

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.	<p>The Board and the Resources Committee are regularly monitoring the financial position and advising on planning assumptions for next three years.</p> <p>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</p>
8. Legislative compliance in terms of running an estate with consideration for landlord responsibilities to tenants until the final tenancies conclude.	<p>We have a tenants' handbook for remaining tenants explaining their estate management responsibilities and The Retreats as landlord.</p> <p>We have formal procedures with Tenants which are being audited by our FM contractors.</p> <p>We have an professional HSE advisor (retained) to undertake audit, give advice, attend FSHE meetings and review progress re compliance.</p> <p>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.</p>
9. Improve staff wellbeing.	<p>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.</p> <p>We are working with staff teams to support their return and manage their anxieties since the pandemic.</p> <p>We are planning a staff away day in 2022 to bring everyone back together and revisit our values</p>

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
	<u>39,836</u>	<u>78,046</u>

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	<u>2,005,402</u>	<u>1,057,049</u>

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