

The Retreat York

Report and Financial Statements

For the year ended 31 December 2022

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

Trustees

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

James Eddington^{1,4,3}

Martin Ford^{1,4,3}

David Robson² Clerk to the Board

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

Paul Henderson- Grey²

Clare Scott Booth^{1,4,3}

Christian Farrell² Appointed 5th May 2022

1 Member of the Finance & Resources Committee

2 Member of the Quality and Safety Committee

3 Member of the Remuneration Committee

4 Member of the Audit Committee

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

Report of the Clerk to the Board

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

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

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

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

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

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

Clinical Services

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

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

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

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

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

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

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

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

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

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

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

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

David Robson

Clerk to The Board

Ruth Dixon

Chief Officer (Clinical)

Ian Holborn

Chief Officer (Corporate)

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

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

Objectives and activities

The focus of our work

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

We work both with the NHS and with self-funded clients and organisations in the provision of community based neurodevelopmental and mental health services for people of all ages. The Retreat was established in 1796 and was the first place where people with mental health problems were treated humanely and with dignity and respect. We continue to develop our services with dignity, respect, equality and diversity as our driving principles and we try our best to respond to what our communities, locally and nationally, need.

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

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

- Providing a range of community-based services designed to meet the needs of people of all ages who are experience mental ill-health;
- Providing community-based assessment, diagnostic and therapy services for people of all ages with neurodevelopmental conditions;
- Ensuring that, wherever possible, our work is externally accredited and combines our distinctive values, clinical model and evidence-based best practice into an effective and accessible service;
- Working in partnership with other organisations and agencies to ensure the widest range of support of available in order to improve people's mental wellbeing.

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

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

Purposes and aims

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

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

During 2022, we provided mostly online services and related activities that promote and intervene to enable the improvement of the mental wellbeing of people of all ages. However, as the year progressed we brought staff and clients back to our buildings, offering more and more in person appointments. We continued to focus on issues that affect an individual's cognitive and emotional functioning, leading to reduced ability to take part in the regular day-to-day activities most of us take for granted.

Ensuring our work delivers our aims

We usually plan to review our aims, objectives and activities each year. However, in 2022 we decided that steady state for our aims and objectives was necessary and we did not change them, nor did we significantly change the range of activities we offered. This 2022 review looks at what we achieved and the outcomes of our work during the year, considering the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

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

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

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

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

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

Our strategic objectives for 2022

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

Objectives: Psychological Therapy Services

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

Objectives: Neurodevelopmental Services

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

Objectives: Services for Children and Young people

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

Public benefit

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

Risk Review

Risk Governance: Strategic Risk

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

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

Risk Management: Operational risks

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

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

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

Methods of dealing with these risks include:-

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

The Board can mitigate risks by:-

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

Board Assurance Framework

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

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

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

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

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

Strategic report

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

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

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

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

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

Clinical Services

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

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

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

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

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

Estate and Property Management Services

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

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

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

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

Property Development Initiatives.

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

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

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

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

The Retreat's Key Achievements for 2022

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

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

Financial review

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

The financial results can be summarised in the following table.

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

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

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

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

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

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

Reserves policy and going concern

Reserves Policy

It is the policy of the charity to maintain undesignated funds, which are the free reserves of the charity, at a level sufficient to cover between 6 and 18 months of expenditure, a range between £1,500,000 and £4,500,000. This period of sufficiency aligns with NHS community contracts periods and lease periods for some short-term tenancies.

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

Free Reserves as illustrated as follows:-

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

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

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

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

Investment Policy

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

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

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

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

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

Going Concern

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

Fundraising Policy

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

Plans for the future

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

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

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

Structure, governance and management

Constitution

The Retreat York is a charitable company limited by guarantee. It was formed on 20 November 2001 and was granted charitable status on 18 December 2001. Its governance arrangements are set out in its Articles of Association, which were amended at the AGM held on 24 June 2010 and the EGMs held in February 2011, February 2012 and November 2016.

Directors

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

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

Management

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

Finance & Resources Committee

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

Quality and Safety Committee

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

Remuneration Committee

The Remuneration Committee is formed as a sub-committee of the Board and is responsible for meeting annually to consider the remuneration of the Executive Directors.

Audit Committee

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

Estates Group

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

Appointment of Trustees

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

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

Trustee induction and training

All Members and Directors receive induction upon appointment to their respective roles. Directors receive training in relation to their role as Trustees. Directors receive a copy of a range of documents including the Annual Report and Accounts and the charitable deed. Training is provided on a variety of topics relevant to the work conducted at The Retreat York.

Related parties and relationships with other organisations

For some years The Retreat York had undertaken a joint venture with The Disabilities Trust to operate a unit for individuals with an acquired brain injury. The unit is known as York House and the joint venture company is called York House Ventures Limited. This joint venture was ended in September 2021 and the Disabilities Trust acquired the shares of the company for consideration, which is disclosed in Note 16 to the accounts.

Remuneration policy for key management personnel

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

Employee Information

Policy for employment of disabled persons

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

Employee Consultation

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

The Living Wage

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

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Retreat York for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the Trustees are aware:

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

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

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

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

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

David Robson

Clerk to the Trustees

Independent auditor's report

To the members of

The Retreat York

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

To the members of

The Retreat York

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities

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

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

Independent auditor's report

To the members of

The Retreat York

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

11 July 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Retreat York

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

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

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

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

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

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

The Retreat York

Balance sheet

Company no. 04325622

As at 31 December 2022

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

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

David Robson
Clerk to The Trustees

The Retreat York

Statement of cash flows

For the year ended 31 December 2022

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

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

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

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

f) Interest receivable and dividends

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

g) Fund accounting

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

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

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

h) Expenditure and irrecoverable VAT

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

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

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

i) Allocation of support costs

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

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

j) Operating leases

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

k) Tangible fixed assets

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

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

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

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

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

l) Intangible fixed assets

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

m) Investment properties

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

n) Listed investments

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

o) Unlisted Investments

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

p) Investments in subsidiaries

Investments in subsidiaries are at cost less impairment.

q) Debtors

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

r) Short term deposits

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

s) Cash at bank and in hand

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

t) Creditors and provisions

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

u) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

v) Pensions

The charity operates a defined benefit plan for the benefit of its eligible employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The Scheme closed to new entrants in 2013.

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

2 Income from donations

	2022 Total £	2021 Total £
Donations	112,084	39,836
	112,084	39,836

All income from donations are unrestricted in both periods.

3 Income from charitable activities

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

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

4a Income from investments

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

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

4b Other Trading Income – Estates and Property Management

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

5 Analysis of expenditure

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

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

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

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

6 Net (expenditure) for the year

This is stated after charging /(crediting):

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

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

Staff costs were as follows:

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

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

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

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

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

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

8 Staff numbers

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

	2022 No.	2021 No.
	61	51

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

9 Related party transactions

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

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

10 Taxation

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

11 Goodwill

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

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

12 Tangible fixed assets

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

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

All of the above assets are used for charitable purposes.

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

13 Investment Properties

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

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

14 Investments

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

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

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

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

15 Subsidiary undertaking

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

16 Investments in joint ventures

York House

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

17 Debtors

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

18 Creditors: amounts falling due within one year

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

18A Deferred income

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

19 Analysis of net assets between funds

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

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

20 Movement in funds

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

20 Movement in restricted and designated funds (continued)

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

Purposes of restricted funds:

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

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

Purposes of designated funds:

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

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

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

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

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

21 Free Reserves :

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

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

22 Analysis of cash and cash equivalents

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

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

23 Operating lease commitments

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

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

24 Rents receivable

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

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

25 Legal status of the charity

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

26 Defined benefit pension scheme

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

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

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

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

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

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

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

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

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Notes to the financial statements

For the year ended 31 December 2022

26 Defined benefit pension scheme (continued)

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

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

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

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

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

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

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

The Retreat York

Notes to the financial statements

For the year ended 31 December 2022

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

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