

The Retreat York

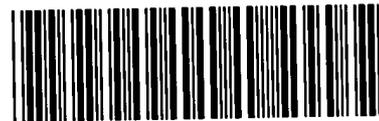
Company number: 04325622

Charity number: 1089826

Report and Financial Statements

For the year ended 31 December 2020

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Company number 04325622

Charity number 1089826

Registered office and operational address

107 Heslington Road

York

YO10 5BN

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees

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

Sallie Ashe ¹³	Resigned 16 th January 2020
Jennifer Barraclough ¹³⁴	Resigned 16 th January 2020
James Eddington ¹⁴	
Martin Ford ¹⁴	
Rob Griffiths ³	
John Miles ⁴	Resigned 16 th January 2020
David Robson ²³	
Mike Wash ²	Resigned 16 th January 2020
Christine Abbott ²	Appointed 16 th January 2020
Beverley Goddard ^{1,4}	Appointed 16 th January 2020
Paul Henderson- Grey ²	Appointed 16 th January 2020
Clare Scott Booth ¹	Appointed 16 th January 2020

1 Member of the Finance & Resources Committee

2 Member of the Quality and Safety Committee

3 Member of the Remuneration Committee

4 Member of the Audit Committee

Key Management Personnel	Kim Bevan	Chief Officer (Clinical Services)
	Ian Holborn	Chief Officer (Corporate Services)

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

In the year of a world-changing Pandemic, The Retreat has grown and is thriving due to the passion, commitment, adaptability and flexibility of our staff. As an innovative organisation, we feel we have adjusted and made some significant transformative changes that have enabled us to continue to deliver what is needed to support the mental health of our communities with high quality services tailored to individual needs. In addition, we have continued to progress the plans for our estate, with a view to firm and agreed plans being in place by 2021. Covid-19 has had an impact on everyone but The Retreat has endured and adapted as it has for the last 228 years.

The wellbeing of our staff has been paramount in our considerations during 2020 and our main focus as a professional and caring organisation is to ensure that our staff know how much we appreciate the personal investment they have made in continuing to work for The Retreat in such difficult circumstances, enabling the organisation to continue to develop and expand. In return, we have made our best endeavours to ensure we communicate with staff openly, transparently and frequently about the rapidly changing environment and that we have continued to enable them to fulfil their career ambitions and maintain their overall health and wellbeing.

We have recruited staff, engaged advisers, worked with contractors and brought sessional workers on board despite the pandemic.

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

We are now halfway into the term of our strategy and we have achieved a great deal towards our aims, despite Covid-19 and its impact on the currency of our existing strategy. Our aims continue to be:

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

Clinical Services

Many things have changed over the last year and the pandemic has created opportunities as well as challenges. Despite these changes, we remain an organisation that focuses on two 'big things' in terms of clinical services – Therapy Services and Neurodevelopmental Services for people of all ages. Going forward, a proportion will continue to be delivered online rather than in person. During lockdown almost all of our services have been delivered online, with some innovative approaches being developed to ensure needs can be met. We intend to continue with this into the future and predict that at least 25% of business beyond the pandemic will be delivered online. In line with our strategy and making changes to account for the pandemic, we took the decision to push forward with the expansion and further development of our community based psychological therapy and assessment services, extending our children's services and expanding our neurodevelopmental services. We are sure that other challenges will arise during 2021 but our ability to adapt and change our clinical services and the commitment and hard work of our staff lead us to be confident that financially and strategically the organisation has a sound footing, and can sustain our values-based service delivery to take William Tuke's vision forward into 2021 and beyond.

Estates and Property Management - At the same time as we began to expand and promote our clinical services, we have delivered on our landlord responsibilities. We say "farewell" to three organisations as our tenants, Schoen Clinic, Wilson Vale Catering and Turning Point and continue the development of our tenancy agreements with our existing tenants and leaseholders, York House and Mencap's clients.

We also started the development plans for our estate, in discussion with the City of York Council and alongside other stakeholders with an interest in what happens to our estate land and buildings. This work is at the "offer for Development" phase, and this work will gather pace during 2021 with a view to firm and agreed plans being in place by the autumn 2021.

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

The Retreat realised a material impact on Investment values and possible future investment income as the value of investments fell by about 7%, this resulted in a loss of c£550k in March 2020. This loss was largely recovered by December 2020. The Retreat converted £1m of short-term investment into Cash in very early March, as the market started to decline, but before it reached its lowest point. The cash position at the end of December 2020 was £1.690m or about 8 months operating cost cover, in addition much of the value in the Retreat investments having returned by this point.



David Robson

Clerk to The Board



Kim Bevan

Chief Officer (Clinical)

Ian Holborn

Ian Holborn

Chief Officer (Corporate Services)

The Trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019).

Objectives and activities

The focus of our work

The Retreat is a charitable, not-for-profit provider of care related to people's mental wellbeing. We work both with the NHS and with private clients and organisations in the provision of community based neurodevelopmental and mental health services for people of all ages. The Retreat was established in 1796 and was the first place where people with mental health problems were treated humanely and with dignity and respect.

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

Our main objectives for 2020 continued to be the promotion of positive mental health and the acceptance and celebration of neurodiversity. The strategies we used to meet these objectives included:

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

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

Purposes and aims

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

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

Added to this was an aim to survive the Covid-19 pandemic with a thriving organisation through transferring all of our services online and working remotely, retaining high quality staff and services. We feel that we achieved this and that it has changed our organisation permanently as a result.

We worked to achieve this through the provision of services and related activities that promote and intervene to enable the improvement of the mental wellbeing of people of all ages. The areas of work we focus on are those that affect an individual's mental functioning, leading to reduced ability to take part in the regular day-to-day activities most of us take for granted.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in 2020. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The Trustees consider how planned activities will contribute to the aims and objectives of the Charity.

The strategy we developed to achieve our aims and objective has three themes that run throughout:-

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

In addition, throughout our considerations, we are mindful of the fact that we are a Quaker charity and need to consider our charitable objectives and how they are being delivered.

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

- Considering the assets we have and to offer access to these assets as far as practicable and in particular community access where possible.
- Creating a sustainable estate development plan and a sympathetic environment beyond these developments to retain the William Tuke legacy.
- Careful management of the immediate and future economic viability of The Retreat.
- Building The Retreat name and its Quaker heritage – our brand.
- Building Collaborative partnerships in developing our services.
- Developing our national reach – beyond Heslington Road, York.

Our strategic objectives for 2020/21

Objectives: Psychological Therapy Services

- To extend our psychological assessment and therapy services, in York, sub-regionally and nationally.
- To expand our psychological assessment and therapy service's offer through the development of new services, such as trauma, eating disorders and medico-legal work.
- To grow our current psychological assessment and therapy service offer through promotion, marketing and awareness raising of the excellence of our services.

Objectives: Neurodevelopmental Services

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

Objectives: Services for Children and Young people

- To establish and grow our services for Children and Young People in York, in the North and nationally.
- To launch our new facility for children and young people in Strensall.
- To secure further NHS contracts and waiting list initiatives for neurodevelopmental services in North Yorkshire, the North and nationally.
- To expand our privately funded neurodevelopmental and psychological therapy services for children and young people.

Public benefit

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

Risk Review

Risk Governance: Strategic Risk

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

Key risks	Mitigation	Next steps
Financial sustainability	Careful reserve and investment management. Also, increasing our presence on a national basis through offering online services to overcome Covid issues and working towards establishing a presence in Greater Manchester.	Identify surplus in annual plans and careful management of reserves, taking into account the impact of Covid-19. Further develop online services for a national audience. Locate in Manchester and in Strensall, York and build those services.
In the context of Covid-19, the Business continuity plan	Revised plan to include issues related to Covid has been produced with operational management team.	Review and revise the plan post-covid.
Strategy implementation threatened by Covid-19	A group of Trustees and executive team reviewed and revised the strategic plan to take into account the changes that occurred during Covid and the revised strategy is being implemented through the development of a comprehensive operational plan.	New operational plan to be consulted on with the clinical and non-clinical teams and implemented during 2021.
Failure to meet CQC standards	New Operations Manager, employed in 2020, has made clear progress on the Quality Improvement Plan and taken services towards accreditation by the Royal College of Psychiatry's APPTS.	Gain accreditation and the Operations Manager to take on the role of Registered Manager for The Retreat.
Failure to dispose appropriately of The Retreat's estate and to provide a high-quality environment for its clinical services	Advisers have been commissioned to provide The Retreat with appropriate and commercially and clinically viable recommendations and clinicians are involved in the plans for the Estate.	Strensall site opened in April 2021 and Board intends to accept a bid for the main site by Autumn 2021.

Risk Management: Operational risks

The Trustees are responsible for reviewing major financial and operational risks to which the charity is exposed, and systems have been established to mitigate those risks. These risks include changes in NHS Commissioning, loss of key personnel, recruiting new specialist clinicians, maintaining an ageing and deteriorating estate, communication across the organisation during the Covid-19 lockdowns and inability to attract sufficient numbers of private paying clients, and national and international Pandemic impacts.

Methods of dealing with these risks include:-

- Maintaining close working relationships with key NHS Commissioners, which has led to offers of waiting list reduction initiatives to be implemented in 2021 to reduce waiting times in North Yorkshire.
- Streamlining and adapting our service offer so that more can be provided online.
- Offering much needed and in demand services to attract more clients, particularly in the light of Covid-19.
- Promotional and marketing campaigns to raise awareness of our brand and our online services.

Internal risks are minimised by:-

- Establishing further systems and processes to ensure that risks are reviewed on a regular basis, these included a review of the organisational structure during 2020 to ensure all areas were effectively managed.
- Establishing Health and Safety group, Senior Leadership team meetings, whole team meetings, clinical services meetings and tenant forum meetings.
- Communicating regularly with staff using our BreatheHR system, including regular Chief Officer (Clinical Services) updates at the beginning of lockdown which continues into 2021.

The impact of Covid-19

During 2020 only a few, less than 5, members of staff had a confirmed Covid-19 diagnoses. To ensure we did not put our staff and clients at risk we took the decision to work remotely from 18th March 2020 and continue to do so with some clinicians undertaking risk-assessed in person work with clients in our grounds, not in our buildings.

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

Board Assurance Framework

The Trustees are responsible for the Board Assurance Framework reviews annually. The following objectives and associated risks for 2020 were considered and reviewed:-

Corporate and strategic objectives	Review of objective
<p>1. Ensure The Retreat's three-year strategy is fit for purpose, in place and shared across the organisation.</p>	<p>We did not review the strategy in 2020 but we have begun the process in 2021, now that we are more fully aware of the impact of Covid-19. A group of Trustees and the Executive Team have formed a task and finish group for the revisions we may have to implement to the strategy. The revised version of the strategy will be shared with staff once the review is completed.</p>
<p>2. Attract a high calibre of Trustee Directors with a skill mix and experience that is a good fit for The Retreat's future direction.</p>	<p>The Nominations Committee used CQC guidance about Fit and Proper Person test when appointing the four new Trustees who were appointed to the Board in early 2020.</p> <p>The new Trustee job description has now been applied and all Trustees are working to that.</p> <p>At present, we think we have sufficient numbers of Trustees, with a wide variety of skills and experience. However, we are aware that the diversity of the Board needs to be addressed and we have set up an Equality, Diversity and Inclusion working group to address this in the Board as well as organisation-wide.</p>
<p>3. Achieve accreditation from the Royal College of Psychiatry's Accreditation Programme for Psychological Therapies, building on our Quality Improvement Plan and making quality improvement central to our work.</p>	<p>We submitted our self assessment for the APPTS in October 2020. We are aiming to achieve accreditation in July 2021. The feedback we received from the Peer Review Panel was excellent and we are confident we will achieve accreditation by the end of 2021 at the latest.</p>
<p>4. Become GDPR compliant.</p>	<p>We submitted our Data Protection and Security Toolkit in 2020, and we are now GDPR compliant. We are in the process of developing the 2021 kit and feel confident that we will be equally compliant at the next submission.</p>
<p>5. Assure Health and Safety Compliance.</p>	<p>Our Health & Safety adviser continues to carry out regular checks on our physical environment and our responsibilities as a landlord. In addition, we have an internal Health & Safety Officer who has been IOSH trained and who is taking on all of the Health and Safety for Clinical Services locations.</p>
<p>6. Manage our estates and the sales of our buildings effectively, working towards a new estates strategy in 2022.</p>	<p>By the end of 2020 our advisers and our Estates team had positioned and started the bidding process for the sale of parts of our estate.</p>
<p>7. Ensure the Clinical Services organisation achieves a stable financial position.</p>	<p>The Board and the Resources Committee are regularly monitoring the financial position and advising on planning assumptions for next three years. We are now in a more promising position and predict significant growth in 2021, with new premises and services in York and Manchester and expansion to our portfolio of neurodevelopmental assessment and diagnosis contracts across the ages. In addition, we have opened our Children and Young People facility in Strensall in 2021 and have commenced the planning for</p>

Corporate and strategic objectives	Review of objective
	the marketing and promotion of all of our children and young people services, which we know are in great demand.
8. Legislative compliance in terms of running an estate with consideration for landlord responsibilities to tenants.	<p>We have a tenants' handbook for each tenant explaining their estate management responsibilities and The Retreats as landlord.</p> <p>We have formal procedures with Tenants which are being audited by our FM contractors.</p> <p>We have a professional HSE advisor (retained) to undertake audits, give advice, attend FSHE meetings and review progress re compliance.</p> <p>We have an FM contractor monitoring our compliance in areas for which we have legal responsibility each month - fire, water, asbestos, Gas & Electric, lifts, lighting and security amongst others.</p>
9. Review The Retreat's Business Continuity Plan on a regular basis.	We adjusted our Business Continuity Plan in the light of the Pandemic Operational Response plan which was activated in March 2020. We closed our premises and staff facilities and a Working from Home mandate was triggered on 18 th March 2020. We continued working from home throughout 2020.
10. Develop the business areas we have identified in the 3-year strategy as key to The Retreat's future.	<p>Our online therapy offer, by necessity, has been rolled out across all staff and we are firmly established as an online provider. This will continue beyond the pandemic. In addition, we have been awarded increased contract activity and budget for our neurodevelopmental children and young people and adult services. We were awarded a Waiting List reduction Initiative (WLI) in early 2021 and our activity will more much increased. We are still working on the development of a trauma hub, an eating disorder service and our medico-legal offer. All of these are dependent on attracting the right staff in order to deliver these services. This is something we are working on in 2021.</p> <p>In addition, we identified the development of The Retreat's services elsewhere in the UK as a priority and we have completed the purchase of premises and transfer clients and clinicians from an organisation in Manchester to The Retreat.</p>
11. Improve staff wellbeing.	<p>We have set up a working group to develop a robust progression route for staff, including appraisals linked to competencies and bandings that will have salaries attached to them.</p> <p>We have undertaken a staff survey, which was very positive. However, there were some lessons to be learned from that and we are in the process of implementing improvements.</p>

For The Retreat, as for organisations across the globe, 2020 was a year of turmoil as a result of the pandemic. We expected to see our psychological services growing and our children and young people's services beginning to have a regional impact, through the development of partnerships with at least one other provider and contracting with commissioners. The lockdowns that started in March 2020 gave us an unexpected pause in all of our plans and a move to a different delivery model for our services. We furloughed some of our staff and had to enact our Business Continuity Plan. In the early weeks of lockdown our services were not operating at full capacity. However, as we adapted to the new remote working arrangements, our services began to thrive again and our plans to grow adult services and to expand our online services began to be operationalised. The staff were incredibly responsive, adaptable, flexible and quick to learn a new way of working. Their commitment and focus on our clients was impressive and they enabled the organisation to endure and grow.

Despite the pandemic, we achieved our major aims and accelerated some of the changes we were intending to make during 2020 and 2021. The Retreat's business model is now well established as an online provider continuing the Quaker mission to improve mental wellbeing in our communities as we review and manage our estate to a new purpose.

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

Clinical Services

The concerns we had in 2019 in relation to our waiting lists for adult Autism and ADHD services grew during 2020, as the waiting lists continued to grow. We made proposals to the commissioners which led to a waiting list reduction initiative being offered to reduce the waiting list by 50%. Our commissioners worked hard with their financial teams and their senior leadership to pull together the finances for the waiting list initiative, which commences formally in 2021. This will not enable the waiting list to reduce to the level that is recommended in NICE guidance, but it will be of enormous benefit to people waiting for an assessment and it will help allay some of the major concerns expressed by the CQC. The great challenge in 2021 will be staffing and recruitment, but we hope to be fully operational and meeting our targets by the middle of 2021.

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

We delivered some new services online during lockdown, supporting primary care patients' mental health and offering a mental health support and therapy service through the Quaker Benevolent fund. These new services were sufficiently successful to enable us to consider offering the primary care mental health services to GP federations nationally and we will begin marketing that in 2021. We continue to support Quakers with funding from the Quaker Benevolent fund into 2021.

The expansion of our services beyond our geographical borders has been a very positive development in 2020 and it demonstrates the confidence we have in our clinical services and our capabilities to expand and offer our service model in another location. The Retreat is becoming an "approach to service delivery" and a values-based business rather than a location and buildings. This was a key aim when we developed our strategy in 2018/19.

We are confident that 2021 will see further diversification and significant expansion of our clinical offer as we aim to become national providers for a wide range of neurodevelopmental and psychological therapy services in 2021, moving into work in the corporate and medico-legal fields as well as continuing development and growth of our existing client and commissioner base.

Estate and Property Management Services

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

During 2019 decisions were made to reconsider these relationships, as a result the Joint Venture with Turning Point was ended in July 2019 and a review undertaken of the relationship with the Disabilities Trust at York House resulting in a review of the leases and services as if the venture was a formal "tenant" of The Retreat.

The Heslington Road Development has now moved into a new phase which sees some tenants leaving and the formal approach to Developers to express interest in developing the site.

Leases were ended with the following organisations:-

- The Pharmacy Building on the East of the House – Tees and Wear Valley NHS Trust.
- Lease of Acorn and Kemp units in the House - Schoen Clinic.
- Kitchen and catering in the main House – Wilson Vale Ltd.
- Garrow House – Turning Point.

The remaining Tenants into 2021 include

- York House - York House Ventures (JV TRY and Disabilities Trust)
- Multiple leases for room accommodation at East and Cottage Villa – independent residents of Mencap's Services. These lease and Services have since been concluded and Mencap departed the site on 7th May ,2021.

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

The Retreat supports its Tenants with a Tenants Forum and regular reviews and dialogue.

Property Development Initiatives.

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

The Retreat is in dialogue with the York City council about a range of options for the development of the Heslington Road site and has now moved to a formal "sales" process by issuing a sales prospectus in October 2020. These discussions with potential developers are considering the retention of some Outpatient service building at the Heslington Road site, possible commercial development of parts of the site and an intention to open much of the grounds for access and use.

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

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

The Retreat's Key Achievements for 2020

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

- Implementation of our robust and innovative three-year strategy, despite the pandemic.
- Service efficiency and capacity improvements, including a closely managed capacity review process and recruitment of more sessional therapists to increase workforce responsiveness and flexibility.
- Launch of a new website and an increase in the public's awareness of our existing services and expansion into children's service with focused marketing campaigns and a significantly increased social media presence.
- Established a strong relationship with a local radio station, Jorvik Radio, as their resident Mental Health advisers and with other media outlets.
- Developed and agreed a business case for purchasing a property, along with the intellectual property of a high quality psychological therapies service in Manchester, which started operating in April 2021.
- Developed and agreed a business case for investment in a research project with Tend, for a Mindfulness Based Cognitive Therapy Virtual Reality programme. The research project will commence in 2021.
- Further development of the support and placement offer to Psychotherapy and Psychology students, with three placements during 2020.
- Significant and rapid expansion of our online therapy services, alongside the development of a successful online service for Autism and ADHD assessments for adults and for children.

For the year ended 31 December 2020

- Developed and delivered a pilot video and telephone Primary Care Mental Health Service with Heartbeat Alliance, a GP federation. We plan to package this to offer to other GP federations early in 2021.
- Developed and delivered a therapeutic support service for the Quaker Benevolent Fund, which is free at the point of delivery and which offered support to Quakers with mental health concerns that were initiated or exacerbated by the pandemic.
- Refurbishment of a dedicated children and young people's facility in Strensall, which launched in April 2021 and enable expansion and further development of our services for children and young people.
- Working with staff on their wellbeing, particularly during lockdown, offering our EAP to support mental health and wellbeing, alongside free mindfulness training and weekly online yoga for relaxation, with regular meetings, communication and offers of support. Our staff survey, conducted at the end of 2020, showed good levels of job satisfaction and satisfaction with the organisation, as well as some recommendations for improvements in communication.
- Appointing an additional Expert by Experience who has been working with York's Mental Health Partnership.
- Positive external relationships with a wide range of stakeholders, including other voluntary sector organisations in the region, CCGs, City of York Council, local councillors and local MPs.
- Moving to Development phase of the site re-purpose plans at Heslington Road including a launch to the market in October 2020 and significant interest in working with the Retreat since that point.
- Building our relationship with the Retreat Pension Board in reviewing options and initiatives to reduce the scheme liabilities and the future reliance of the Scheme on the Retreat Assets.
- The orderly and jointly planned departure of some long-standing Tenants at Heslington Road during 2020 and 2021.

Financial review

The Statement of Financial Activities for the period is set out on page 26 of the financial statements.

The financial results can be summarised in the following table.

	2020	2019
	£	£
Operating Surplus / (Deficit)	(535,159)	(467,142)
Exceptional Transition Costs (Change Program Impacts)	(740,419)	(1,573,425)
Loss on disposal / Fixed Asset write down	(40,266)	(93,074)
Investment Gains	660,119	641,259
Revaluation of Investment Properties	(3,938,000)	-
Accounting adjustments in relation to defined benefit pension scheme	(4,144,000)	2,160,000
Net Movement of funds per SOFA	(8,737,725)	667,618

The operating results of The Retreat, which include expenditure on the charity's two key areas of Outpatient Services and Estates and Property Management, in the year ended 31 December 2020 produced a deficit of £535,159 (2019 - deficit £467,142). Included within this is other income from donations, legacies, joint venture activities and grant produced income of £139,961 (2019 - £370,362).

A total of £740,419 (2018 - £1,573,925) was spent during the year on development of The Retreat York, The outpatients service and future development activity. These are described as exceptional transition costs on the face of the Statement of Financial Activities.

The result after these unusual items was an overall net deficit, before gains on investments, revaluation of investment properties and movement on pensions, for the year amounting to £1,315,844 (2019 - deficit £2,133,641).

After taking into account net investment gains of £660,119 (2019 - gains £641,259), a loss on revaluation of investment properties of £3,938,000 (2019 - £nil) and an actuarial loss on the defined benefit pension scheme of £4,144,000 (2019 – gain £2,160,000), there was a net negative movement of funds of £8,737,725 (2019 – positive movement £667,618).

Our financial results for the year have been affected by a net pension income of £20,000 (2019 - expense £61,000) relating to the current services costs for the Trust, net of interest expense.

Reserves policy and going concern

Reserves Policy

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

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

Free Reserves as illustrated as follows :-

	2020	2019
	£m's	£m's
Net Assets – 31 December	22.7	31.4
Restricted funds and donations	-	(0.1)
Pensions reserve	(4.8)	(8.8)
Tangible fixed asset value	(7.5)	(7.5)
Investment Property value	(0.7)	(4.6)
General future development fund	(1.0)	(1.8)
Unrestricted/free reserves 31 December	8.7	8.6

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

Funds for the necessary upgrade and development of the charity's operational and investment properties and other non-capital, future strategy development projects are segregated into a separate development (designated) fund, currently totalling £1,016,280 (2019 - £1,781,699).

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

Investment Policy

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

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

Short term reserves are held with a minimal return objective and are used to preserve capital, longer term reserves are held to obtain a return above inflation over the medium term. During 2019 The Retreat Board recommended a further move to a more ethical portfolio to actively support ethical causes and further move away from companies involved in some sectors which did not align to the Quaker values. The portfolio moved to a global equity based ethical scheme which missed planned performance in 2020 returning £199k of investment return versus a target of £250k and actual return of £289k in 2019 (see note 4). The Investment realised a fair value gain of £660k in 2020 versus a fair value gain of £641k in 2019 (see note 14).

As a result of market uncertainties resulting from the global coronavirus pandemic, the unrealised gain values fell in the first quarter of 2020, and at the end of December 2020, were £(109)k adverse to balances at 31 December, 2019.

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

Going Concern

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

Fundraising Policy

The Retreat is not a conventional fundraising charity, most of our income is generated from our charitable service provision and from the assets of the charity which includes investments and investment properties. We do benefit from the generous support of the public and during the year we benefitted from a number of donations totalling £78,046, although these were unsolicited. We do not actively raise funds from the public

and we have no agency arrangements in place in respect of fundraising. We have received no complaints during the year in respect of our fundraising activity.

Plans for the future

The Retreat has come through 2020 scathed but intact, with some positive developments and a strong staff team to take us forward into a somewhat unsure future. As soon as we are able, we will start to offer services face to face again, though a proportion will remain online and we think this will meet the need of our local community as well as potential service users nationally. We are in the process of conducting a review of our strategy, focusing more on our neurodiversity and our children and young people services during 2021, as well as our Manchester acquisition which launch in April 2021.

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

The next few years promise to be challenging for The Retreat as they will for many organisations emerging from the pandemic. However, we look forward with optimism to the future and the opportunities it will bring alongside those inevitable challenges. There will almost certainly be additional pressure on Government debt as a consequence of the decisions taken during the pandemic and we know that this will have an impact on the NHS, a key part of our funding model. This means that we will need to continue to manage our cost base carefully, whilst continuing to maintain high quality services. We are looking to the future and hoping the pandemic will have no further major impacts on our business. We have ambitious plans for our future growth, including extending our geographical reach. We are confident that we will be able to start the next part of our journey, confidently, in 2021.

Structure, governance and management

Constitution

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

Directors

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

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements.

Management

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

Finance & Resources Committee

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

Quality, safety and Governance Committee

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

Remuneration Committee

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

Audit Committee

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

Estates Group

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

Appointment of Trustees

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

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

Trustee induction and training

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

Related parties and relationships with other organisations

For some years The Retreat York has undertaken a joint venture with The Disabilities Trust to operate a unit for individuals with an acquired brain injury. The unit is known as York House and the joint venture company is called York House Ventures Limited. Transactions with The Disabilities Trust are disclosed in Note 16 to the accounts.

Remuneration policy for key management personnel

The Remuneration Committee is formed as a sub-committee of the Board and is responsible for meeting annually to consider the remuneration of the members of senior members of staff. During 2019 the Remuneration Committee undertook a benchmarking exercise to review the pay levels of senior post-holders in The Retreat. Some changes to pay across the banding levels were made, and salary bands have applied to new posts informed by this review. The Remuneration Committee has not met in 2020.

Employee Information

Policy for employment of disabled persons

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

Employee Consultation

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

The Gender Pay Review

The Gender pay gap exercise was completed and reported to DBIS in March 2018. The Retreat reported a zero differential in pay between men and women across the organisation at that time. Since January 2019, The Retreat has not been large enough to be required to complete the gap exercise – and on this basis no exercise was repeated in 2020.

The Living Wage

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

Statement of responsibilities of the Trustees

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

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

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

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

In so far as the Trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 8 (2019:10).

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

The Trustees' annual report has been approved by the Trustees on 2 September 2021 and signed on their behalf by:



David Robson

Clerk to the Trustees

Opinion

We have audited the financial statements of The Retreat York (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

For the year ended 31 December 2020

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities

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

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

For the year ended 31 December 2020

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.

Sayer Vincent LLP

Judith Miller (Senior statutory auditor)

2 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

	Note	Unrestricted - General £	Unrestricted - Designated Pension Scheme	Unrestricted - Designated £	Restricted £	2020 Total £	2019 Total £
Income from:							
Donations and legacies	2	78,046	-	-	-	78,046	74,043
Charitable activities - outpatient services	3	1,057,049	-	-	-	1,057,049	787,686
Government grants - Coronavirus Job Retention Scheme		61,915	-	-	-	61,915	-
Other Trading activities:							
Net income from joint ventures	16	-	-	-	-	-	296,319
Other trading income - estates and property management	4	1,319,469	-	-	-	1,319,469	1,134,925
Investments	4	199,879	-	-	-	199,879	289,301
Net interest on pension scheme asset	27	-	183,000	-	-	183,000	191,000
Total income		2,716,358	183,000	-	-	2,899,358	2,773,274
Expenditure on:							
Raising funds -							
Investment management	5	8,548	-	-	-	8,548	21,469
Other trading activity - estates and property	5	1,325,984	-	-	-	1,325,984	1,167,622
Charitable activities - outpatient services	5	1,977,251	-	-	-	1,977,251	1,892,399
Current service cost on pension scheme asset	27	-	163,000	-	-	163,000	252,000
Exceptional transition costs	5	105,485	-	634,934	-	740,419	1,573,425
Total expenditure	5	3,417,268	163,000	634,934	-	4,215,202	4,906,915
Net income/(expenditure) before net gains/(losses) on investments		(700,910)	20,000	(634,934)	-	(1,315,844)	(2,133,641)
Net gains/(losses) on investments	14	660,119	-	-	-	660,119	641,259
Revaluation gains/(losses) on investment properties	13	-	-	(3,938,000)	-	(3,938,000)	-
Net income/(expenditure) before other recognised gains/(losses)	27	(40,791)	- 20,000	(4,572,934)	-	(4,593,725)	(1,492,382)
Actuarial gains/(losses) on defined benefit pension schemes		-	(4,144,000)	-	-	(4,144,000)	2,160,000
Transfers between funds	20	179,430	24,000	(171,940)	(31,490)	-	-
Net movement in funds		138,639	(4,100,000)	(4,744,874)	(31,490)	(8,737,725)	667,618
Reconciliation of funds:							
Total funds brought forward	20	8,593,275	8,814,000	13,983,558	35,706	31,426,539	30,758,921
Total funds carried forward	20	8,731,914	4,714,000	9,238,684	4,216	22,688,814	31,426,539

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

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

A fully detailed Statement of Financial Activities for the year ending 31 December 2019 is shown at note 28 to these financial statements.

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

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	12		7,526,404		7,485,225
Investment properties	13		696,000		4,634,000
Investments	14		8,441,909		8,550,839
Investments in joint ventures	16		500		500
			<u>16,664,813</u>		<u>20,670,564</u>
Current assets:					
Debtors	17	336,806		988,002	
Cash at bank and in hand	22	<u>1,690,528</u>		<u>1,502,141</u>	
			<u>2,027,334</u>		<u>2,490,143</u>
Liabilities:					
Creditors: amounts falling due within one year	18	<u>(717,333)</u>		<u>(548,168)</u>	
Net current assets			<u>1,310,001</u>		<u>1,941,975</u>
Net assets excluding pension asset			<u>17,974,814</u>		<u>22,612,539</u>
Defined benefit pension scheme asset	27		<u>4,714,000</u>		<u>8,814,000</u>
Total net assets			<u><u>22,688,814</u></u>		<u><u>31,426,539</u></u>
The funds of the charity:					
Restricted funds	19,20		4,216		35,706
Unrestricted income funds:					
Designated funds	20	9,238,684		13,983,558	
Pension fund	20	4,714,000		8,814,000	
General funds	19	<u>8,731,914</u>		<u>8,593,275</u>	
Total unrestricted funds			<u>22,684,598</u>		<u>31,390,833</u>
Total charity funds			<u><u>22,688,814</u></u>		<u><u>31,426,539</u></u>

The notes on pages 29 to 46 form part of these accounts.

These financial statements were approved by the Trustees on 2 September 2021 and signed on their behalf by



David Robson

Clerk to the Trustees

Company number: 04325622

For the year ended 31 December 2020

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

	Note	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Net (expenditure) for the reporting period (as per the statement of financial activities)		(4,593,725)		(1,492,382)	
Depreciation charges		127,707		175,929	
Dividends, interest and rent from investments		(199,879)		(289,301)	
Change in market value of investments		(660,119)		(641,259)	
Net interest on pension scheme asset		(183,000)		(191,000)	
Defined benefit pension scheme adjustments		163,000		252,000	
Defined benefit pension scheme contributions		(24,000)		(42,000)	
Investment in joint venture adjustment		-		12,000	
Revaluation gains/(losses) on investment properties		3,938,000		-	
Loss on the disposal of fixed assets		39,856		93,073	
Decrease in debtors		651,196		349,691	
(Decrease)/increase in creditors		169,165		(1,087,482)	
Net cash (used in) operating activities			(571,799)		(2,860,731)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	199,879		289,301	
Purchase of fixed assets	12	(209,491)		(16,838)	
Proceeds from sale of fixed assets		749		-	
Proceeds from sale of investments	14	1,793,743		4,165,531	
Purchase of investments	14	(1,913,018)		(1,762,022)	
Net cash provided by/(used in) investing activities			(128,138)		2,675,972
Change in cash and cash equivalents in the year			(699,937)		(184,759)
Cash and cash equivalents at the beginning of the year			<u>2,414,759</u>		<u>2,599,518</u>
Cash and cash equivalents at the end of the year	22		<u>1,714,822</u>		<u>2,414,759</u>

1. Accounting policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

e) Group financial statements

The charitable company has not prepared consolidated financial statements due to the immateriality of its subsidiary.

Note 15 discloses the activity of the trading subsidiary in the financial year.

f) Income

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

1. Accounting policies (continued)

f) Income

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

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

g) Interest receivable and dividends

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

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

j) Allocation of support costs

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

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

1. Accounting policies (continued)

k) Operating leases

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

l) Tangible fixed assets

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

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

There are no new property transactions intended in the foreseeable future. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Short Leasehold Buildings	Over the period of the lease
• Furniture, plant and equipment	16.5% straight line
• Vehicles	25% reducing balance
• Fire Precaution Work	4% straight line
• Computer Equipment and Software	25% straight line
• Assets under construction	Not depreciated

m) Investment properties

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

n) Listed investments

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

1. Accounting policies (continued)

o) Unlisted investments

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

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Investments in joint ventures

Investments in joint ventures are valued at fair value based on the share of the net assets of the joint venture.

r) Debtors

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

s) Short term deposits

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

t) Cash at bank and in hand

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

u) Creditors and provisions

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

v) Financial instruments

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

w) Pensions

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

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

2. Income from donations and legacies

	2020	2019
	Total	Total
	£	£
Donations	78,046	74,043
	<u>78,046</u>	<u>74,043</u>

3. Income from charitable activities

	2020	2019
	Total	Total
	£	£
Out-patient services	1,057,049	787,686
Total income from charitable activities	<u>1,057,049</u>	<u>797,686</u>

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

4. Income from investments

	2020	2019
	Total	Total
	£	£
Dividends	187,246	274,010
Interest	12,633	15,291
	<u>199,879</u>	<u>289,301</u>

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

Income from estates and property management of £1,319,469 (2019: £1,134,925) relates to rental income of £674,172 (2019: £681,200) and facilities costs recharged to tenants of £345,297 (2019: £453,725).

5. Analysis of expenditure

For the year ended 31 December 2020	Raising funds £	Outpatient services £	Estates and property management £	Transition costs £	Pension costs £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 8)	-	1,211,386	187,402	2,550	-	3,617	24,000	1,428,955
Direct costs	-	292,596	546,505	632,384	-	15,276	-	1,486,761
Insurance	-	-	-	-	-	-	76,257	76,257
IT costs	-	-	-	-	-	-	243,189	243,189
Office costs	-	32,680	142,846	65,219	-	1,607	-	242,352
Property costs	-	39,871	358,835	-	-	-	-	398,706
Investment manager fees	8,548	-	-	-	-	-	-	8,548
Auditor's remuneration	-	-	-	-	-	17,015	-	17,015
Depreciation and Loss on disposal	-	-	-	40,266	-	-	127,297	167,563
Trustee expenses	-	-	-	-	-	6,856	-	6,856
Pension administration expenses (Note 27)	-	-	-	-	-	-	139,000	139,000
	8,548	1,576,533	1,235,588	740,419	-	44,371	609,743	4,215,202
Support cost allocation	-	375,843	70,900	-	163,000	-	(609,743)	-
Governance costs	-	24,875	19,496	-	-	(44,371)	-	-
Total expenditure 2020	8,548	1,977,251	1,325,984	740,419	163,000	-	-	4,215,202

Transitional expenditure relates to incremental exceptional costs incurred relating to the fundamental restructure of the organisation and the strategic review and investment into the outpatient facilities. This is expected to be completed by the end of 2021.

Estates and property management costs relate to the costs of running the elements of the estate which are not currently utilised by outpatient services, to which appropriate estates costs have been allocated. Some of the residual estate is tenanted by third parties and generates rental income which contributes to both the direct costs of that tenancy and to the overall upkeep of the rest of estate. This includes certain areas which are intentionally not tenanted and generate no income but still require expenditure for their upkeep and management to ensure the property of the charity is appropriately safeguarded. Estates and property management generates a net deficit of £47,487 after the allocation of support costs of £72,394 which is based on headcount.

5. Analysis of expenditure (continued)

For the year ended 31 December 2019	Raising funds £	Outpatient services £	Estates and property management £	Transition costs £	Pension costs £	Governance costs £	Support costs £	2019 Total £
Staff costs (Note 8)	-	934,801	154,109	344,333	-	2,608	45,000	1,480,851
Direct costs	-	277,764	433,058	978,335	-	5,214	-	1,694,371
Insurance	-	-	-	-	-	-	96,254	96,254
IT costs	-	-	-	-	-	-	313,277	313,277
Office costs	-	44,599	104,080	140,758	-	4,697	52,177	346,311
Property costs	-	42,825	385,429	16,926	-	-	-	445,180
Investment manager fees	21,469	-	-	-	-	-	-	21,469
Auditor's remuneration	-	-	-	-	-	18,672	-	18,672
Depreciation and Loss on disposal	-	-	-	93,073	-	-	175,929	269,002
Trustee expenses	-	-	-	-	-	14,528	-	14,528
Pension administration expenses (Note 27)	-	-	-	-	-	-	207,000	207,000
	21,469	1,299,989	1,076,676	1,573,425	-	45,719	889,637	4,906,915
Support costs	-	567,403	70,234	-	252,000	-	(889,637)	-
Governance costs	-	25,007	20,712	-	-	(45,719)	-	-
Total expenditure 2019	21,469	1,892,399	1,167,622	1,573,425	252,000	-	-	4,906,915

6. Grant making

There are no grant making activities.

7. Net (expenditure) for the year

This is stated after charging/(crediting)

	2020 £	2019 £
Depreciation	127,707	175,929
Loss on disposal of fixed assets	40,266	93,074
Operating lease rentals:		
Property	63,000	63,000
Equipment	478	478
Auditor's remuneration (excluding VAT):		
Audit	14,179	14,000
Under accrual	-	1,560
Other services	-	-

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,206,103	1,074,891
Redundancy and termination costs	-	160,510
Social security costs	120,207	155,285
Pension contribution to defined contribution schemes	78,645	45,165
Operating costs (service cost) of defined benefit pension schemes (Note 27)	24,000	45,000
	<u>1,428,955</u>	<u>1,480,851</u>

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

	2020 No.	2019 No.
£60,000 - £69,999	-	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	-
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	-	-
£130,000 - £139,999	-	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £228,184 (2019: £436,184). The 2019 figure includes redundancy payments of £154,762 made to 3 key members of staff who left in March 2019 due to the reorganisation.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

8. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (Continued)

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £6,856 (2019: £14,528) incurred by 8 (2019: 12) members relating to attendance at meetings of the trustees.

9. Staff numbers

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

2020 No.	2019 No.
<u>42</u>	<u>51</u>

10. Related party transactions

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

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

11. Taxation

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

12. Tangible fixed assets

	Freehold property £	Leasehold property £	Assets under the course of construction	Equipment £	Total £
Cost					
At the start of the year	12,283,009	337,690	-	837,417	13,458,116
Additions in year	-	-	183,980	25,511	209,491
Disposals in year	-	(124,385)	-	(8,054)	(132,439)
At the end of the year	12,283,009	213,305	183,980	854,874	13,535,168
Depreciation					
At the start of the year	5,043,616	252,149	-	677,127	5,972,892
Charge for the year	24,607	21,331	-	81,769	127,707
Eliminated on disposal	-	(84,119)	-	(7,715)	(91,834)
At the end of the year	5,068,223	189,361	-	751,181	6,008,764
Net book value					
At the end of the year	7,214,786	23,944	183,980	103,693	7,526,404
At the start of the year	7,239,393	85,541	-	160,290	7,485,225

The freehold property was valued by Carter Jonas in February 2021 as at 31 December 2020 on a depreciated replacement cost basis, and the company decided to incorporate this valuation into the financial statements.

Assets under the course of construction are not depreciated until they are brought into use.

All of the above are used for charitable purposes.

13. Investment properties

	2020 £	2019 £
Fair value at the start of the year	4,634,000	4,634,000
Revaluation during the year	(3,938,000)	-
Fair value at the end of the year	696,000	4,634,000

13. Investment properties (continued)

As at 31 December 2020 a number of the properties previously classed as investment properties were either no longer under lease or notice had been served such that they are no longer considered to qualify as investment properties. These properties are inseparable from the wider estate for which there is an ongoing development plan, they have therefore been incorporated into fixed assets at the year end. The inclusion of these elements into fixed assets does not however materially change the value of the site overall and accordingly a revaluation loss has been recognised to reduce their component carrying value to £Nil. The remaining investment properties at 31 December 2020 comprise both Dower Court and Fairfax House.

The Retreat offered the Heslington Road site to the market in October 2020 and is currently assessing interest in the re-development options for the site with interested Developers.

14. Investments

Investments comprise:	2020 £	2019 £
Listed investments	8,367,614	7,638,220
Cash	24,294	912,618
Equity investment in group undertaking	1	1
Unlisted investment carried at cost	50,000	-
	8,441,909	8,550,839

Listed investments and cash comprise:	2020 £	2019 £
Fair value at the start of the year	7,638,220	9,400,470
Additions at cost	1,863,018	1,762,022
Disposal proceeds	(1,793,743)	(4,165,531)
Realised and unrealised gain/(losses) on change in fair value	660,119	641,260
	8,367,614	7,638,221
Cash held by investment broker pending reinvestment	24,294	912,618
Fair value at the end of the year	8,391,908	8,550,839

15. Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Cottage Villa Limited, a company registered in England (company number 09650020). The company is set up to collect rents from The Retreat York's Learning Disability Service. The Learning Disability Service was transferred to Mencap on 1 January 2019 and rents continue to be collected from Mencap clients. The results and assets are not consolidated into the financial statements of The Retreat York as it is not considered material. Available profits are distributed under gift aid to the charitable company. A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	25,469	53,534
Cost of sales	(13,321)	(22,454)
Profit on ordinary activities	12,148	31,080
Distribution to parent under gift aid	(12,148)	(31,080)
Result for the financial year	-	-

The aggregate of the assets, liabilities and funds was:

Assets	27,776	27,776
Liabilities	(27,775)	(27,775)
Funds	1	1

16. Investments in joint ventures

The Retreat York has investments in one joint ventures York House. The value of the investment in these joint ventures at the last two financial year-ends is as follows:

	2020 £	2019 £
York House	500	500
	500	500

Further details of these investments are as follows:

York House

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

	2020 £	2019 £
Fee income and contributions received	3,115,029	3,159,504
Expenditure on charitable activities	(3,115,029)	(2,863,185)
Share of net results for the year to 31 December	-	296,319

16. Investments in joint ventures (continued)

The company's share of the net assets of the York House joint ventures as at 31 December is as follows:

	2020 £	2019 £
Fixed assets	45,774	45,774
Current assets	1,116,280	1,116,280
Current liabilities	(1,161,554)	(1,161,554)
Share of net assets	<u>500</u>	<u>500</u>

As all surpluses are distributed equally to the two joint venture partners, there are no net assets in the balance sheet at 31 December 2019 or 31 December 2020 other than the share capital. This joint venture is operated via a limited company, York House Ventures Limited a company whose share capital is owned 50% by The Retreat York and 50% by The Disabilities Trust.

17. Debtors

	2020 £	2019 £
Trade debtors	4,599	352,508
Amount due from joint ventures	112,500	388,402
Other debtors	-	27,877
Prepayments	116,642	114,777
Accrued income	103,065	104,438
	<u>336,806</u>	<u>988,002</u>

18. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	138,608	116,002
Taxation and social security	32,497	-
Other creditors	55,000	91,421
Accruals	115,281	150,823
Deferred income	274,668	7,700
Monies held on behalf of patients	101,279	182,222
	<u>717,333</u>	<u>548,168</u>

Included within other creditors is £12,377 (2019 - £13,086) of unpaid pension contributions at the year end.

19. Analysis of net assets between funds

As at 31 December 2020	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	7,526,404	-	7,526,404
Investment properties	-	696,000	-	696,000
Investments	7,425,629	1,016,280	-	8,441,909
Investments in joint ventures	500	-	-	500
Net current assets	1,305,785	-	4,216	1,310,001
Defined benefit pension asset	-	4,714,000	-	4,714,000
Net assets at 31 December 2020	<u>8,731,914</u>	<u>13,952,684</u>	<u>4,216</u>	<u>22,688,814</u>

19. Analysis of net assets between funds (continued)

As at 31 December 2019	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	7,485,225	-	7,485,225
Investment properties	-	4,634,000	-	4,634,000
Investments	6,769,140	1,781,699	-	8,550,839
Investments in joint ventures	500	-	-	500
Net current assets	1,823,635	82,634	35,706	1,941,975
Defined benefit pension asset	-	8,814,000	-	8,814,000
Net assets at 31 December 2019	8,593,275	22,797,558	35,706	31,426,539

20. Movement in restricted and designated funds

For the year to 31 December 2020	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Parkinson's grant fund	31,490	-	-	(31,490)	-
Other	4,216	-	-	-	4,216
Total restricted funds	35,706	-	-	(31,490)	4,216
Designated funds:					
Tangible fixed assets	7,485,225	-	-	41,179	7,526,404
Investment properties	4,634,000	-	(3,938,000)	-	696,000
Development fund	1,781,699	-	(634,934)	(130,485)	1,016,280
Patient legacy fund	82,634	-	-	(82,634)	-
Pension reserve	8,814,000	183,000	(4,307,000)	24,000	4,714,000
Total designated funds	22,797,558	183,000	(8,879,934)	(147,940)	13,952,684
General funds	8,593,275	3,376,477	(3,417,268)	179,430	8,731,914
Total unrestricted funds	31,390,833	3,559,477	(12,297,202)	31,490	22,684,598
Total funds	31,426,539	3,559,477	(12,297,202)	-	22,688,814
For the year to 31 December 2019	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
Parkinson's grant fund	31,490	-	-	-	31,490
Other	4,216	-	-	-	4,216
Total restricted funds	35,706	-	-	-	35,706
Designated funds:					
Tangible fixed assets	7,737,390	-	-	(252,165)	7,485,225
Investment properties	4,634,000	-	-	-	4,634,000
Development fund	2,853,425	-	(1,071,726)	-	1,781,699
Patient legacy fund	87,143	-	(4,509)	-	82,634
Pension reserve	6,673,000	2,351,000	(252,000)	42,000	8,814,000
Total designated funds	21,984,958	2,351,000	(1,328,235)	(210,165)	22,797,558
General funds	8,738,257	3,223,534	(3,578,681)	210,165	8,593,275
Total unrestricted funds	30,723,215	5,574,534	(4,906,916)	-	31,390,833
Total funds	30,758,921	5,574,534	(4,906,916)	-	31,426,539

20. Movement in restricted and designated funds (continued)

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

Purpose of restricted funds

Parkinson's grant fund - This fund comprises funds donated by the Trustees of Albert Parkinson's Settlement, a small charitable trust in appreciation of the quality of care and treatment provided to a particular patient of The Retreat and the donor expressed a wish that at least part of the donation be applied in some way for the benefit of nursing staff. During 2020 agreement was received from the Charity Commission to transfer the remaining balance to unrestricted funds.

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

The Retreat has reviewed its Restricted Fund designations during 2020 with the closure of many of the services to which the funds were intended to be used in December 2018. The Retreat has commissioned legal support to search for donors and beneficiaries to re-allocate or return these funds, this work is currently on-going. Some of these funds have been identified as transferable to unrestricted funds in discussion with provider and charities commission. This is shown in the Restricted Reserves movements.

Purposes of designated funds:

Pension scheme - as detailed in note 27 the charity is party to a defined benefit pension scheme which was in surplus at 31 December 2020. This amount has been designated as it does not form funds freely available to the charity for charitable purpose.

Tangible fixed assets - This fund has been set up to identify those funds which are not free funds and it represents the net book value of the charity's fixed assets, which are used almost entirely for the provision of care services either by the Retreat or by health care service tenants. The fund includes a revaluation reserve of £532,804 (2019: £4,500,804).

Development fund - An amount of £4,533,327 in total was earmarked for projects for the development of care services and the development of the estate owned by The Retreat York.

Patient legacy fund - Trustees have decided, following discussions with the family, that funds bequeathed to The Retreat be designated for use to enhance the experience of patients at The Retreat on units where the former patient received care and treatment. To date expenditure has included drama therapy and patient holidays, as well as a memorial garden for use by patients, as requested by the family. During 2020 the Trustees decided to re-designate the remaining balance into unrestricted funds.

21 Free Reserves:

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

	At 31 December 2020	At 31 December 2019
	£	£
Net funds of the charity	22,688,814	31,426,539
Restricted Funds	(4,216)	(118,340)
Pension Reserve	(4,714,000)	(8,814,000)
Tangible and Fixed asset reserve	(7,526,404)	(7,485,225)
Investment property values	(696,000)	(4,634,000)
General Future Development Fund	(1,016,280)	(1,781,699)
Unrestricted / free reserves	8,731,914	8,593,275

22. Analysis of cash and cash equivalents

	As restated At 1 January 2020	Cash flows	Other changes	At 31 December 2020
	£	£	£	£
Cash at bank and in hand	1,502,141	188,387	-	1,690,528
Cash awaiting investment	912,618	(888,324)	-	24,294
Total cash and cash equivalents	2,414,759	(699,937)	-	1,714,822

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

23 Operating lease commitments

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

	Property		Equipment	
	2020	2019	2020	2019
	£	£	£	£
Less than one year	66,000	63,000	5,731	5,731
One to five years	300,000	47,250	5,254	10,985
Over five years	206,250	-	-	-
	572,250	110,250	10,985	16,716

24. Rents receivable

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

	2020	2019
	£	£
Less than one year – Schön, W Vale, D Trust	272,153	681,713
One to five years – Dtrust	293,335	804,144
	565,488	1,485,857

25 Post balance sheet events

Subsequent to the year end, in March 2021, The Retreat concluded the commercial property and trade purchase of Hampden House in Greater Manchester. This purchase will allow the charitable company to expand its charitable activity outside the current geographic region.

26 Legal status of the charity

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

27 Defined benefit pension scheme

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

The contributions made during the year ended 31 December 2020 for the defined benefit scheme were at a rate of 13.7% (2019: 13.7%) of pensionable salaries for the charity. The employer contributions paid over to the Scheme trustees in the year amounting to £24,000 (2019: £42,000), together with the actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102. Insurance premiums for death in service benefits were payable in addition.

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

	2020	2019
	£	£
Present value of funded obligations	(45,289,000)	(37,857,000)
Fair value of plan assets	50,003,000	46,671,000
	<u>4,714,000</u>	<u>8,814,000</u>
Amounts in the balance sheet:		
Liabilities	(45,289,000)	(37,857,000)
Assets	50,003,000	46,671,000
Net asset	<u>4,714,000</u>	<u>8,814,000</u>

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

	2020	2019
	£	£
Current service cost	163,000	252,000
Net interest expense	(183,000)	(191,000)
Total cost	<u>(20,000)</u>	<u>61,000</u>

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

	2020	2019
	£	£
Opening defined benefit obligation	37,857,000	36,098,000
Service cost	35,000	45,000
Interest cost	778,000	1,021,000
Actuarial (gains)/losses	8,325,000	2,516,000
Members contributions	11,000	18,000
Benefits paid	(1,717,000)	(1,841,000)
Closing defined benefit obligation	<u>45,289,000</u>	<u>37,857,000</u>

27 Defined benefit pension scheme (continued)

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

	2020	2019
	£	£
Opening fair value of plan assets	46,671,000	42,771,000
Interest Income	961,000	1,212,000
Administration expenses	(128,000)	(207,000)
Actuarial gains	4,181,000	4,676,000
Contributions by employer	24,000	42,000
Members contributions	11,000	18,000
Benefits paid	(1,717,000)	(1,841,000)
Closing fair value of plan assets	<u>50,003,000</u>	<u>46,671,000</u>
Net actuarial (loss)/gain on defined benefit pension scheme	2019	2019
	£	£
Actuarial gain on plan obligations	(8,325,000)	(2,516,000)
Actuarial (loss)/gain on plan assets	4,181,000	4,676,000
	<u>(4,144,000)</u>	<u>2,160,000</u>

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

	2020	2019
	%	%
Retail Price Inflation assumption	2.9%	2.9%
Consumer Price Inflation assumption before retirement	1.9%	1.9%
Consumer Price Inflation assumption after retirement	2.5%	1.9%
Discount rate at the end of the year	1.3%	2.1%
Future salary increases	1.5%	1.5%
Future pension increases where linked to inflation:		
• Limited price index 5%	2.5%	1.9%
• Limited price index 3%	2.2%	1.8%
• Limited price index 2.5%	2.0%	1.7%

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

	2020	2019	2018	2017	2016
	£	£	£	£	£
Defined benefit obligation	(45,289,000)	(37,857,000)	(36,098,000)	(38,331,000)	(38,331,000)
Plan assets	50,003,000	46,671,000	42,771,000	46,121,000	46,121,000
Surplus	4,714,000	8,814,000	6,673,000	7,790,000	7,790,000
FRS 102 cap	-	-	-	-	-
Experience gain on benefit obligation	4,181,000	4,676,000	(3,110,000)	2,851,000	5,531,000

28 Comparative Statement of Financial Activities for the year ended 31 December 2019

	Unrestricted - General	Unrestricted - Designated Pension Scheme	Unrestricted - Designated	Restricted	2019 Total
	£	£	£	£	£
Income from:					
Donations and legacies	74,043	-	-	-	74,043
Charitable activities - outpatient services	787,686	-	-	-	787,686
Other Trading activities:					
Net income from joint ventures	296,319	-	-	-	296,319
Other trading income - estates and property management	1,134,925	-	-	-	1,134,925
Investments	289,301	-	-	-	289,301
Other - net interest on pension scheme asset	-	191,000	-	-	191,000
Total income	2,582,274	191,000	-	-	2,773,274
Expenditure on:					
Raising funds -					
Investment management	21,469	-	-	-	21,469
Other trading activity - estates and property management	1,167,622	-	-	-	1,167,622
Charitable activities - outpatient services	1,887,890	-	4,509	-	2,144,399
Current service cost on pension scheme asset	-	252,000	-	-	252,000
Exceptional transition costs	501,700	-	1,071,726	-	1,573,425
Total expenditure	3,578,680	252,000	1,076,235	-	4,906,915
Net (expenditure) before net gains/(losses) on investments	(996,406)	(61,000)	(1,076,235)	-	(2,133,641)
Net gains/(losses) on investments	641,259	-	-	-	641,259
Net loss on revaluation of investment properties	-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes	-	2,160,000	-	-	2,160,000
Net (expenditure) for the year	(355,147)	2,099,000	(1,076,235)	-	667,618
Transfers between funds	210,165	42,000	(252,165)	-	-
Net movement in funds	(144,982)	2,141,000	(1,328,400)	-	667,618
Reconciliation of funds:					
Total funds brought forward	8,738,257	6,673,000	15,311,958	35,706	30,758,921
Total funds carried forward	8,593,275	8,814,000	13,983,558	35,706	31,426,539