,325,000)
Actuarial gain on plan assets	3,857,000	4,181,000
	4,884,000	(4,144,000)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021 %	2020 %
Retail Price Inflation assumption before retirement	3.7%	2.9%
Retail Price Inflation assumption after retirement	3.3%	2.9%
Consumer Price Inflation assumption before retirement	2.7%	1.9%
Consumer Price Inflation assumption after retirement	2.9%	2.5%
Discount rate at the end of the year	1.9%	1.3%
Future salary increases	2.7%	1.5%
Future pension increases where linked to inflation:		
• Limited price index 5%	2.9%	2.5%
• Limited price index 3%	2.4%	2.2%
• Limited price index 2.5%	2.2%	2.0%

Amounts for the current and previous four periods are as follows:

	2021 £	2020 £	2019 £	2018 £	2017 £
Defined benefit obligation	(43,454,000)	(45,289,000)	(37,587,000)	(36,098,000)	(38,331,000)
Plan assets	52,926,000	50,003,000	46,671,000	42,771,000	46,121,000
Surplus	9,472,000	4,714,000	8,814,000	6,673,000	7,790,000
FRS 102 cap	–	–	–	–	–
Experience gain on benefit obligation	3,857,000	4,181,000	4,676,000	(3,110,000)	2,851,000

The Retreat York

Notes to the financial statements

For the year ended 31 December 2021

27 Comparative Statement of Financial Activities for the year ended 31 December 2020

	Unrestricted – General £	Unrestricted – Designated Pension Scheme £	Unrestricted – Designated Other £	Restricted £	2020 Total £
Income from:					
Donations and legacies	78,046	–	–	–	78,046
Charitable activities – outpatient services	1,057,049	–	–	–	1,057,049
Government grants – Coronavirus Job Retention Scheme	61,915	–	–	–	61,915
Other Trading activities:					
Net income from joint ventures	–	–	–	–	–
Other trading income – estates and property management	1,319,469	–	–	–	1,319,469
Investments	199,879	–	–	–	199,879
Net interest on pension scheme asset	–	183,000	–	–	183,000
Total income	2,716,358	183,000	–	–	2,899,358
Expenditure on:					
Raising funds –					
Investment management	8,548	–	–	–	8,548
Other trading activity – estates and property	1,325,984	–	–	–	1,325,984
Charitable activities – outpatient services	1,977,251	–	–	–	1,977,251
Current service cost on pension scheme asset	–	163,000	–	–	163,000
Exceptional transition costs	105,485	–	634,934	–	740,419
Total expenditure	3,417,268	163,000	634,934	–	4,215,202
Net (expenditure) before other gains/(losses)	(700,910)	20,000	(634,934)	–	(1,315,844)
Net gains/(losses) on investments	660,119	–	–	–	660,119
Net loss on revaluation of investment properties	–	–	(3,938,000)	–	(3,938,000)
Actuarial gains/(losses) on defined benefit pension schemes	–	(4,144,000)	–	–	(4,144,000)
Net (expenditure) for the year	(40,791)	(4,124,000)	(4,572,934)	–	(8,737,725)
Transfers between funds	179,430	24,000	(171,940)	(31,490)	–
Net movement in funds	138,639	(4,100,000)	(4,744,874)	(31,490)	(8,737,725)
Reconciliation of funds:					
Total funds brought forward	8,593,275	8,814,000	13,983,558	35,706	31,426,539
Total funds carried forward	8,731,914	4,714,000	9,238,684	4,216	22,688,814

Accounts

The Retreat York

Company number: 04325622

Charity number: 1089826

Report and Financial Statements

For the year ended 31 December 2020

Contents

Reference and administrative information	1
Report of the Clerk	3
Trustees' annual report	5
Independent auditor's report	22
Statement of financial activities (incorporating an income and expenditure account).....	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29

Company number 04325622

Charity number 1089826

Registered office and operational address

107 Heslington Road

York

YO10 5BN

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Sallie Ashe ^{1 3}	Resigned 16 th January 2020
Jennifer Barraclough ^{1 3 4}	Resigned 16 th January 2020
James Eddington ^{1 4}	
Martin Ford ^{1 4}	
Rob Griffiths ³	
John Miles ⁴	Resigned 16 th January 2020
David Robson ^{2 3}	
Mike Wash ²	Resigned 16 th January 2020
Christine Abbott ²	Appointed 16 th January 2020
Beverley Goddard ^{1, 4}	Appointed 16 th January 2020
Paul Henderson- Grey ²	Appointed 16 th January 2020
Clare Scott Booth ¹	Appointed 16 th January 2020

1 Member of the Finance & Resources Committee

2 Member of the Quality and Safety Committee

3 Member of the Remuneration Committee

4 Member of the Audit Committee

**Key Management
Personnel**

Kim Bevan

Chief Officer (Clinical Services)

Ian Holborn

Chief Officer (Corporate Services)

Bankers

HSBC Bank plc
13 Parliament Street
York
YO1 1XS

Solicitors

Weightmans
Westgate Point
Westgate
Leeds
LS1 2AX

Investment Managers

Sarasin & Partners
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Report of the Clerk to the Board and the Chief Officers

In the year of a world-changing Pandemic, The Retreat has grown and is thriving due to the passion, commitment, adaptability and flexibility of our staff. As an innovative organisation, we feel we have adjusted and made some significant transformative changes that have enabled us to continue to deliver what is needed to support the mental health of our communities with high quality services tailored to individual needs. In addition, we have continued to progress the plans for our estate, with a view to firm and agreed plans being in place by 2021. Covid-19 has had an impact on everyone but The Retreat has endured and adapted as it has for the last 228 years.

The wellbeing of our staff has been paramount in our considerations during 2020 and our main focus as a professional and caring organisation is to ensure that our staff know how much we appreciate the personal investment they have made in continuing to work for The Retreat in such difficult circumstances, enabling the organisation to continue to develop and expand. In return, we have made our best endeavours to ensure we communicate with staff openly, transparently and frequently about the rapidly changing environment and that we have continued to enable them to fulfil their career ambitions and maintain their overall health and wellbeing.

We have recruited staff, engaged advisers, worked with contractors and brought sessional workers on board despite the pandemic.

Our original 3-year clinical strategy was co-produced with all of our staff, with service users and with our Trustees. The aim was to develop a strategy that would enable us to become a leader in the areas we feel can make a key contribution to the improvement of mental wellbeing, by the end of 2022. Our vision is to deliver high quality, sustainable, renowned mental health services, alongside Autism and ADHD services (Neurodevelopmental Services) , helping people to live well with themselves so that we all live better together.

We are now halfway into the term of our strategy and we have achieved a great deal towards our aims, despite Covid-19 and its impact on the currency of our existing strategy. Our aims continue to be:

- To become a leader in mental wellbeing.
- To exert our influence through exceptional service quality, outstanding feedback and peer-reviewed research underpinned by our independence.
- To continue to develop a successful Charity with significant outreach, presence and reputation both locally and across the UK.
- To become a sustainable and successful organisation which models good relationships with all stakeholders including service users, staff, volunteers, commissioners, commercial and strategic partners and suppliers.
- To be competent in the management of our reserves and resources for innovation, development, commercial and environmental sustainability.

Clinical Services

Many things have changed over the last year and the pandemic has created opportunities as well as challenges. Despite these changes, we remain an organisation that focuses on two 'big things' in terms of clinical services – Therapy Services and Neurodevelopmental Services for people of all ages. Going forward, a proportion will continue to be delivered online rather than in person. During lockdown almost all of our services have been delivered online, with some innovative approaches being developed to ensure needs can be met. We intend to continue with this into the future and predict that at least 25% of business beyond the pandemic will be delivered online. In line with our strategy and making changes to account for the pandemic, we took the decision to push forward with the expansion and further development of our community based psychological therapy and assessment services, extending our children's services and expanding our neurodevelopmental services. We are sure that other challenges will arise during 2021 but our ability to adapt and change our clinical services and the commitment and hard work of our staff lead us to be confident that financially and strategically the organisation has a sound footing, and can sustain our values-based service delivery to take William Tuke's vision forward into 2021 and beyond.

Estates and Property Management - At the same time as we began to expand and promote our clinical services, we have delivered on our landlord responsibilities. We say "farewell" to three organisations as our tenants, Schoen Clinic, Wilson Vale Catering and Turning Point and continue the development of our tenancy agreements with our existing tenants and leaseholders, York House and Mencap's clients.

We also started the development plans for our estate, in discussion with the City of York Council and alongside other stakeholders with an interest in what happens to our estate land and buildings. This work is at the "offer for Development" phase, and this work will gather pace during 2021 with a view to firm and agreed plans being in place by the autumn 2021.

The Tenants/ Landlord function and services have remained largely without impact during the pandemic, with no tenants yet claiming distress or unable to pay rental / service payment requests as a result of the Covid Pandemic. All the Tenants are financed in the majority by NHS contract and payments and are supported by Government office instruction to support providers of support and service to public bodies.

The Retreat realised a material impact on Investment values and possible future investment income as the value of investments fell by about 7%, this resulted in a loss of c£550k in March 2020. This loss was largely recovered by December 2020. The Retreat converted £1m of short-term investment into Cash in very early March, as the market started to decline, but before it reached its lowest point. The cash position at the end of December 2020 was £1.690m or about 8 months operating cost cover, in addition much of the value in the Retreat investments having returned by this point.

David Robson

Clerk to The Board

Kim Bevan

Chief Officer (Clinical)

Ian Holborn

Chief Officer (Corporate Services)

The Trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019).

Objectives and activities

The focus of our work

The Retreat is a charitable, not-for-profit provider of care related to people's mental wellbeing. We work both with the NHS and with private clients and organisations in the provision of community based neurodevelopmental and mental health services for people of all ages. 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.

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.

Our main objectives for 2020 continued to be the promotion of positive mental health and the acceptance and celebration of neurodiversity. The strategies we used to meet these objectives included:

- Providing a range of community-based services designed to meet the needs of people of all ages who are experience mental ill-health;
- Providing community-based assessment, diagnostic and therapy services for people of all ages with neurodevelopmental conditions;
- 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 is available in order to improve people's mental wellbeing.

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Purposes 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'.

Our mission statement is "To deliver high quality, sustainable, renowned mental health services, alongside Autism and ADHD services, helping people to live well with themselves so that we all live better together."

Added to this was an aim to survive the Covid-19 pandemic with a thriving organisation through transferring all of our services online and working remotely, retaining high quality staff and services. We feel that we achieved this and that it has changed our organisation permanently as a result.

We worked to achieve this through the provision of services and related activities that promote and intervene to enable the improvement of the mental wellbeing of people of all ages. The areas of work we focus on are those that affect 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 2020. 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 Trustees consider how planned activities will contribute to the aims and objectives of the Charity.

The strategy we developed to achieve our aims and objective has three themes that run throughout:-

- People at the centre of all we do (compassion).
- Partnership development and growth (collaboration).
- The importance of community.

In addition, throughout our considerations, we are mindful of the fact that we are a Quaker charity and need to consider our charitable objectives and how they are being delivered.

Within any future decisions we are committed to ensuring that we add value by:

- Considering the assets we have and to offer access to these assets as far as practicable and in particular community access where possible.
- Creating a sustainable estate development plan and a sympathetic environment beyond these developments to retain the William Tuke legacy.
- Careful management of the immediate and future economic viability of The Retreat.
- Building The Retreat name and its Quaker heritage – our brand.
- Building Collaborative partnerships in developing our services.
- Developing our national reach – beyond Heslington Road, York.

Our strategic objectives for 2020/21

Objectives: Psychological Therapy Services

- To extend our psychological assessment and therapy services, in York, sub-regionally and nationally.
- To expand our psychological assessment and therapy service's offer through the development of new services, such as trauma, eating disorders and medico-legal work.
- To grow our current psychological assessment and therapy service offer through promotion, marketing and awareness raising of the excellence of our services.

Objectives: Neurodevelopmental Services

- To grow our NHS funded adult Autism and ADHD Assessment, Diagnosis and post-diagnostic support services, through tendering for additional contracts and for waiting list reduction initiatives.
- To expand our privately funded neurodevelopmental services through effective promotion and awareness raising.
- To increase staffing for our neurodevelopmental services to ensure we are ready for planned (and potential) expansion.

Objectives: Services for Children and Young people

- To establish and grow our services for Children and Young People in York, in the North and nationally.
- To launch our new facility for children and young people in Strensall.
- To secure further NHS contracts and waiting list initiatives for neurodevelopmental services in North Yorkshire, the North and nationally.
- To expand our privately funded neurodevelopmental and psychological therapy services for children and young people.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. All of the work we undertake focuses on the benefits we can offer to the public and, wherever we can, we work with the NHS to offer services free at the point of delivery.

Risk Review

Risk Governance: Strategic Risk

The Trustees of The Retreat, through the work of the Quality and Safety Committee and the Resources Committee, review the key strategic risk of The Retreat bimonthly. The following table reflects the position of high-level strategic risks at the date of the approval of the Financial Statements.

Key risks	Mitigation	Next steps
Financial sustainability	Careful reserve and investment management. Also, increasing our presence on a national basis through offering online services to overcome Covid issues and working towards establishing a presence in Greater Manchester.	Identify surplus in annual plans and careful management of reserves, taking into account the impact of Covid-19. Further develop online services for a national audience. Locate in Manchester and in Strensall, York and build those services.
In the context of Covid-19, the Business continuity plan	Revised plan to include issues related to Covid has been produced with operational management team.	Review and revise the plan post-covid.
Strategy implementation threatened by Covid-19	A group of Trustees and executive team reviewed and revised the strategic plan to take into account the changes that occurred during Covid and the revised strategy is being implemented through the development of a comprehensive operational plan.	New operational plan to be consulted on with the clinical and non-clinical teams and implemented during 2021.
Failure to meet CQC standards	New Operations Manager, employed in 2020, has made clear progress on the Quality Improvement Plan and taken services towards accreditation by the Royal College of Psychiatry's APPTS.	Gain accreditation and the Operations Manager to take on the role of Registered Manager for The Retreat.
Failure to dispose appropriately of The Retreat's estate and to provide a high-quality environment for its clinical services	Advisers have been commissioned to provide The Retreat with appropriate and commercially and clinically viable recommendations and clinicians are involved in the plans for the Estate.	Strensall site opened in April 2021 and Board intends to accept a bid for the main site by Autumn 2021.

Risk Management: Operational risks

The Trustees are responsible for reviewing major 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, recruiting new specialist clinicians, maintaining an ageing and deteriorating estate, communication across the organisation during the Covid-19 lockdowns and inability to attract sufficient numbers of private paying clients, and national and international Pandemic impacts.

Methods of dealing with these risks include:-

- Maintaining close working relationships with key NHS Commissioners, which has led to offers of waiting list reduction initiatives to be implemented in 2021 to reduce waiting times in North Yorkshire.
- Streamlining and adapting our service offer so that more can be provided online.
- Offering much needed and in demand services to attract more clients, particularly in the light of Covid-19.
- Promotional and marketing campaigns to raise awareness of our brand and our online services.

Internal risks are minimised by:-

- Establishing further systems and processes to ensure that risks are reviewed on a regular basis, these included a review of the organisational structure during 2020 to ensure all areas were effectively managed.
- Establishing Health and Safety group, Senior Leadership team meetings, whole team meetings, clinical services meetings and tenant forum meetings.
- Communicating regularly with staff using our BreatheHR system, including regular Chief Officer (Clinical Services) updates at the beginning of lockdown which continues into 2021.

The impact of Covid-19

During 2020 only a few, less than 5, members of staff had a confirmed Covid-19 diagnoses. To ensure we did not put our staff and clients at risk we took the decision to work remotely from 18th March 2020 and continue to do so with some clinicians undertaking risk-assessed in person work with clients in our grounds, not in our buildings.

The safety of Staff and Clients is paramount to The Retreat, and the Flexible and Home Working Policy remains in place for the foreseeable future. We have contingency plans in place for all our suppliers and our facilities management company and security company remain with essential key worker status to protect the tenants and their health provision which currently remains unchanged as register in-patient hospitals.

Board Assurance Framework

The Trustees are responsible for the Board Assurance Framework reviews annually. The following objectives and associated risks for 2020 were considered and reviewed:-

Corporate and strategic objectives	Review of objective
1. Ensure The Retreat's three-year strategy is fit for purpose, in place and shared across the organisation.	We did not review the strategy in 2020 but we have begun the process in 2021, now that we are more fully aware of the impact of Covid-19. A group of Trustees and the Executive Team have formed a task and finish group for the revisions we may have to implement to the strategy. The revised version of the strategy will be shared with staff once the review is completed.
2. Attract a high calibre of Trustee Directors with a skill mix and experience that is a good fit for The Retreat's future direction.	The Nominations Committee used CQC guidance about Fit and Proper Person test when appointing the four new Trustees who were appointed to the Board in early 2020. The new Trustee job description has now been applied and all Trustees are working to that. At present, we think we have sufficient numbers of Trustees, with a wide variety of skills and experience. However, we are aware that the diversity of the Board needs to be addressed and we have set up an Equality, Diversity and Inclusion working group to address this in the Board as well as organisation-wide.
3. Achieve accreditation from the Royal College of Psychiatry's Accreditation Programme for Psychological Therapies, building on our Quality Improvement Plan and making quality improvement central to our work.	We submitted our self assessment for the APPTS in October 2020. We are aiming to achieve accreditation in July 2021. The feedback we received from the Peer Review Panel was excellent and we are confident we will achieve accreditation by the end of 2021 at the latest.
4. Become GDPR compliant.	We submitted our Data Protection and Security Toolkit in 2020, and we are now GDPR compliant. We are in the process of developing the 2021 kit and feel confident that we will be equally compliant at the next submission.
5. Assure Health and Safety Compliance.	Our Health & Safety adviser continues to carry out regular checks on our physical environment and our responsibilities as a landlord. In addition, we have an internal Health & Safety Officer who has been IOSH trained and who is taking on all of the Health and Safety for Clinical Services locations.
6. Manage our estates and the sales of our buildings effectively, working towards a new estates strategy in 2022.	By the end of 2020 our advisers and our Estates team had positioned and started the bidding process for the sale of parts of our estate.
7. Ensure the Clinical Services organisation achieves a stable financial position.	The Board and the Resources Committee are regularly monitoring the financial position and advising on planning assumptions for next three years. We are now in a more promising position and predict significant growth in 2021, with new premises and services in York and Manchester and expansion to our portfolio of neurodevelopmental assessment and diagnosis contracts across the ages. In addition, we have opened our Children and Young People facility in Strensall in 2021 and have commenced the planning for

Corporate and strategic objectives	Review of objective
	the marketing and promotion of all of our children and young people services, which we know are in great demand.
8. Legislative compliance in terms of running an estate with consideration for landlord responsibilities to tenants.	We have a tenants' handbook for each tenant explaining their estate management responsibilities and The Retreats as landlord. We have formal procedures with Tenants which are being audited by our FM contractors. We have a professional HSE advisor (retained) to undertake audits, give advice, attend FSHE meetings and review progress re compliance. We have an FM contractor monitoring our compliance in areas for which we have legal responsibility each month - fire, water, asbestos, Gas & Electric, lifts, lighting and security amongst others.
9. Review The Retreat's Business Continuity Plan on a regular basis.	We adjusted our Business Continuity Plan in the light of the Pandemic Operational Response plan which was activated in March 2020. We closed our premises and staff facilities and a Working from Home mandate was triggered on 18 th March 2020. We continued working from home throughout 2020.
10. Develop the business areas we have identified in the 3-year strategy as key to The Retreat's future.	Our online therapy offer, by necessity, has been rolled out across all staff and we are firmly established as an online provider. This will continue beyond the pandemic. In addition, we have been awarded increased contract activity and budget for our neurodevelopmental children and young people and adult services. We were awarded a Waiting List reduction Initiative (WLI) in early 2021 and our activity will more much increased. We are still working on the development of a trauma hub, an eating disorder service and our medico-legal offer. All of these are dependent on attracting the right staff in order to deliver these services. This is something we are working on in 2021. In addition, we identified the development of The Retreat's services elsewhere in the UK as a priority and we have completed the purchase of premises and transfer clients and clinicians from an organisation in Manchester to The Retreat.
11. Improve staff wellbeing.	We have set up a working group to develop a robust progression route for staff, including appraisals linked to competencies and bandings that will have salaries attached to them. We have undertaken a staff survey, which was very positive. However, there were some lessons to be learned from that and we are in the process of implementing improvements.

For The Retreat, as for organisations across the globe, 2020 was a year of turmoil as a result of the pandemic. We expected to see our psychological services growing and our children and young people's services beginning to have a regional impact, through the development of partnerships with at least one other provider and contracting with commissioners. The lockdowns that started in March 2020 gave us an unexpected pause in all of our plans and a move to a different delivery model for our services. We furloughed some of our staff and had to enact our Business Continuity Plan. In the early weeks of lockdown our services were not operating at full capacity. However, as we adapted to the new remote working arrangements, our services began to thrive again and our plans to grow adult services and to expand our online services began to be operationalised. The staff were incredibly responsive, adaptable, flexible and quick to learn a new way of working. Their commitment and focus on our clients was impressive and they enabled the organisation to endure and grow.

Despite the pandemic, we achieved our major aims and accelerated some of the changes we were intending to make during 2020 and 2021. The Retreat's business model is now well established as an online provider continuing the Quaker mission to improve mental wellbeing in our communities as we review and manage our estate to a new purpose.

The three-year strategy remains important and relevant and our strategic objectives have been adapted rather than completely changing.

Clinical Services

The concerns we had in 2019 in relation to our waiting lists for adult Autism and ADHD services grew during 2020, as the waiting lists continued to grow. We made proposals to the commissioners which led to a waiting list reduction initiative being offered to reduce the waiting list by 50%. Our commissioners worked hard with their financial teams and their senior leadership to pull together the finances for the waiting list initiative, which commences formally in 2021. This will not enable the waiting list to reduce to the level that is recommended in NICE guidance, but it will be of enormous benefit to people waiting for an assessment and it will help allay some of the major concerns expressed by the CQC. The great challenge in 2021 will be staffing and recruitment, but we hope to be fully operational and meeting our targets by the middle of 2021.

We were awarded the contract for autism assessment services for children and young people in Scarborough and Ryedale in 2019 and we continued to deliver these services, after a short delay, online during 2020's lockdown. This approach will continue beyond lockdown restrictions due to the success of online delivery of the assessment pathway. There will continue to be a need to offer some face- to- face assessments but at least part of the assessment pathway should be able to continue online.

We delivered some new services online during lockdown, supporting primary care patients' mental health and offering a mental health support and therapy service through the Quaker Benevolent fund. These new services were sufficiently successful to enable us to consider offering the primary care mental health services to GP federations nationally and we will begin marketing that in 2021. We continue to support Quakers with funding from the Quaker Benevolent fund into 2021.

The expansion of our services beyond our geographical borders has been a very positive development in 2020 and it demonstrates the confidence we have in our clinical services and our capabilities to expand and offer our service model in another location. The Retreat is becoming an "approach to service delivery" and a values-based business rather than a location and buildings. This was a key aim when we developed our strategy in 2018/19.

We are confident that 2021 will see further diversification and significant expansion of our clinical offer as we aim to become national providers for a wide range of neurodevelopmental and psychological therapy services in 2021, moving into work in the corporate and medico-legal fields as well as continuing development and growth of our existing client and commissioner base.

Estate and Property Management Services

The Retreat has had partnerships and shared use of the facilities at Heslington Road for many years. Joint Ventures with the Disabilities Trust and Turning Point particularly have been based on The Retreat as a provider of buildings and accommodation to run these services.

During 2019 decisions were made to reconsider these relationships, as a result the Joint Venture with Turning Point was ended in July 2019 and a review undertaken of the relationship with the Disabilities Trust at York House resulting in a review of the leases and services as if the venture was a formal “tenant” of The Retreat.

The Heslington Road Development has now moved into a new phase which sees some tenants leaving and the formal approach to Developers to express interest in developing the site.

Leases were ended with the following organisations:-

- The Pharmacy Building on the East of the House – Tees and Wear Valley NHS Trust.
- Lease of Acorn and Kemp units in the House - Schoen Clinic.
- Kitchen and catering in the main House – Wilson Vale Ltd.
- Garrow House – Turning Point.

The remaining Tenants into 2021 include

- York House - York House Ventures (JV TRY and Disabilities Trust)
- Multiple leases for room accommodation at East and Cottage Villa – independent residents of Mencap’s Services. These lease and Services have since been concluded and Mencap departed the site on 7th May ,2021.

The Retreat continues to employ a Facilities Management contractor to support in the delivery of Landlord services to tenants and also the support of an independent Health and Safety Advisor to review Compliance and other requirements The Retreat has as a Landlord.

The Retreat supports its Tenants with a Tenants Forum and regular reviews and dialogue.

Property Development Initiatives.

The Retreat continues to review its property portfolio - mainly based on the Heslington Road site. The Development strategy places The Retreats Mental Health services at the centre of the development options and considers how the building assets might be used by The Retreat services or used to support the sustainability of these services in the future. It also considers value in use and possible alternative uses as services change over time.

The Retreat is in dialogue with the York City council about a range of options for the development of the Heslington Road site and has now moved to a formal "sales" process by issuing a sales prospectus in October 2020. These discussions with potential developers are considering the retention of some Outpatient service building at the Heslington Road site, possible commercial development of parts of the site and an intention to open much of the grounds for access and use.

The Retreat is also managing a short term lease of the Charles Court site at Strensall, York - a newly refurbished Children's and Young Persons outpatient location, and the building at Palatine Road, Withington in Greater Manchester (Hampden House) as an acquire outpatient centre for all ages from 1st April 2021.

The Retreat retains interest in investment properties at Fairfax House, Heslington Road, and Dower Court, Heslington.

The Retreat's Key Achievements for 2020

The Executive Management of The Retreat are very pleased with the progress made during 2020, despite the pandemic which significantly disrupted services delivery from March 2020. The excellence of our 2020 outcomes matched and indeed exceeded outcomes from previous years. Real testament to the efforts of the staff team, clinicians and non-clinicians. The Retreat reflects on the achievements of this very unusual year:

- Implementation of our robust and innovative three-year strategy, despite the pandemic.
- Service efficiency and capacity improvements, including a closely managed capacity review process and recruitment of more sessional therapists to increase workforce responsiveness and flexibility.
- Launch of a new website and an increase in the public's awareness of our existing services and expansion into children's service with focused marketing campaigns and a significantly increased social media presence.
- Established a strong relationship with a local radio station, Jorvik Radio, as their resident Mental Health advisers and with other media outlets.
- Developed and agreed a business case for purchasing a property, along with the intellectual property of a high quality psychological therapies service in Manchester, which started operating in April 2021.
- Developed and agreed a business case for investment in a research project with Tend, for a Mindfulness Based Cognitive Therapy Virtual Reality programme. The research project will commence in 2021.
- Further development of the support and placement offer to Psychotherapy and Psychology students, with three placements during 2020.
- Significant and rapid expansion of our online therapy services, alongside the development of a successful online service for Autism and ADHD assessments for adults and for children.

- Developed and delivered a pilot video and telephone Primary Care Mental Health Service with Heartbeat Alliance, a GP federation. We plan to package this to offer to other GP federations early in 2021.
- Developed and delivered a therapeutic support service for the Quaker Benevolent Fund, which is free at the point of delivery and which offered support to Quakers with mental health concerns that were initiated or exacerbated by the pandemic.
- Refurbishment of a dedicated children and young people's facility in Strensall, which launched in April 2021 and enable expansion and further development of our services for children and young people.
- Working with staff on their wellbeing, particularly during lockdown, offering our EAP to support mental health and wellbeing, alongside free mindfulness training and weekly online yoga for relaxation, with regular meetings, communication and offers of support. Our staff survey, conducted at the end of 2020, showed good levels of job satisfaction and satisfaction with the organisation, as well as some recommendations for improvements in communication.
- Appointing an additional Expert by Experience who has been working with York's Mental Health Partnership.
- Positive external relationships with a wide range of stakeholders, including other voluntary sector organisations in the region, CCGs, City of York Council, local councillors and local MPs.
- Moving to Development phase of the site re-purpose plans at Heslington Road including a launch to the market in October 2020 and significant interest in working with the Retreat since that point.
- Building our relationship with the Retreat Pension Board in reviewing options and initiatives to reduce the scheme liabilities and the future reliance of the Scheme on the Retreat Assets.
- The orderly and jointly planned departure of some long-standing Tenants at Heslington Road during 2020 and 2021.

Financial review

The Statement of Financial Activities for the period is set out on page 26 of the financial statements.

The financial results can be summarised in the following table.

	2020	2019
	£	£
Operating Surplus / (Deficit)	(535,159)	(467,142)
Exceptional Transition Costs (Change Program Impacts)	(740,419)	(1,573,425)
Loss on disposal / Fixed Asset write down	(40,266)	(93,074)
Investment Gains	660,119	641,259
Revaluation of Investment Properties	(3,938,000)	-
Accounting adjustments in relation to defined benefit pension scheme	(4,144,000)	2,160,000
Net Movement of funds per SOFA	(8,737,725)	667,618

The operating results of The Retreat, which include expenditure on the charity's two key areas of Outpatient Services and Estates and Property Management, in the year ended 31 December 2020 produced a deficit of £535,159 (2019 - deficit £467,142). Included within this is other income from donations, legacies, joint venture activities and grant produced income of £139,961 (2019 - £370,362).

A total of £740,419 (2018 - £1,573,925) was spent during the year on development of The Retreat York, The outpatients service and future development activity. These are described as exceptional transition costs on the face of the Statement of Financial Activities.

The result after these unusual items was an overall net deficit, before gains on investments, revaluation of investment properties and movement on pensions, for the year amounting to £1,315,844 (2019 - deficit £2,133,641).

After taking into account net investment gains of £660,119 (2019 - gains £641,259), a loss on revaluation of investment properties of £3,938,000 (2019 - £nil) and an actuarial loss on the defined benefit pension scheme of £4,144,000 (2019 - gain £2,160,000), there was a net negative movement of funds of £8,737,725 (2019 - positive movement £667,618).

Our financial results for the year have been affected by a net pension income of £20,000 (2019 - expense £61,000) relating to the current services costs for the Trust, net of interest expense.

Reserves policy and going concern

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 £1,500,000 and £4,500,000. This period of sufficiency aligns with NHS community contracts periods and lease periods for some short-term tenancies.

This is to ensure that in periods of weaker trading, the company can continue to operate without cash-flow problems.

Free Reserves as illustrated as follows :-

	2020	2019
	£m's	£m's
Net Assets – 31 December	22.7	31.4
Restricted funds and donations	-	(0.1)
Pensions reserve	(4.8)	(8.8)
Tangible fixed asset value	(7.5)	(7.5)
Investment Property value	(0.7)	(4.6)
General future development fund	(1.0)	(1.8)
Unrestricted/free reserves 31 December	8.7	8.6

The pension asset of £4,714,000 is excluded from free reserves on the basis that this asset does not result in any cash flow to the charity and is likely to diminish over time.

Funds for the necessary upgrade and development of the charity's operational and investment properties and other non-capital, future strategy development projects are segregated into a separate development (designated) fund, currently totalling £1,016,280 (2019 - £1,781,699).

Our policy is, therefore, to continue managing reserves to the required level by means of annual operating position and judicious management of our investment assets. The Retreat has gone through a period of significant change and the current level of reserves, over and above the Reserves Policy, reflects the ongoing risks and that the future remains uncertain. The current unrestricted and undesignated reserves are greater than required by the reserve policy, though the uncertainty of the future dictates that a greater holding is required should further non-operational structure changes be required.

Investment Policy

The Retreat holds investments in a portfolio approach that includes a number of forms of holdings including cash balances, investment properties, long-term reserves and short-term reserve instrument holdings.

The investments are held to enable the charity to discharge its charitable purposes and serving as a safety-net in the face of challenges and to enable some sustainability and capital investment in the medium term.

Short term reserves are held with a minimal return objective and are used to preserve capital, longer term reserves are held to obtain a return above inflation over the medium term. During 2019 The Retreat Board recommended a further move to a more ethical portfolio to actively support ethical causes and further move away from companies involved in some sectors which did not align to the Quaker values. The portfolio moved to a global equity based ethical scheme which missed planned performance in 2020 returning £199k of investment return versus a target of £250k and actual return of £289k in 2019 (see note 4). The Investment realised a fair value gain of £660k in 2020 versus a fair value gain of £641k in 2019 (see note 14).

As a result of market uncertainties resulting from the global coronavirus pandemic, the unrealised gain values fell in the first quarter of 2020, and at the end of December 2020, were £(109)k adverse to balances at 31 December, 2019.

As a Quaker charity, The Retreat has an ethical investment approach, avoiding direct investments in companies that derive more than 5% of their revenue from Arms sales, tobacco manufacture and sale of alcohol, gambling, and facilitation of pornography or prostitution.

Going Concern

The Retreat's activities, its current financial position and factors impacting on its future development and associated risks are set out here. The Retreat has been through significant change to put the charitable company on a sustainable footing and well within the reserves policy. Forecasts have been sensitised to take account of the possible crystallisation of major risks and to show how the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason The Retreat continues to adopt the going concern basis in preparing the financial statements and the Trustees are comfortable that no material uncertainties exist, including the potential prolonged impact of the Coronavirus pandemic, which would threaten the operational existence of The Retreat for the next 12 months given the free reserves position versus the operating cost base of the organisation.

Fundraising Policy

The Retreat is not a conventional fundraising charity, most of our income is generated from our charitable service provision and from the assets of the charity which includes investments and investment properties. We do benefit from the generous support of the public and during the year we benefitted from a number of donations totalling £78,046, although these were unsolicited. We do not actively raise funds from the public

and we have no agency arrangements in place in respect of fundraising. We have received no complaints during the year in respect of our fundraising activity.

Plans for the future

The Retreat has come through 2020 scathed but intact, with some positive developments and a strong staff team to take us forward into a somewhat unsure future. As soon as we are able, we will start to offer services face to face again, though a proportion will remain online and we think this will meet the need of our local community as well as potential service users nationally. We are in the process of conducting a review of our strategy, focusing more on our neurodiversity and our children and young people services during 2021, as well as our Manchester acquisition which launch in April 2021.

The Retreat Clinical Services are looking to the future and we are in the process of developing a new operational plan to deliver our strategic objective over the next year.

The next few years promise to be challenging for The Retreat as they will for many organisations emerging from the pandemic. However, we look forward with optimism to the future and the opportunities it will bring alongside those inevitable challenges. There will almost certainly be additional pressure on Government debt as a consequence of the decisions taken during the pandemic and we know that this will have an impact on the NHS, a key part of our funding model. This means that we will need to continue to manage our cost base carefully, whilst continuing to maintain high quality services. We are looking to the future and hoping the pandemic will have no further major impacts on our business. We have ambitious plans for our future growth, including extending our geographical reach. We are confident that we will be able to start the next part of our journey, confidently, in 2021.

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, February 2012 and November 2016.

Directors

The management of The Retreat York is vested in the Board of Directors. The Directors are also charity Trustees as defined in the Charities Act 2011.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements.

Management

Whilst strategic decisions are taken by the Directors, the day-to-day management of the charity is the responsibility of the Executive Directors which comprises two individuals - one is the Chief Officer responsible for Clinical Services, the other is the Chief Officer responsible for Corporate activity and Resources. The Executive Directors report directly to the Board of Directors.

Finance & Resources Committee

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

Quality, safety and Governance Committee

This committee meet 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 Executive Directors.

Audit Committee

The Audit committee is formed as a sub-committee of the Board and is responsible for reviewing the Audit processes and work of the external auditors in addressing financial assurance issues of the company.

Estates Group

Though not a formal sub-committee of the Board, it has the responsibility for considering the estates developments and the impact on the resources of the charity. The Estates group is a group reporting through the Resources Committee and updates the Board as required.

Appointment of Trustees

Trustee Directors are appointed for a period of four years and are eligible for re-appointment for a further four years. The maximum number of Directors is eleven and the minimum three. The person appointed as the chair of the Directors is known as the Clerk. The Clerk and Deputy Clerk must be members of The Religious Society of Friends.

The Society of Friends has three representatives on The Retreat Nominations Committee that is responsible for recommending the names of individuals for appointment as Directors and for other working groups at The Retreat. Both Friends and non-Friends are appointed as Directors but there must always be more Friend Directors than non-Friend Directors.

Trustee 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.

Related parties and relationships with other organisations

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 16 to the accounts.

Remuneration policy for key management personnel

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 senior members of staff. During 2019 the Remuneration Committee undertook a benchmarking exercise to review the pay levels of senior post-holders in The Retreat. Some changes to pay across the banding levels were made, and salary bands have applied to new posts informed by this review. The Remuneration Committee has not met in 2020.

Employee Information

Policy for employment of disabled persons

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, pay, selection, retention and training of disabled staff.

Employee Consultation

Employees have been consulted on issues of concern to them by means of regular staff 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.

The Gender Pay Review

The Gender pay gap exercise was completed and reported to DBIS in March 2018. The Retreat reported a zero differential in pay between men and women across the organisation at that time. Since January 2019, The Retreat has not been large enough to be required to complete the gap exercise – and on this basis no exercise was repeated in 2020.

The Living Wage

The Retreat operates a living wage policy and regime. The Retreats adheres to minimum wage legislation and is a living wage employer. The Retreat ensures that contractor staff also adheres to living wage guidance and seek positive assurance from key suppliers each year.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Retreat York for the purposes of company law) are responsible 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).

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 that period. 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 and statements of recommended practice 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 8 (2019:10).

The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the assets of the charity.

The Trustees' annual report has been approved by the Trustees on 2 September 2021 and signed on their behalf by:

David Robson

Clerk to the Trustees

For the year ended 31 December 2020

Opinion

We have audited the financial statements of The Retreat York (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Retreat York's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider

whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

2 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of Financial Activities (incorporating the Income and Expenditure Account) For the year ended 31 December 2020

	Note	Unrestricted - General £	Unrestricted - Designated Pension Scheme	Unrestricted - Designated £	Restricted £	2020 Total £	2019 Total £
Income from:							
Donations and legacies	2	78,046	-	-	-	78,046	74,043
Charitable activities - outpatient services	3	1,057,049	-	-	-	1,057,049	787,686
Government grants - Coronavirus Job Retention Scheme		61,915	-	-	-	61,915	-
Other Trading activities:							
Net income from joint ventures	16	-	-	-	-	-	296,319
Other trading income - estates and property management	4	1,319,469	-	-	-	1,319,469	1,134,925
Investments	4	199,879	-	-	-	199,879	289,301
Net interest on pension scheme asset	27	-	183,000	-	-	183,000	191,000
Total income		2,716,358	183,000	-	-	2,899,358	2,773,274
Expenditure on:							
Raising funds -							
Investment management	5	8,548	-	-	-	8,548	21,469
Other trading activity - estates and property	5	1,325,984	-	-	-	1,325,984	1,167,622
Charitable activities - outpatient services	5	1,977,251	-	-	-	1,977,251	1,892,399
Current service cost on pension scheme asset	27	-	163,000	-	-	163,000	252,000
Exceptional transition costs	5	105,485	-	634,934	-	740,419	1,573,425
Total expenditure	5	3,417,268	163,000	634,934	-	4,215,202	4,906,915
Net income/(expenditure) before net gains/(losses) on investments		(700,910)	20,000	(634,934)	-	(1,315,844)	(2,133,641)
Net gains/(losses) on investments	14	660,119	-	-	-	660,119	641,259
Revaluation gains/(losses) on investment properties	13	-	-	(3,938,000)	-	(3,938,000)	-
Net income/(expenditure) before other recognised gains/(losses)	27	(40,791)	20,000	(4,572,934)	-	(4,593,725)	(1,492,382)
Actuarial gains/(losses) on defined benefit pension schemes		-	(4,144,000)	-	-	(4,144,000)	2,160,000
Transfers between funds	20	179,430	24,000	(171,940)	(31,490)	-	-
Net movement in funds		138,639	(4,100,000)	(4,744,874)	(31,490)	(8,737,725)	667,618
Reconciliation of funds:							
Total funds brought forward	20	8,593,275	8,814,000	13,983,558	35,706	31,426,539	30,758,921
Total funds carried forward	20	8,731,914	4,714,000	9,238,684	4,216	22,688,814	31,426,539

All of the above results are derived from continuing activities, except where shown.

There were no other recognised gains or losses other than those stated above.

A fully detailed Statement of Financial Activities for the year ending 31 December 2019 is shown at note 28 to these financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

			2020		2019
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12		7,526,404		7,485,225
Investment properties	13		696,000		4,634,000
Investments	14		8,441,909		8,550,839
Investments in joint ventures	16		500		500
			<u>16,664,813</u>		<u>20,670,564</u>
Current assets:					
Debtors	17	336,806		988,002	
Cash at bank and in hand	22	<u>1,690,528</u>		<u>1,502,141</u>	
		2,027,334		2,490,143	
Liabilities:					
Creditors: amounts falling due within one year	18	<u>(717,333)</u>		<u>(548,168)</u>	
Net current assets			<u>1,310,001</u>		<u>1,941,975</u>
Net assets excluding pension asset			17,974,814		22,612,539
Defined benefit pension scheme asset	27		<u>4,714,000</u>		<u>8,814,000</u>
Total net assets			<u><u>22,688,814</u></u>		<u><u>31,426,539</u></u>
The funds of the charity:	19,20				
Restricted funds			4,216		35,706
Unrestricted income funds:					
Designated funds	20	9,238,684		13,983,558	
Pension fund	20	4,714,000		8,814,000	
General funds	19	<u>8,731,914</u>		<u>8,593,275</u>	
Total unrestricted funds			<u>22,684,598</u>		<u>31,390,833</u>
Total charity funds			<u><u>22,688,814</u></u>		<u><u>31,426,539</u></u>

The notes on pages 29 to 46 form part of these accounts.

These financial statements were approved by the Trustees on 2 September 2021 and signed on their behalf by

David Robson

Clerk to the Trustees

Company number: 04325622

Reconciliation of net (expenditure) to net cash flow from operating activities

	Note	2020 £	2019 £
Cash flows from operating activities			
Net (expenditure) for the reporting period (as per the statement of financial activities)		(4,593,725)	(1,492,382)
Depreciation charges		127,707	175,929
Dividends, interest and rent from investments		(199,879)	(289,301)
Change in market value of investments		(660,119)	(641,259)
Net interest on pension scheme asset		(183,000)	(191,000)
Defined benefit pension scheme adjustments		163,000	252,000
Defined benefit pension scheme contributions		(24,000)	(42,000)
Investment in joint venture adjustment		-	12,000
Revaluation gains/(losses) on investment properties		3,938,000	-
Loss on the disposal of fixed assets		39,856	93,073
Decrease in debtors		651,196	349,691
(Decrease)/increase in creditors		169,165	(1,087,482)
Net cash (used in) operating activities		<u>(571,799)</u>	<u>(2,860,731)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	4	199,879	289,301
Purchase of fixed assets	12	(209,491)	(16,838)
Proceeds from sale of fixed assets		749	-
Proceeds from sale of investments	14	1,793,743	4,165,531
Purchase of investments	14	<u>(1,913,018)</u>	<u>(1,762,022)</u>
Net cash provided by/(used in) investing activities		<u>(128,138)</u>	<u>2,675,972</u>
Change in cash and cash equivalents in the year		<u>(699,937)</u>	<u>(184,759)</u>
Cash and cash equivalents at the beginning of the year		<u>2,414,759</u>	<u>2,599,518</u>
Cash and cash equivalents at the end of the year	22	<u>1,714,822</u>	<u>2,414,759</u>

1. Accounting policies

a) Statutory information

The Retreat York is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 107 Heslington Road, York, YO10 5BN.

b) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Whilst investment values have been impacted by market movements during the COVID-19 virus, the charity has considerable cash reserves, sufficient to meet its immediate requirements. Thus the Trustees have continued to adopt the going concern basis of accounting in preparing the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Group financial statements

The charitable company has not prepared consolidated financial statements due to the immateriality of its subsidiary.

Note 15 discloses the activity of the trading subsidiary in the financial year.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

1. Accounting policies (continued)

f) Income

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

g) Interest receivable and dividends

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are amounts received from listed investments as notified by investment managers and are re-invested in the funds available to the investment managers.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the invoiced costs of professional investment managers
- Expenditure on charitable activities includes the costs of delivering Specialist Older Adult and Specialist Adult Mental Health Services undertaken to further the purposes of the charity and their associated support costs
- Expenditure on estates management includes the cost of maintaining and running the buildings and grounds owned by the charity which are rented out to tenants.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Building shared services are allocated between charitable activities and estates and property management based on approximate floor area. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned according to staff headcount.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1. Accounting policies (continued)

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

There are no new property transactions intended in the foreseeable future. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Short Leasehold Buildings	Over the period of the lease
• Furniture, plant and equipment	16.5% straight line
• Vehicles	25% reducing balance
• Fire Precaution Work	4% straight line
• Computer Equipment and Software	25% straight line
• Assets under construction	Not depreciated

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1. Accounting policies (continued)

o) Unlisted investments

Unlisted investments are measured initially at cost and subsequently included in the balance sheet at historic cost less impairment for amounts considered irrecoverable. Any change in carrying value is recognised in the statement of financial activities and any impairment of the carrying value will be shown as an impairment in the SoFA.

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Investments in joint ventures

Investments in joint ventures are valued at fair value based on the share of the net assets of the joint venture.

r) 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.

s) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

t) 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.

u) 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.

v) Financial instruments

The charity 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 which are subsequently measured at amortised cost using the effective interest method.

w) Pensions

The charity operates a defined benefit plan for the benefit of its eligible 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. The Scheme closed to new entrants in 2013.

The charity also operates a Defined Contribution Scheme for those members of staff not eligible to join the Defined Benefit Scheme. This Scheme is also used to discharge our auto enrolment obligations.

2. Income from donations and legacies

	2020	2019
	Total	Total
	£	£
Donations	78,046	74,043
	78,046	74,043

3. Income from charitable activities

	2020	2019
	Total	Total
	£	£
Out-patient services	1,057,049	787,686
Total income from charitable activities	1,057,049	797,686

All income from charitable activities for the current and previous financial year was unrestricted.

4. Income from investments

	2020	2019
	Total	Total
	£	£
Dividends	187,246	274,010
Interest	12,633	15,291
	199,879	289,301

All income from investments for the current and previous financial year was unrestricted.

Income from estates and property management of £1,319,469 (2019: £1,134,925) relates to rental income of £674,172 (2019: £681,200) and facilities costs recharged to tenants of £345,297 (2019: £453,725).

5. Analysis of expenditure

For the year ended 31 December 2020	Raising funds £	Outpatient services £	Estates and property management £	Transition costs £	Pension costs £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 8)	-	1,211,386	187,402	2,550	-	3,617	24,000	1,428,955
Direct costs	-	292,596	546,505	632,384	-	15,276	-	1,486,761
Insurance	-	-	-	-	-	-	76,257	76,257
IT costs	-	-	-	-	-	-	243,189	243,189
Office costs	-	32,680	142,846	65,219	-	1,607	-	242,352
Property costs	-	39,871	358,835	-	-	-	-	398,706
Investment manager fees	8,548	-	-	-	-	-	-	8,548
Auditor's remuneration	-	-	-	-	-	17,015	-	17,015
Depreciation and Loss on disposal	-	-	-	40,266	-	-	127,297	167,563
Trustee expenses	-	-	-	-	-	6,856	-	6,856
Pension administration expenses (Note 27)	-	-	-	-	-	-	139,000	139,000
	8,548	1,576,533	1,235,588	740,419	-	44,371	609,743	4,215,202
Support cost allocation	-	375,843	70,900	-	163,000	-	(609,743)	-
Governance costs	-	24,875	19,496	-	-	(44,371)	-	-
Total expenditure 2020	8,548	1,977,251	1,325,984	740,419	163,000	-	-	4,215,202

Transitional expenditure relates to incremental exceptional costs incurred relating to the fundamental restructure of the organisation and the strategic review and investment into the outpatient facilities. This is expected to be completed by the end of 2021.

Estates and property management costs relate to the costs of running the elements of the estate which are not currently utilised by outpatient services, to which appropriate estates costs have been allocated. Some of the residual estate is tenanted by third parties and generates rental income which contributes to both the direct costs of that tenancy and to the overall upkeep of the rest of estate. This includes certain areas which are intentionally not tenanted and generate no income but still require expenditure for their upkeep and management to ensure the property of the charity is appropriately safeguarded. Estates and property management generates a net deficit of £47,487 after the allocation of support costs of £72,394 which is based on headcount.

5. Analysis of expenditure (continued)

For the year ended 31 December 2019	Raising funds £	Outpatient services £	Estates and property management £	Transition costs £	Pension costs £	Governance costs £	Support costs £	2019 Total £
Staff costs (Note 8)	-	934,801	154,109	344,333	-	2,608	45,000	1,480,851
Direct costs	-	277,764	433,058	978,335	-	5,214	-	1,694,371
Insurance	-	-	-	-	-	-	96,254	96,254
IT costs	-	-	-	-	-	-	313,277	313,277
Office costs	-	44,599	104,080	140,758	-	4,697	52,177	346,311
Property costs	-	42,825	385,429	16,926	-	-	-	445,180
Investment manager fees	21,469	-	-	-	-	-	-	21,469
Auditor's remuneration	-	-	-	-	-	18,672	-	18,672
Depreciation and Loss on disposal	-	-	-	93,073	-	-	175,929	269,002
Trustee expenses	-	-	-	-	-	14,528	-	14,528
Pension administration expenses (Note 27)	-	-	-	-	-	-	207,000	207,000
	21,469	1,299,989	1,076,676	1,573,425	-	45,719	889,637	4,906,915
Support costs	-	567,403	70,234	-	252,000	-	(889,637)	-
Governance costs	-	25,007	20,712	-	-	(45,719)	-	-
Total expenditure 2019	21,469	1,892,399	1,167,622	1,573,425	252,000	-	-	4,906,915

6. Grant making

There are no grant making activities.

7. Net (expenditure) for the year

This is stated after charging/(crediting)

	2020 £	2019 £
Depreciation	127,707	175,929
Loss on disposal of fixed assets	40,266	93,074
Operating lease rentals:		
Property	63,000	63,000
Equipment	478	478
Auditor's remuneration (excluding VAT):		
Audit	14,179	14,000
Under accrual	-	1,560
Other services	-	-

8. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,206,103	1,074,891
Redundancy and termination costs	-	160,510
Social security costs	120,207	155,285
Pension contribution to defined contribution schemes	78,645	45,165
Operating costs (service cost) of defined benefit pension schemes (Note 27)	24,000	45,000
	1,428,955	1,480,851

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£60,000 - £69,999	-	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	-
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	-	-
£130,000 - £139,999	-	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £228,184 (2019: £436,184). The 2019 figure includes redundancy payments of £154,762 made to 3 key members of staff who left in March 2019 due to the reorganisation.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

8. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (Continued)

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £6,856 (2019: £14,528) incurred by 8 (2019: 12) members relating to attendance at meetings of the trustees.

9. Staff numbers

Total staff numbers are as follows (average head count based on number of staff employed):

2020 No.	2019 No.
42	51

10. Related party transactions

In June 2020, the Retreat made an investment of £50,000 in to convertible preference shares of Tend VR Limited (company number 11552335). Tend VR Limited is developing technological solutions to mindfulness and low level mental interventions and the Retreat is supporting the trial and development phases of the project. The Investment can be converted to Ordinary and voting shares of Tend VR Limited in the future and under specific circumstances relating to the future ownership of the company. Tend VR Limited has three Directors, one of whom is Mr Matthew Hoad-Robson. Mr Hoad-Robson is the son of Dr David Robson, the Clerk to the Trustees of the Retreat. Dr Robson took no part in the in discussion or decision-making processes related to the investment in Tend

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. Tangible fixed assets

	Freehold property £	Leasehold property £	Assets under the course of construction	Equipment £	Total £
Cost					
At the start of the year	12,283,009	337,690	-	837,417	13,458,116
Additions in year	-	-	183,980	25,511	209,491
Disposals in year	-	(124,385)	-	(8,054)	(132,439)
At the end of the year	12,283,009	213,305	183,980	854,874	13,535,168
Depreciation					
At the start of the year	5,043,616	252,149	-	677,127	5,972,892
Charge for the year	24,607	21,331	-	81,769	127,707
Eliminated on disposal	-	(84,119)	-	(7,715)	(91,834)
At the end of the year	5,068,223	189,361	-	751,181	6,008,764
Net book value					
At the end of the year	7,214,786	23,944	183,980	103,693	7,526,404
At the start of the year	7,239,393	85,541	-	160,290	7,485,225

The freehold property was valued by Carter Jonas in February 2021 as at 31 December 2020 on a depreciated replacement cost basis, and the company decided to incorporate this valuation into the financial statements.

Assets under the course of construction are not depreciated until they are brought into use.

All of the above are used for charitable purposes.

13. Investment properties

	2020 £	2019 £
Fair value at the start of the year	4,634,000	4,634,000
Revaluation during the year	(3,938,000)	-
Fair value at the end of the year	696,000	4,634,000

13. Investment properties (continued)

As at 31 December 2020 a number of the properties previously classed as investment properties were either no longer under lease or notice had been served such that they are no longer considered to qualify as investment properties. These properties are inseparable from the wider estate for which there is an ongoing development plan, they have therefore been incorporated into fixed assets at the year end. The inclusion of these elements into fixed assets does not however materially change the value of the site overall and accordingly a revaluation loss has been recognised to reduce their component carrying value to £Nil. The remaining investment properties at 31 December 2020 comprise both Dower Court and Fairfax House.

The Retreat offered the Heslington Road site to the market in October 2020 and is currently assessing interest in the re-development options for the site with interested Developers.

14. Investments

Investments comprise:	2020 £	2019 £
Listed investments	8,367,614	7,638,220
Cash	24,294	912,618
Equity investment in group undertaking	1	1
Unlisted investment carried at cost	50,000	-
	8,441,909	8,550,839

Listed investments and cash comprise:	2020 £	2019 £
Fair value at the start of the year	7,638,220	9,400,470
Additions at cost	1,863,018	1,762,022
Disposal proceeds	(1,793,743)	(4,165,531)
Realised and unrealised gain/(losses) on change in fair value	660,119	641,260
	8,367,614	7,638,221
Cash held by investment broker pending reinvestment	24,294	912,618
Fair value at the end of the year	8,391,908	8,550,839

15. Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Cottage Villa Limited, a company registered in England (company number 09650020). The company is set up to collect rents from The Retreat York's Learning Disability Service. The Learning Disability Service was transferred to Mencap on 1 January 2019 and rents continue to be collected from Mencap clients. The results and assets are not consolidated into the financial statements of The Retreat York as it is not considered material. Available profits are distributed under gift aid to the charitable company. A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	25,469	53,534
Cost of sales	<u>(13,321)</u>	<u>(22,454)</u>
Profit on ordinary activities	12,148	31,080
Distribution to parent under gift aid	<u>(12,148)</u>	<u>(31,080)</u>
Result for the financial year	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and funds was:

Assets	27,776	27,776
Liabilities	<u>(27,775)</u>	<u>(27,775)</u>
Funds	<u>1</u>	<u>1</u>

16. Investments in joint ventures

The Retreat York has investments in one joint ventures York House. The value of the investment in these joint ventures at the last two financial year-ends is as follows:

	2020 £	2019 £
York House	500	500
	<u>500</u>	<u>500</u>

Further details of these investments are as follows:

York House

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 2015, 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, based on The Retreat's share of the audited financial statements to 31 May and management account information since that date, are as follows:

	2020 £	2019 £
Fee income and contributions received	3,115,029	3,159,504
Expenditure on charitable activities	<u>(3,115,029)</u>	<u>(2,863,185)</u>
Share of net results for the year to 31 December	<u>-</u>	<u>296,319</u>

16. Investments in joint ventures (continued)

The company's share of the net assets of the York House joint ventures as at 31 December is as follows:

	2020 £	2019 £
Fixed assets	45,774	45,774
Current assets	1,116,280	1,116,280
Current liabilities	(1,161,554)	(1,161,554)
Share of net assets	500	500

As all surpluses are distributed equally to the two joint venture partners, there are no net assets in the balance sheet at 31 December 2019 or 31 December 2020 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.

17. Debtors

	2020 £	2019 £
Trade debtors	4,599	352,508
Amount due from joint ventures	112,500	388,402
Other debtors	-	27,877
Prepayments	116,642	114,777
Accrued income	103,065	104,438
	336,806	988,002

18. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	138,608	116,002
Taxation and social security	32,497	-
Other creditors	55,000	91,421
Accruals	115,281	150,823
Deferred income	274,668	7,700
Monies held on behalf of patients	101,279	182,222
	717,333	548,168

Included within other creditors is £12,377 (2019 - £13,086) of unpaid pension contributions at the year end.

19. Analysis of net assets between funds

As at 31 December 2020	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	7,526,404	-	7,526,404
Investment properties	-	696,000	-	696,000
Investments	7,425,629	1,016,280	-	8,441,909
Investments in joint ventures	500	-	-	500
Net current assets	1,305,785	-	4,216	1,310,001
Defined benefit pension asset	-	4,714,000	-	4,714,000
Net assets at 31 December 2020	8,731,914	13,952,684	4,216	22,688,814

19. Analysis of net assets between funds (continued)

As at 31 December 2019	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	7,485,225	-	7,485,225
Investment properties	-	4,634,000	-	4,634,000
Investments	6,769,140	1,781,699	-	8,550,839
Investments in joint ventures	500	-	-	500
Net current assets	1,823,635	82,634	35,706	1,941,975
Defined benefit pension asset	-	8,814,000	-	8,814,000
Net assets at 31 December 2019	8,593,275	22,797,558	35,706	31,426,539

20. Movement in restricted and designated funds

For the year to 31 December 2020	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Parkinson's grant fund	31,490	-	-	(31,490)	-
Other	4,216	-	-	-	4,216
Total restricted funds	35,706	-	-	(31,490)	4,216
Designated funds:					
Tangible fixed assets	7,485,225	-	-	41,179	7,526,404
Investment properties	4,634,000	-	(3,938,000)	-	696,000
Development fund	1,781,699	-	(634,934)	(130,485)	1,016,280
Patient legacy fund	82,634	-	-	(82,634)	-
Pension reserve	8,814,000	183,000	(4,307,000)	24,000	4,714,000
Total designated funds	22,797,558	183,000	(8,879,934)	(147,940)	13,952,684
General funds	8,593,275	3,376,477	(3,417,268)	179,430	8,731,914
Total unrestricted funds	31,390,833	3,559,477	(12,297,202)	31,490	22,684,598
Total funds	31,426,539	3,559,477	(12,297,202)	-	22,688,814
For the year to 31 December 2019	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
Parkinson's grant fund	31,490	-	-	-	31,490
Other	4,216	-	-	-	4,216
Total restricted funds	35,706	-	-	-	35,706
Designated funds:					
Tangible fixed assets	7,737,390	-	-	(252,165)	7,485,225
Investment properties	4,634,000	-	-	-	4,634,000
Development fund	2,853,425	-	(1,071,726)	-	1,781,699
Patient legacy fund	87,143	-	(4,509)	-	82,634
Pension reserve	6,673,000	2,351,000	(252,000)	42,000	8,814,000
Total designated funds	21,984,958	2,351,000	(1,328,235)	(210,165)	22,797,558
General funds	8,738,257	3,223,534	(3,578,681)	210,165	8,593,275
Total unrestricted funds	30,723,215	5,574,534	(4,906,916)	-	31,390,833
Total funds	30,758,921	5,574,534	(4,906,916)	-	31,426,539

20. Movement in restricted and designated funds (continued)

The transfers out of restricted funds represents a historic review of patient transactions and a re-assessment of historic payments.

Purpose of restricted funds

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. During 2020 agreement was received from the Charity Commission to transfer the remaining balance to unrestricted funds.

Other - These funds comprise specific donations from external bodies to be spent on other benefits for patients.

The Retreat has reviewed its Restricted Fund designations during 2020 with the closure of many of the services to which the funds were intended to be used in December 2018. The Retreat has commissioned legal support to search for donors and beneficiaries to re-allocate or return these funds, this work is currently on-going. Some of these funds have been identified as transferable to unrestricted funds in discussion with provider and charities commission. This is shown in the Restricted Reserves movements.

Purposes of designated funds:

Pension scheme - as detailed in note 27 the charity is party to a defined benefit pension scheme which was in surplus at 31 December 2020. This amount has been designated as it does not form funds freely available to the charity for charitable purpose.

Tangible fixed assets - 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 either by the Retreat or by health care service tenants. The fund includes a revaluation reserve of £532,804 (2019: £4,500,804).

Development fund - An amount of £4,533,327 in total was earmarked for projects for the development of care services and the development of the estate owned by The Retreat York.

Patient legacy fund - Trustees have decided, following discussions with the family, that funds bequeathed to The Retreat be designated for use to enhance the experience of patients at The Retreat on units where the former patient received care and treatment. 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. During 2020 the Trustees decided to re-designate the remaining balance into unrestricted funds.

21 Free Reserves:

The Free reserves are determined after the movement of all restricted, designated and general purposed reserves have been determined:

	At 31 December 2020	At 31 December 2019
	£	£
Net funds of the charity	22,688,814	31,426,539
Restricted Funds	(4,216)	(118,340)
Pension Reserve	(4,714,000)	(8,814,000)
Tangible and Fixed asset reserve	(7,526,404)	(7,485,225)
Investment property values	(696,000)	(4,634,000)
General Future Development Fund	(1,016,280)	(1,781,699)
Unrestricted / free reserves	8,731,914	8,593,275

22. Analysis of cash and cash equivalents

	As restated At 1 January 2020	Cash flows	Other changes	At 31 December 2020
	£	£	£	£
Cash at bank and in hand	1,502,141	188,387	-	1,690,528
Cash awaiting investment	912,618	(888,324)	-	24,294
Total cash and cash equivalents	2,414,759	(699,937)	-	1,714,822

The charitable company does not have any debt at the current or prior balance sheet date.

23 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2020	2019	Equipment 2020	2019
	£	£	£	£
Less than one year	66,000	63,000	5,731	5,731
One to five years	300,000	47,250	5,254	10,985
Over five years	206,250	-	-	-
	572,250	110,250	10,985	16,716

24. Rents receivable

The charity's total future rent receivable from investment properties is as follows for each of the following periods.

	2020	2019
	£	£
Less than one year – Schoen, W Vale, D Trust	272,153	681,713
One to five years – Dtrust	293,335	804,144
	565,488	1,485,857

25 Post balance sheet events

Subsequent to the year end, in March 2021, The Retreat concluded the commercial property and trade purchase of Hampden House in Greater Manchester. This purchase will allow the charitable company to expand its charitable activity outside the current geographic region.

26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

27 Defined benefit pension scheme

The company operates a defined benefit scheme in the UK called The Retreat York Pension Scheme, with both Final Salary and Career Average Revalued Earnings benefits. For service prior to 1 August 2006, benefits are linked to members' final pensionable salaries at their retirement or earlier leaving. For service after 31 July 2006, benefits are built up each year, linked to members' salaries in that year and then increased each year in line with inflation. The Scheme was closed to new entrants on 31 December 2013 but accrual of benefits continues for current members of the Scheme.

The contributions made during the year ended 31 December 2020 for the defined benefit scheme were at a rate of 13.7% (2019: 13.7%) of pensionable salaries for the charity. The employer contributions paid over to the Scheme trustees in the year amounting to £24,000 (2019: £42,000), together with the actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102. Insurance premiums for death in service benefits were payable in addition.

The employee benefit obligations recognised in the balance sheet are as follows:

	2020 £	2019 £
Present value of funded obligations	(45,289,000)	(37,857,000)
Fair value of plan assets	50,003,000	46,671,000
	4,714,000	8,814,000
Amounts in the balance sheet:		
Liabilities	(45,289,000)	(37,857,000)
Assets	50,003,000	46,671,000
Net asset	4,714,000	8,814,000

Amounts recognised in the statement of financial activity are as follows:

	2020 £	2019 £
Current service cost	163,000	252,000
Net interest expense	(183,000)	(191,000)
Total cost	(20,000)	61,000

Changes in the present value of the defined benefit obligation are as follows:

	2020 £	2019 £
Opening defined benefit obligation	37,857,000	36,098,000
Service cost	35,000	45,000
Interest cost	778,000	1,021,000
Actuarial (gains)/losses	8,325,000	2,516,000
Members contributions	11,000	18,000
Benefits paid	(1,717,000)	(1,841,000)
Closing defined benefit obligation	45,289,000	37,857,000

27 Defined benefit pension scheme (continued)

Changes in the fair value of plan assets are as follows:

	2020 £	2019 £
Opening fair value of plan assets	46,671,000	42,771,000
Interest Income	961,000	1,212,000
Administration expenses	(128,000)	(207,000)
Actuarial gains	4,181,000	4,676,000
Contributions by employer	24,000	42,000
Members contributions	11,000	18,000
Benefits paid	(1,717,000)	(1,841,000)
Closing fair value of plan assets	50,003,000	46,671,000
Net actuarial (loss)/gain on defined benefit pension scheme	2019 £	2019 £
Actuarial gain on plan obligations	(8,325,000)	(2,516,000)
Actuarial (loss)/gain on plan assets	4,181,000	4,676,000
	(4,144,000)	2,160,000

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020 %	2019 %
Retail Price Inflation assumption	2.9%	2.9%
Consumer Price Inflation assumption before retirement	1.9%	1.9%
Consumer Price Inflation assumption after retirement	2.5%	1.9%
Discount rate at the end of the year	1.3%	2.1%
Future salary increases	1.5%	1.5%
Future pension increases where linked to inflation:		
• Limited price index 5%	2.5%	1.9%
• Limited price index 3%	2.2%	1.8%
• Limited price index 2.5%	2.0%	1.7%

Accounts for the current and previous four periods are as follows:

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	(45,289,000)	(37,857,000)	(36,098,000)	(38,331,000)	(38,331,000)
Plan assets	50,003,000	46,671,000	42,771,000	46,121,000	46,121,000
Surplus	4,714,000	8,814,000	6,673,000	7,790,000	7,790,000
FRS 102 cap	-	-	-	-	-
Experience gain on benefit obligation	4,181,000	4,676,000	(3,110,000)	2,851,000	5,531,000

28 Comparative Statement of Financial Activities for the year ended 31 December 2019

	Unrestricted - General	Unrestricted - Designated Pension Scheme	Unrestricted - Designated	Restricted	2019 Total
	£	£	£	£	£
Income from:					
Donations and legacies	74,043	-	-	-	74,043
Charitable activities - outpatient services	787,686	-	-	-	787,686
Other Trading activities:					
Net income from joint ventures	296,319	-	-	-	296,319
Other trading income - estates and property management	1,134,925	-	-	-	1,134,925
Investments	289,301	-	-	-	289,301
Other - net interest on pension scheme asset	-	191,000	-	-	191,000
Total income	2,582,274	191,000	-	-	2,773,274
Expenditure on:					
Raising funds -					
Investment management	21,469	-	-	-	21,469
Other trading activity - estates and property management	1,167,622	-	-	-	1,167,622
Charitable activities - outpatient services	1,887,890	-	4,509	-	2,144,399
Current service cost on pension scheme asset	-	252,000	-	-	252,000
Exceptional transition costs	501,700	-	1,071,726	-	1,573,425
Total expenditure	3,578,680	252,000	1,076,235	-	4,906,915
Net (expenditure) before net gains/(losses) on investments	(996,406)	(61,000)	(1,076,235)	-	(2,133,641)
Net gains/(losses) on investments	641,259	-	-	-	641,259
Net loss on revaluation of investment properties	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes	-	2,160,000	-	-	2,160,000
Net (expenditure) for the year	(355,147)	2,099,000	(1,076,235)	-	667,618
Transfers between funds	210,165	42,000	(252,165)	-	-
Net movement in funds	(144,982)	2,141,000	(1,328,400)	-	667,618
Reconciliation of funds:					
Total funds brought forward	8,738,257	6,673,000	15,311,958	35,706	30,758,921
Total funds carried forward	8,593,275	8,814,000	13,983,558	35,706	31,426,539