



THE REHABILITATION FOR ADDICTED PRISONERS TRUST

stopping addiction. stopping crime.

**REHABILITATION FOR ADDICTED PRISONERS TRUST
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 March 2016

Company Number: 02560474

Charity Number: 1001701

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TRUSTEES' ANNUAL REPORT

Introduction

The Board of Trustees, who are also directors of the Charity for the purposes of the Companies Act, submit their annual report and the financial statements of the Rehabilitation for Addicted Prisoners Trust (RAPt) (the company) for the year ended 31 March 2016. RAPt also owns a subsidiary, Blue Sky Development and Regeneration ("Blue Sky"), which carries out its own specific activities. We refer to the Charity and its subsidiary collectively as "the group".

The Board of Trustees confirm that the annual report and consolidated financial statements are made under charity law, and provide a strategic report and directors report are produced as required by company law. They also fulfil the requirements of the reporting and accounting regulations set out in 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) issued by the Charity Commission in January 2015 ("SORP 2015").

The financial statements have been prepared following the accounting policies set out within the financial statements and comply with the Charity's Articles of Association and the relevant laws.

Message from the Chair

This year I am pleased to report a significant improvement in our finances a surplus of £545,000, following firm actions taken by the Board and Senior Management Team, in response to a reported loss in the previous financial year of £791,000. I am pleased to be able say that the firm actions taken by the board and senior management team have led to a marked improvement in our finances. We have had to reduce costs across the organisation, and in addition we have had to adjust to the loss, through the vagaries of the current commissioning system, of a number of successful projects. Despite this we believe that RAPt remains strong, and certainly continues to provide first class services inside and outside prisons and the criminal justice field.

The end of this financial year also signals the end of RAPt's three year strategy, during which time we helped bring lasting change to the lives of many thousands more people struggling with addiction to drugs and alcohol. This was predominantly achieved in prison, where we ended the period delivering services – clinical, psychological and social – in 23 prisons to around 16,000 prisoners a year, as well as offering substance misuse services in six community settings.

All of this was delivered and achieved against a backdrop of a tough economic environment, with continued reductions in public health services and increased pressures on local authorities. It was also in the context of a dramatically different commissioning landscape and a particularly challenging prison environment with increased violence, fewer officers and the terrible impact of New Psychoactive Substances (also known as 'legal highs'). We are particularly grateful to our "frontline staff" working in prisons, who have to endure very difficult conditions.

Yet we are proud to have remained true to our mission to deliver high quality services, thanks to pragmatic adaptations of our programmes, strong and collaborative partnership working, and innovation and flexibility in our response to external factors affecting us operationally as a group.

As we look ahead to the next three years we continue in our unwavering commitment to our mission. With confidence in the quality of our services and a belief in the ability of our approach to bring lasting change we have developed a new business strategy that aims to reach even more people: those struggling with addiction both inside and outside the criminal justice system, as well as those offenders in need of education employment and training services who don't display substance misuse issues.

Helping this broader client group will largely be possible through the bringing together of RAPt and Blue Sky's expertise and experience to deliver employment services to offenders, as well as those with substance misuse issues. We are excited to support more people in these more diverse ways.

All of this is possible thanks to the outstanding efforts of our employees, senior managers, apprentices and volunteers. Many are in recovery from addiction or are ex-offenders themselves, and many are former clients, helping us all to remember the central focus of all we do - to bring lasting and real change to those suffering

TRUSTEES' ANNUAL REPORT (continued)

with tough and complex lives. There is a proven way to help them, and we will all continue to make that route to recovery and rehabilitation available to as many as possible.



Hon David Bernstein
Chair of Trustees

Message from the Chief Executive Officer

The year 2015-16 has seen RAPt continuing to face significant challenges, both contractual and in the delivery of our services. The new contracting environment, with prison based substance misuse contracts administered by NHS England, and community services commissioned through local authorities' public health structures, has become much more competitive: overall budget cuts are leading to pressure to find efficiency savings, and a competitive bidding environment in which many bidders are cutting down on service quality, and staff salaries and benefits. RAPt has always prided itself on providing high quality, high impact interventions, with many supportive additions to the minimum contractual requirements.

At the same time, the prison environment (in which most of our services are provided), is under increasing pressure: reductions in prison officer numbers, changes to the daily timetable that limit prisoner access to helping agencies, and the growth in the market for new psychoactive substances are combining to make the job of building a general culture of recovery and rehabilitation much more difficult. We also have to register, and keep under constant review the increasing risks faced by our staff working in prisons, as the numbers of assaults increases, and the level of supervision by prison officers decreases.

Despite these pressures, we have been able to maintain a wide range of effective services for offenders with drug and alcohol problems. This has required creativity and tenacity. Whether utilising prison TV channels or developing new, briefer interventions, our teams found many ways to work around the changing prison environment to ensure our clients receive the support they need. Our front line teams have also had to respond quickly and effectively to the often dramatic impact of New Psychoactive Substances in prisons. This has resulted in clear strategies and responses, particularly working closely with all staff across the prison, with positive results for the clients and wider prison community. We have also been able to maintain the delivery of our proven substance abuse treatment programmes, with over 600 prisoners going through these intensive, accredited programmes in the year. Previous research has shown that completion of these programmes is associated with significant reductions in reoffending.

We have also been expanding in other areas, particularly through the merger with Blue Sky Development and Regeneration, which takes us into the field of employment of ex-offenders. We know that having a job reduces the likelihood of reoffending by up to 50 per cent, and that for our clients having the purpose and structure that comes with a job is vital in helping them stay strong in their recovery from addiction. The impact of this on an individual, their family and the wider community can be immensely positive and we look forward to helping to bring this to even more of our clients in the future.



Mike Trace
Chief Executive Officer

THE STRATEGIC REPORT

Objectives and Principle Activities

The objectives as stated within our Articles of Association are for the public benefit and particularly, but not exclusively, by working with offenders, ex-offenders and those at risk of offending:

- to relieve persons who are suffering from the effects of alcoholism, drug addiction or other forms of addiction or dependence to substances, persons engaged in substance misuse, and persons suffering from other compulsive disorders and related mental illnesses including but not limited to by the provision of treatment, advice, support, information and counselling to such persons and their families and dependants, and to assist in the rehabilitation and recovery of such persons;
- to advance the education:
 - and training of any person working in the field of alcoholism, drug addiction or other forms of addiction or dependence to substances, substance misuse, other compulsive disorders and related mental illnesses; and
 - of the public in all aspects of addiction problems, including alcohol and substance abuse;
- to promote research into the care and treatment of persons who are suffering from the effects of alcoholism, drug addiction or other forms of addiction or dependence to substances, persons engaged in substance misuse, and persons suffering from other compulsive disorders and related mental illnesses and to disseminate the results of such research to the public;
- to promote the care, resettlement and rehabilitation of offenders, ex-offenders and those at risk of offending, and to support their families and dependants, in particular (but without limitation) by providing, promoting, supporting or organising the recruitment, employment, education and training of offenders, ex-offenders and those at risk of offending and to assist them in finding employment or self-employment and accommodation and in rehabilitating themselves;
- to promote the prevention of crime and social exclusion by supporting or carrying on either alone or in co-operation with any other body, authority or person any project of scheme and by providing money for such purposes whether by loan or otherwise;
- to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the general public.

The diversification of services has been carried into the current three-year strategic business plan (2016-2019) that articulates both our annual work plans and our key activities. This year we undertook a six-month consultation process to review our strategic options, which led to some changes to our mission, priorities, and areas of activity:

Vision and Mission

We have retained our vision that anyone, whatever their history of offending and/or addiction, can be helped to make lasting changes to their behaviour, and have the potential to live positive and fulfilling lives. Our mission remains to do everything we can to support these change processes, but our target client groups have broadened to include anyone with a history of offending or addiction.

Principles

We have always been keen to ensure that all our services are underpinned by a set of principles that represent our values and beliefs: that individuals need to approach their challenges with honesty, openness and a willingness to change; that any rehabilitation and support services need to be informed by evidence and proof of impact; and that our experience from 25 years of service is that key factors in any successful intervention are a clearly expressed belief in the capacity of people to change, a clear pathway of stepping stones towards that change, and the involvement of role models who have travelled that route to recovery. We have evidence that 12 step treatment and recovery pathways are effective with a high proportion of people with entrenched drug or alcohol dependence.

Public Benefit

In preparing the report, the Board of Trustees have considered the requirements of the Charities Act 2011 and have satisfied themselves that they have complied with the duties to have due regard to their 'Public Benefit' consistent with the guidance published by the Charity Commission. We have referred to the Charity Commission guidance on public benefit in reviewing our activities and objectives, and in planning future

THE STRATEGIC REPORT (continued)

activities. We have reviewed our reporting to ensure our activities clearly indicate public benefit through achievement of our aims.

Our main activities and achievements within these are described in "Objectives and Principal Activities". Broadly, our activities help advance health and save lives amongst our direct beneficiaries by the provision of treatment and support for substance misuse; we advance citizenship through reintegration support; and we deliver benefits to the wider public through the prevention of crime and destructive behaviour. In addition to the many thousands of prisoners who have received services from the charity, our programmes have also had a positive benefit for the families of the individuals we directly help.

Strategic Aims

In the new RAPt business strategy, we outlined three strategic objectives:

- Increase the number of offenders or addicts who can achieve recovery and rehabilitation with the support of RAPt's services;
- Raise support for the concept of recovery and rehabilitation for offenders and addicts;
- Achieve a sustainable expansion of our services, while maintaining financial and administrative stability.

Achievements and Performance

We can report the following progress and achievements against our organisational objectives in the year 2015/16:-

Rehabilitating our Clients – We continued to deliver a wide range of services to offenders, and those with drug or alcohol problems. Due to the loss of the HMP Humber contract during the year, the number of individuals that we provide services to has dropped slightly, which has been offset by the addition of the services provided by Blue Sky. The numbers of our clients positively engaging in rehabilitation pathways continued to increase, although it has been disappointing to see a drop in the number accessing our intensive 12 step rehabilitation programmes – a result of changing commissioning priorities.

Championing Recovery – We have consistently represented the view that recovery is possible for people with histories of offending, and drug or alcohol dependence, and that providing the right opportunities and level of support to this group should be a key priority for any strategy to reduce re-offending and promote reintegration. While there is general support in political and public institutions for this idea, this is not always reflected in the allocation of budgets. That's why we produced and distributed four policy briefings: The importance of reducing drug-related crime; Substance misuse and mental health in prison; Successful approach to tackling drug-related crime; and Tackling the issue of New Psychoactive Substances in prisons. The last was announced via the media with widespread coverage across national and regional radio, television, online and print. We also hosted a visit from HRH The Duchess of Cambridge to RAPt's substance misuse services at HMP Send. This event received significant attention from the media and strongly promoted the importance of high quality rehabilitation treatment services in prisons and its positive impact on re-offending.

Expanding, Extending, Innovating – The main achievement in this year was the merger with Blue Sky. The same principles that drive RAPt's strategic plan are also present in the Blue Sky process of rehabilitating ex-offenders through work experience and job placement. We have also extended our apprenticeship scheme – through which 25 people in recovery are provided with 12 month work placements each year within RAPt (with over 80% moving on to permanent jobs). We have increased our prison gate 'meet and greet' services, assisting over 400 released prisoners at a particularly vulnerable moment. We have also developed the first of our community based 'Recovery Hubs', where our clients and others in recovery from addiction can find support, workshops, training and employment opportunities. The first of these Hubs is in Hull (the second, in London, came on line in June 2016).

Creating a Strong Workforce – Our complement of salaried staff reduced slightly throughout the year, but was compensated by an increase in volunteers, peer supporters and apprentices. Our recruitment strategies continue to provide us with a diverse and multidisciplinary workforce, and our reward and support packages continue to be amongst the most extensive in the sector. Despite continued pressure on our income, we have retained our commitment to an in-house Learning and Development department, which has delivered a wide range of generic and bespoke training courses to all our staff.

THE STRATEGIC REPORT (continued)

Maintaining an Excellent Organisation – Our internal systems for audit, governance, quality control, health and safety, and risk management remain robust, and we have received positive results in all prison, CQC, and ISO inspections throughout the year. We conducted a staff engagement survey that demonstrated positive engagement, while highlighting a number of areas where we could improve. Action plans in each of these areas have been pursued.

Our subsidiary, Blue Sky achieved its outcomes within its various strategic targets including in the areas of ex-offender recruitment and employment, and operational and financial stability. Some of the key outcomes achieved were 151 job starts in the community with a further 65 employed in two prisons. A number of new contracts were secured including with Veolia, Amey and Quadron.

Plans for the Future

There is no doubt that RAPt, like many others in the sector, faces challenges in delivering our mission. But with 25-years of experience in successfully supporting our clients to transform their lives we are excited about the opportunities before us. We believe our approaches, which we know work, should be brought to many more people living tough and complex lives, to help them achieve real change and build productive and positive futures. That's why we have a new business plan, with ambition to help bring lasting change to many more clients, and importantly to a more varied group of clients.

We will do this by continuing to deliver our prison substance misuse services (that are currently contracted in 19 prisons), while constantly refining our practice, both seeking to expand into more prisons, and extend our offer into the mental health and employment sectors. We will seek to offer more addiction recovery pathways in the community (based on the proven models we have developed in Hull and Tower Hamlets), and expand our innovative 'recovery support' services to help those making progress in their recovery to get access to jobs, accommodation, and positive social networks.

Our main new area of expansion will be the development of models of recovery through work and training. Our new employment directorate will develop pathways that take offenders through pre-employability programmes (life skills and vocational training), and into real work – through direct placements within RAPt, Blue Sky and small partner enterprises, and through job placements into mainstream employers. We aim to become an established provider of offender employment services, delivering services to over 1,000 offenders per year, by the end of the current three year business strategy period.

The Reserves Policy is under review during the next financial year.

Financial Performance

Financial Highlights

This Trustees' Annual Report and Accounts is the first that RAPt has prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the FRS102 Charity SORP (Statement of Recommended Practice). This has not had a material impact on the timing of the recognition of our income and expenditure, but has resulted in notable changes in the structure and disclosures within our Statement of Financial Activities and associated notes to the accounts.

Despite the challenges we faced, we were able to generate a group surplus of £545,000. The Group's total income increased by £0.16 million to £21 million in 2015-16. This income derives principally from contracts with local authorities, NHS Trusts or similar institutions, commercial contracts, fundraising activities including trust and grant income. Charitable income, which represented 21 per cent of total income, decreased by 1 per cent on last. Fundraising income for events decreased by 16 per cent year-on-year from £0.54 million to £0.45 million.

Principal funding resources are explained in Note 1 to the financial statements. These funds are directly applied to the delivery of addiction treatment services, development and regeneration services. Most of the funds raised from charitable foundations are restricted income for a specific activity that supports our core contracts.

The Statement of Financial Activities (SOFA) shows the analysis of charitable activities split between Substance Misuse/Health & Well Being Services, Family Services, Young People Services, Recovery Support Services, Residential Rehabilitation Services, Clinical Services, Blue Sky Services, Blue Sky Agency and Blue Sky Inside.

Total spending on charitable activities, at £20.4 million which is 5.5 per cent lower than last year.

THE STRATEGIC REPORT (continued)

Reserves Policy

The General Reserves Policy continues to protect our programme work from risk of disruption at short notice due to a lack of funds, while at the same time ensuring that we do not retain income for longer than required. The Policy also provides parameters for future strategic plans and contributes towards decision-making. It determines an appropriate target level for general reserves, taking into account the following factors:

- Vulnerability to unplanned changes in financial position including potential costs arising from the termination of services and delays in payment of invoices;
- The need for the Charity to invest in implementation and other start-up costs of new services;
- The charity's requirement to manage fluctuations in cash flow;
- Net financial risks related to the above, taking into account the likely speed of onset as well as the mitigation steps available to management;
- The fact that expenditure is generally predictable and long term, with the exception of 'variable' spend on restricted programmes, where risks typically involve unplanned events such as a change in government policies.

The Group's free reserves are £2.3 million (2015: £1.9 million) and represent unrestricted funds, excluding funds that have been designated and those funds tied up in fixed assets. The basis of determining the target reserves' level is kept under periodic review and will be adjusted as perceptions of risk and other factors change. Our total funds as at 31 March 2016 are £2.9 million (2015: £2.4 million).

There is a degree of judgement involved in identifying risks faced by the Charity and in establishing the appropriate level of reserves that the Charity should maintain to mitigate these risks.

The Reserves Policy is under review and the Trustees believe that the level of reserves is appropriate.

Designated Funds (unrestricted)

Designated funds are those unrestricted funds that have been set aside by the Trustees for particular purposes.

The designated funds held at 31 March 2016 was £0.38 million (2015: £0.38 million), which is allocated to cover our estimated maximum liability for redundancy payments, potential pension liabilities and dilapidation costs on the Bridges Project. Further details of the designated funds and their movements during the year are shown in Note 15 of the accounts.

Restricted Funds

These funds are used for specified purposes, as laid down by the donor. At 31 March 2016, unspent restricted funds were £0.18 million (2014-15: £0.22 million).

Going Concern

The Trustees consider that there are sufficient reserves held at the year-end to manage any foreseeable downturn in the UK economy. The Trustees consider that RAPt has adequate resources to continue in operational existence for the foreseeable future and, for this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

Pension Scheme

The Group contributes to both defined contributions and defined benefit pension schemes and these accounts are prepared under UK GAAP and in particular FRS 102. The FRS 102 figures are calculated by an actuary each year and disclosed in Note 19 of these accounts. The pension deficit at March 2016 is £11,000. Although the FRS 102 calculations at 31 March 2016 showed a surplus for the year, it is the opinion of the Trustees that in reality this pension surplus will not be recoverable in the future. Therefore, the surplus has not been recognised in 2016 and it was written off in the Statement of Financial Activities. This is believed to be the most prudent approach and will be reviewed each year.

THE STRATEGIC REPORT (continued)

Investment Policy

The Trustees are able to invest the Charity's funds in a manner permitted by law, having regard to the suitability of investments. RAPt's investments are held almost entirely in cash deposits. During the year, the average return on these investments was 0.25 per cent, compared with a base rate of 0.50 per cent throughout the period.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the Senior Management Team (which includes the Chief Executive Officer) as comprising the key management personnel of the charity in charge of directing, running, controlling the charity and operating the charity on a day-to-day basis.

All Trustees give their time freely and no Trustee remuneration was paid during the year. Details of any Trustee expenses and related party transactions are disclosed in Note 15 to the accounts.

In deciding appropriate pay levels, RAPt aims to strike a balance between paying enough to recruit and keep people with the skills we need, our employers' needs, the public and our supporters' expectations that the money they entrust us with will be used wisely.

In setting Senior Management Team (SMT) pay, the Trustees take account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. They also take account of affordability for RAPt. We do not pay bonuses or other incentive payments. Pay increases to SMT and other employees are reviewed annually subject to good performance. The remuneration is also bench-marked against other competitors within the sector of a similar size to ensure that the remuneration is set fairly, and not out of line with that of generally similar roles.

Financial Risk Management

Services are subject to contracts, prices of goods are based on market prices, and salary costs are subject to a formal annual review. Our standard payment terms are 30 days. Credit risk on amounts owed by debtors is low. In terms of liquidity risk, RAPt has no borrowings, and our policies on the management of investments and reserves are set out above.

Principal Risks and Uncertainties & Risk Management

In delivering our objectives, we face significant risks every day (whether that be to the safety of our staff, to our clients, to our financial health, a duty of care to those that attend our fundraising events etc.). We have robust procedures to evaluate, design and implement effective measures to reduce both the likelihood and the potential impact of these risks occurring.

Risk Policy

RAPt carries out annual risk identification, assessment and management analysis. A register of risks has been compiled, with risks scored for likelihood, and impact severity. Risk management strategies and time scales are also established and reviewed at least annually. Individual senior managers or committees are nominated to take responsibility for each key risk, which is reviewed on a quarterly basis.

The Trustees reviewed how risk is managed within the Charity and the level of reserves that should be held in relation to the principal risks that we face.

The Trustees have also examined other operational and business risks through an organisational risk management process; have identified those risks, which the charity faces; and confirm that they have established systems to mitigate the significant risks.

THE STRATEGIC REPORT (continued)

Key Risks

The following major risks were identified at an organisational level for the Group in 2015-16. For each risk, specific actions and performance indicators relating to them are were monitored quarterly by the relevant committee:

- Inconsistent or lack of strategic and financial planning and/or direction
- Lack of demonstrable impact, influence and reputational standing within our sector
- Inability to deliver effective services
- Loss of contracts and USP due to external factors out of the Group's control
- Poor and non-compliant delivery of clinical services
- Inability to recruit, retain and train skilled staff
- Inability to provide a safe working environment for staff due to external factors
- Insufficient access to, or volume of potential beneficiaries to maintain and fulfill its mission
- Unable to meet fundraising targets
- Substantial loss of key commercial contracts and unable to win new ones

Other key components of our risk management include:

- A clinical governance framework
- Clear policies regarding safeguarding children and vulnerable adults
- Regular consideration by the Trustees of financial results and variance from budgets
- Delegation of authority and segregation of duties
- A strategic plan and annual budget approved by the Trustees - progress is reported regularly including monthly financial reporting of results

The Trustees consider management of the above risk by use of a strategic risk register which outlines each risks, likelihood, impact, severity, risk owner and the committee responsible for the risk. The risks and mitigating actions are reviewed at each committee meeting by Trustees, with a particular emphasis on those risks that are judged to be both highly likely and liable to have a significant impact on the organisation's ability to function.

We mitigate these risks by diversifying our incoming resources, actively pursuing partnerships, new funding resources, setting realistic budgets and monitoring performance monthly.

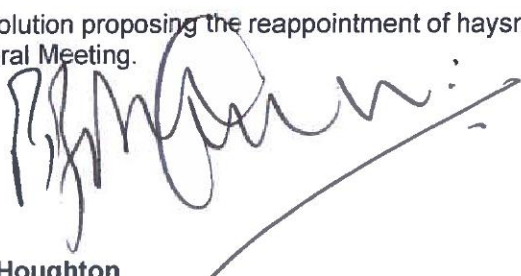
Our mitigating actions in ensuring we do not lose ground to competitors are to strengthen our organisation and its reputation, to ensure we have clarity of message and purpose.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects to ensure consistent quality of delivery for all operational aspects of the Charity. These procedures are reviewed annually to ensure that they continue to meet the needs of the Charity.

The Trustees receives regular reports on compliance with regulatory and statutory frameworks including those in respect of the health and safety of staff and clients.

Auditor

A resolution proposing the reappointment of haysmacintyre as the group auditor will be submitted at the Annual General Meeting.



Ben Houghton
Treasurer

Structure, Governance and Management

Governing Document

The Rehabilitation for Addicted Prisoners Trust (RAPt) is a charity registered in England and Wales (Charity Number: 1001701) and a UK company limited by guarantee (Company Registration Number: 02560474). The governing document is the Articles of Association that determine its legal framework. The Charity does not have any share capital.

Board of Trustees (Directors)

As at 1 April 2015, the following members of the Board of Trustees were registered as Directors of the company:

| | |
|--------------------|--|
| Chair | Hon David Bernstein |
| | Lady Gibbings |
| Honorary Treasurer | Ben Houghton |
| | Hon Isabelle Laurent |
| | John Mason |
| | Dame Benita Refson DBE |
| | Ronald Sheldon |
| | Marsha Taylor (appointed 17 November 2015) |
| | Rev. John Wates JP OBE |
| | Andrew Wylie (appointed 9 September 2016) |

The Directors of the Charity, who are the Charity's Trustees, form the Board of Trustees which is its ultimate governing body. The size of the Board will normally comprise of 8-10 trustees which we have listed above. The Board of Trustees is responsible for ensuring that all activities are within UK law and fall within the agreed charitable objectives. Its work includes governance, setting the strategic direction, ensuring the Charity upholds its values and delivers its objectives, and agreeing the financial plan.

The Board of Trustees reviews a schedule of matters reserved to them and delegates certain responsibilities to the Trustee sub-committees and the Chief Executive Officer. The day-to-day running of the Charity is delegated to the Senior Management Team (Chief Executive Officer, Deputy Chief Executive, Director of Human Resources, Director of Finance & Operations, Director of Services and Director of External Affairs).

The Board of Trustees meets quarterly to consider strategic business issues. Each year we approve the annual budget and review the strategic plan of the Charity.

The Trustees and Chair are appointed for an initial period of three years that can be extended for further three-year terms. Any further extension may be made if it is deemed to be in the best interests of the Charity.

The Trustees are recruited to provide the skills and experience required to govern the Charity. We seek to appoint Trustees from among our trustee's network and external advertisement. Recommendations for appointments are made to the Board by the Chair which is then ratified by the Board.

New Trustees are provided with information on legal obligations under Charity and Company Law, the Charity Commission guidance on public benefit; and inform them of the content of the Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the Charity. The new Trustee will also spend a day meeting key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The Chair is an ex officio member of all Committees. Any Trustee may attend any Trustee sub-committee meeting. The sub-committees each have specific responsibilities on behalf of the Charity as outlined below. They provide counsel, expertise and support to the Senior Management Team. Individual Trustees also take reasonable steps to ensure there is regular and direct contact between Trustees, staff, volunteers and people who use our services at a local level.

Finance and General Purposes Committee

The committee members comprise five Trustees (Ben Houghton, Hon David Bernstein, Hon Isabelle Laurent, Ron Sheldon and Rev John Wates JP OBE) together with the Chief Executive, Director of Finance & Operations and Director of Human Resources. The Committee is responsible for the oversight of all aspects of the Charity's financial policies and operations, including human resources' issues. It monitors the short and long-term financial viability of the Charity, ensuring there are sufficient resources to fund its commitments. The committee reviews and approves for recommendation the Investment and Reserves Policy, and monitors the effectiveness

Structure, Governance and Management (continued)

of the Charity's risk management and internal control systems. It reviews the annual financial plans of the Charity and monitors performance against plans and recommends action where necessary. The committee also reviews all issues concerning human resources (includes sickness, staff turnover, diversity) IT, administration, health & safety issues. It met four times during the year.

Clinical Governance Committee

The Clinical Governance Committee has responsibility for implementation and monitoring of effective clinical governance throughout the organisation. The Committee consists of four Trustees (Hon David Bernstein, Lady Louise Gibbings, Dame Benita Refson DBE, Marsha Taylor), the Deputy Chief Executive, the Director of Services, the Clinical Director, the Head of Governance and Quality, the Head of Recovery Support, the Head of Research and a nurse consultant. The Clinical Governance Committee is responsible for ensuring the collection and analysis of data and other information sufficient to ensure effective clinical governance, ensuring the input of clinical leadership and advice, promoting quality of care, including the safety and wellbeing of service-users, families and carers; and the safeguarding of children and vulnerable adults. Managing a culture and processes of continuous improvement and innovation; ensuring that delivery keeps up to date with research and best practice; facilitating an examination and review of significant events and incidents; ensuring audits of services are undertaken and acted upon; and ensuring compliance with legislation and contractual obligations are also within the remit of the committee.

Fundraising Committee

The committee members include four trustees (Hon David Bernstein, Hon Isabelle Laurent and Lady Louise Gibbings, Dame Benita Refson DBE) and the Chief Executive together with Director of External Affairs and Director of Finance & Operations. All the meetings are chaired by a Trustee. The committee met four times in the year and is responsible for oversight of the Charity's fundraising, communications and marketing strategy.

Oversight of our Subsidiary – Blue Sky Development and Regeneration

RAPt maintains oversight of Blue Sky through the Board of Trustees which comprises of four co-opted Trustees by Blue Sky and four Trustees nominated by RAPt. Blue Sky's Managing Director (also Director of Employability for RAPt) forms part of RAPt's Senior Management Team and attends all meetings. There are also monthly meetings between RAPt's CEO and Blue Sky's Managing Director which helps to ensure that the teams of both organisations work more cohesively. This is also supplemented by additional financial and risk oversight provided by the Treasurer who is also the Director of Finance & Operations for RAPt. We are continuing to integrate operational and governance functions, and will decide in the coming year whether to combine the two Boards.

Public Benefit

In preparing the report, the Board of Trustees have considered the requirements of the Charities Act 2011 and have satisfied themselves that they have complied with the duties to have due regard to their 'Public Benefit' consistent with the guidance published by the Charity Commission. We have referred to the Charity Commission guidance on public benefit in reviewing our activities and objectives, and in planning future activities. We have reviewed our reporting to ensure our activities clearly indicate public benefit through achievement of our aims.

Our main activities and achievements within these are described in "Objectives and Principal Activities". Broadly, our activities help advance health and save lives amongst our direct beneficiaries by the provision of treatment and support for substance misuse; we advance citizenship through reintegration support; and we deliver benefits to the wider public through the prevention of crime and destructive behaviour. In addition to the many thousands of prisoners who have received services from the charity, our programmes have also had a positive benefit for the families of the individuals we directly help.

Supporting Our Employees and Volunteers

As at 31 March 2016 we employed an average of 448 staff, a decrease of 4% on the number of people we employed at 31 March 2015. Achieving our desired transformational changes will depend on the expertise and motivation of those who work with us and we have continued throughout the last year with efforts to support our workforce to adapt to the changes in the way that we work.

We have a strong commitment to develop the diversity of our staff and volunteers through equal opportunity policies, training and practical action. As at 31 March 2016 the representation of women in our total workforce

Structure, Governance and Management (continued)

was 71.57%. The percentage of staff from an ethnic minority remained at 26.43% of the total workforce for whom their ethnic origin is known.

We remain particularly indebted to the commitment of over 64 people who volunteer for us. Be it working tirelessly on or in various projects, these incredible people are at the heart of everything that we do. While impossible to put a specific financial value on their contribution, our services and events simply would not be possible without them. The roles vary from project to project, and event to event: it might be a few hours or entire days. Whatever their role, our volunteers provide incredible amounts of their time to RAPt, and we are enormously grateful. We are committed to strengthening skills training for all our volunteers, ensuring that they are able to gain new experiences and feel they have a greater connection to our work.

The Charity is strengthened by the number of people in recovery who are involved in the day to day operation at all levels. During the year, regular communications to employees have been provided on matters affecting them, including factors affecting the Charity's progress, and they have been consulted on decisions affecting them through the Staff Representative Group.

Apprentices

We developed an Apprenticeship Scheme for people in recovery in 2014. Over 70 people have now completed the scheme with 80% having progressed into full-time employment either with RAPt or external organisations. We are now leveraging this experience to provide new opportunities for those affected by substance misuse or with a history of offending behaviour through our employability directorate and are excited about future possibilities.

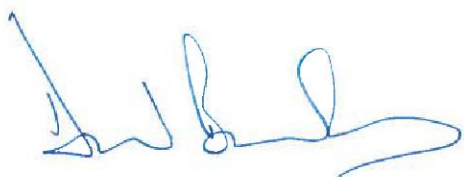
Staff Representative Group

The Staff Representative Group is an important element in our quest to be fully inclusive, championing employee involvement and two-way communication between managers and employees. We wish to ensure that all employees are well informed about matters that directly relate to them, and also have the opportunity to communicate their views to the Senior Management Team.

The Staff Representative Group is representative of all groups of employees employed by RAPt. It provides a forum to share information and consult on proposed changes to employees' contractual terms and conditions and the policies that sit alongside them.

It is not intended to replace or undermine other methods and channels of communication, but rather to enhance them. It is intended to:

- Promote an exchange of views between managers and employees on issues pertinent to the above.
- Test new ideas and approaches with employees.
- Provide an opportunity for the views of employees to be taken into account in making decisions which are likely to affect them directly.
- Staff representatives attend meetings on behalf of all employees within the group they represent. They have a responsibility to canvas the views and concerns of their constituents prior to meetings and provide feedback following the meetings.



Hon David Bernstein
Chair of Trustees

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Rehabilitation for Addicted Prisoners Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity 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 the group and of the net movement in funds and application of resources, including the income and expenditure, of the group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company and group 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 Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

In so far as we are aware:

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

AUDITOR

The auditor, haysmacintyre is willing to be re-appointed in accordance with section 485 of the Companies Act 2006.

APPROVAL

The Trustees' Report, incorporating the Strategic Report, was approved and authorised by the Board of Trustees on *15 November* 2016 and signed on their behalf by:



Hon David Bernstein
Chair of Trustees

Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF REHABILITATION FOR ADDICTED PRISONERS TRUST

We have audited the consolidated financial statements of the Rehabilitation for Addicted Prisoners Trust (RAPt) for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's net movement in funds, including the group's and the parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated charitable company 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.


Murtaza Jessa
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

Date: 15/11/2016

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Rehabilitation for Addicted Prisoners Trust
Consolidated Statement of Financial Activities

For the year ended 31 March 2016 (including consolidated income and expenditure)

| | Notes | Restricted Funds £'000 | Unrestricted Funds £'000 | 2016 Total Funds £'000 | 2015 Total Funds £'000 |
|--|-------|---------------------------|-----------------------------|------------------------------|------------------------------|
| INCOME: | | | | | |
| Donations, events and legacies | 2 | 700 | 109 | 809 | 1,126 |
| Charitable activities | 3 | | | | |
| <i>Substance Misuse</i> | | - | 15,660 | 15,660 | 15,226 |
| <i>Family Service</i> | | - | 276 | 276 | 262 |
| <i>Young People Services</i> | | - | 167 | 167 | 166 |
| <i>Recovery Support Services</i> | | - | 402 | 402 | 164 |
| <i>Residential Rehabilitation Services</i> | | - | 275 | 275 | 381 |
| <i>Clinical Services</i> | | - | 1,382 | 1,382 | 2,453 |
| <i>Blue Sky Development & Regeneration Services</i> | | 530 | 1,480 | 2,010 | 1,036 |
| Investment Income | | - | 6 | 6 | 9 |
| Total income | | <u>1,230</u> | <u>19,757</u> | <u>20,987</u> | <u>20,823</u> |
| EXPENDITURE: | | | | | |
| Costs of raising funds | 5 | | | | |
| <i>Raising funds</i> | | | 243 | 243 | 184 |
| Expenditure on charitable activities | 5 | | | | |
| <i>Substance Misuse</i> | | 592 | 15,024 | 15,616 | 16,239 |
| <i>Family Service</i> | | 5 | 273 | 278 | 287 |
| <i>Young People Services</i> | | - | 168 | 168 | 174 |
| <i>Recovery Support Services</i> | | 69 | 336 | 405 | 383 |
| <i>Residential Rehabilitation Services</i> | | 74 | 352 | 426 | 600 |
| <i>Clinical Services</i> | | - | 1,391 | 1,391 | 2,725 |
| <i>Blue Sky Development & Regeneration Services</i> | | 530 | 1,375 | 1,905 | 982 |
| Total expenditure | 5 | <u>1,270</u> | <u>19,162</u> | <u>20,432</u> | <u>21,574</u> |
| Net income/(expenditure) | | <u>(40)</u> | <u>595</u> | <u>555</u> | <u>(751)</u> |
| Transfers between funds | | | | | |
| Other recognised gains and losses: | | | | | |
| Actuarial gains/(losses) on defined benefit pension scheme | | - | (11) | (11) | (40) |
| Net assets from Blue Sky Development & Regeneration | 8 | | | | 275 |
| Net movement in funds | | <u>(40)</u> | <u>584</u> | <u>544</u> | <u>(791)</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>215</u> | <u>2,185</u> | <u>2,400</u> | <u>2,916</u> |
| Total funds carried forward | 15 | <u><u>175</u></u> | <u><u>2,769</u></u> | <u><u>2,944</u></u> | <u><u>2,400</u></u> |

The Notes on pages 18 to 35 form part of these financial statements

The statement of financial activities includes all gains and losses recognised in the year.

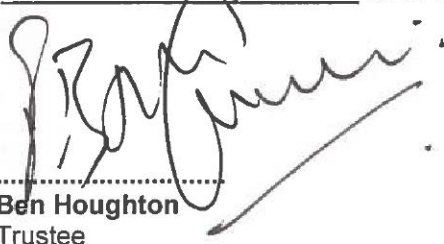
All amounts derive from continuing activities.

Full comparative figures for the year ended 31 March 2015 are shown in note 25.

Rehabilitation for Addicted Prisoners Trust
Consolidated and Charity Balance Sheet
For the year ended 31 March 2016

| | | 2016 | | 2015 | |
|---|-------|---------------------|---------------------|---------------------|---------------------|
| | Notes | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | 13 | 9 | 39 | 23 |
| CURRENT ASSETS | | | | | |
| Debtors and prepayments | 11 | 2,452 | 2,320 | 2,912 | 2,675 |
| Cash at bank and in hand | | 3,159 | 2,427 | 2,546 | 1,659 |
| | | <u>5,611</u> | <u>4,747</u> | <u>5,458</u> | <u>4,334</u> |
| CREDITORS: amounts falling due within one year | 12 | (2,680) | (2,238) | (3,097) | (2,279) |
| NET CURRENT ASSETS | | <u>2,931</u> | <u>2,509</u> | <u>2,361</u> | <u>2,055</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u><u>2,944</u></u> | <u><u>2,518</u></u> | <u><u>2,400</u></u> | <u><u>2,078</u></u> |
| FUNDS | | | | | |
| Unrestricted funds | | | | | |
| General reserves | 16 | 2,389 | 1,963 | 2,185 | 1,483 |
| Designated funds | 16 | 380 | 380 | - | 380 |
| | | <u>2,769</u> | <u>2,343</u> | <u>2,185</u> | <u>1,863</u> |
| Restricted funds | 16 | <u>175</u> | <u>175</u> | <u>215</u> | <u>215</u> |
| | | <u><u>2,944</u></u> | <u><u>2,518</u></u> | <u><u>2,400</u></u> | <u><u>2,078</u></u> |

The consolidated financial statements were approved and authorised for issue by the Board of Trustees on 15 November 2016 and signed on their behalf, by:


.....
Ben Houghton
Trustee


.....
Hon David Bernstein
Trustee

The notes on pages 18 to 35 form part of these consolidated financial statements.

Rehabilitation for Addicted Prisoners Trust
Consolidated Cash Flow Statement
For the year ended 31 March 2016

| | Total funds 2016 | | Total funds 2015 | |
|--|---------------------|--------------|---------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities | | 608 | | 700 |
| Cash flows from investing activities: | | | | |
| Dividends, interest and rents from investments | 8 | | 9 | |
| Purchase of property, plant and equipment | (3) | | (5) | |
| Net cash provided by (used in) investing activities | | 5 | | 4 |
| Increase/(decrease) in cash and cash equivalents in the reporting period | | 613 | | 704 |
| Cash and cash equivalents at the beginning of the reporting period | | 2,546 | | 1,842 |
| Cash and cash equivalents at the end of the reporting period | | 3,159 | | 2,546 |
| | | 2016 | | 2015 |
| | | £'000 | | £'000 |
| Reconciliation of net movement in funds to cash flow from operating activities | | | | |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | | 555 | | (751) |
| Add back net pension service costs net of finance cost | | - | | - |
| Depreciation charges | | 24 | | 28 |
| Losses/(gains) on investments | | - | | - |
| Dividends, interest and rents from investments | | (8) | | (9) |
| Loss/(profit) on disposal of fixed assets | | (5) | | - |
| (Increase)/decrease in debtors | | 472 | | 729 |
| (Increase)/decrease in creditors | | (430) | | 703 |
| Net cash provided by/(used) in investing activities | | 608 | | 700 |
| Analysis of cash and cash equivalents | | 2016 | | 2015 |
| | | £'000 | | £'000 |
| Cash in hand at the beginning of the reporting period | | 2,546 | | 1,842 |
| Total cash and cash equivalents | | 3,159 | | 2,546 |

The Notes on pages 18 to 35 form part of these consolidated financial statements.

1. Accounting Policies

Status of the Charitable Company

RAPt (Rehabilitation for Addicted Prisoner's Trust) is a charitable company registered in England, a Limited Company by guarantee without share capital use of 'Limited' exemption limited by guarantee and not having share capital. It is a registered charity with its registered office at The Foundry, 17 Oval Way, London, SE11 5RR and is not liable to direct UK taxation on its charitable activities.

Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation

The financial statements of RAPt have been prepared 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 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

RAPt meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The consolidated financial statements incorporate the results of RAPt and all its subsidiary undertakings from the date control commences. Details of subsidiary undertakings can be found in Note 7.

Going Concern

The Trustees have reviewed the circumstances of the Charity and consider that adequate resources continue to be available to fund their activities for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Group financial statements

The financial statements consolidate the results of the Charity and its subsidiary's undertakings on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus/deficit of the parent Charity was £439,859 (2015: £(798,147)).

Reconciliation with previous Generally Accepted Accounting Practice

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

Statement of cash flows

The charitable company's cash flow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1. In addition, the cash flow statement reconciles cash and cash equivalents whereas under previous UK GAAP the statement reconciled to cash.

The last period presented under the previous reporting framework was the year ended 31 March 2015. No restatement of the opening fund balances at the date of transition has been required in making the transition to FRS 102. The transition date was 1 April 2014.

The accounting policy on income recognition has been revised under the new reporting framework. No prior year adjustments were necessary from this change in policy.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

1. Accounting Policies (continued)

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

Recognition of income is deferred where condition specify that such income relates to future accounting periods. Where donors specify that funds are for specific purposes such income is included in incoming resources of restricted funds.

Grant Income

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognized 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.

Investment Income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Donations & Legacies

Income from donations and legacies includes donations and gifts in wills which are recognised where there is entitlement, probability of receipt and the amount of the gift is measurable. Income from donations, covenants and gift aid includes receipts from fundraising events. Donations together with the resulting tax credit from gift aid, is credited directly to the statement of financial activities on an accruals basis. Donations and all other receipts (including capital receipts) from fundraising are reported gross and the related fundraising costs are reported in raising funds.

Expenditure

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

Cost of raising funds is expenditure on raising donations and legacies including the costs of advertising, producing publications, printing and mailing fundraising material, staff costs and appropriate allocation of central overhead costs.

Expenditure on charitable activities includes the costs of all activities undertaken to further the purposes of the charity relating to the strategic vision and their associated support costs.

Direct costs are allocated on an actual basis to the relevant expenditure headings.

Support costs are allocated between expenditure headings on the basis of time spent and the number of staff working on projects and activities. Governance costs is allocated in line with the support costs.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS102.

Operating Leases

Rentals payable under operating leases, are charged to the SOFA on a straight-line basis over the lease term.

RAPt strives to ensure that its property leases are co-terminus with its contracts. Where a property lease

is longer than the initial contract we strive to ensure the break clauses are in place.

Rehabilitation for Addicted Prisoners Trust
Notes to the Consolidated Financial Statements
For the year ended 31 March 2016

1. Accounting Policies (continued)

Pension Costs

The Charity operates five defined benefit pension schemes on behalf of its employees. The Pension Scheme has been accounted for in accordance with FRS 102.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments

The Group operates a number of defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the Group in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

Fund accounting

Restricted Funds

Restricted Funds comprise funds subject to specific restrictions imposed by the donors. Expenditure that meets these criteria is charged to the fund, together with an allocation of management and support costs. The purposes and uses of the Restricted Funds are set out in Note 14 to the financial statements.

Unrestricted Funds

Unrestricted funds comprise general funds which represent accumulated balances on the income and expenditure account and designated funds which the Trustees have identified for specific purposes. The funds are available for use at the discretion of the Trustees to further expand the aims of the Charity.

Tangible fixed assets

Tangible fixed assets costing over £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation has been provided on the straight-line method to write off the cost of tangible fixed assets on a straight-line basis over their considered useful economic lives as follows:

- | | |
|------------------------------------|--------------|
| • Furniture, fixtures and fittings | over 3 years |
| • Computer equipment | over 3 years |
| • Motor vehicles & equipment | over 3 years |

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash equivalents are used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

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.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments

1. Accounting Policies (continued)

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.

Share Capital

The Company has no share capital but is limited by guarantee. The members of the Company are the Trustees who are also ordinary members. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Taxation

The Company is a registered charity and therefore is not subject to Corporation Tax on surpluses arising from charitable activities. The Charity is not registered for VAT purposes. VAT is paid on inputs (purchases/costs) and is charged to the relevant expense category.

Judgement in applying accounting policies and key resources of estimation uncertainty

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. Although these estimates are based on Management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider the following items to be areas subject to estimation and judgement.

Depreciation:

The usual economic lives of tangible fixed assets are based on Management's judgement and experience. When Management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. As tangible fixed assets are not significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

Pensions:

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Rehabilitation for Addicted Prisoners Trust
Notes to the Consolidated Financial Statements
For the year ended 31 March 2016

2. Income from donations and legacies

| | 2016 £'000 | 2015 £'000 |
|----------------------|-----------------------------|-----------------------------|
| Individual donations | 27 | 17 |
| Trust and Corporate | 700 | 959 |
| Events Income | 45 | 54 |
| Other Income | 37 | 96 |
| | <u>809</u> | <u>1,126</u> |

3. Income from charitable activities

| | 2016 £'000 | 2015 £'000 |
|--------------------------------------|-----------------------------|-----------------------------|
| Substance Misuse | 15,660 | 15,226 |
| Family Services | 276 | 262 |
| Young People Services | 167 | 166 |
| Recovery Support Services | 402 | 164 |
| Residential Rehabilitation Services | 175 | 381 |
| Clinical Service | 1,382 | 2,453 |
| Blue Sky Development & Regenerations | 1,480 | 1,036 |
| | <u>19,642</u> | <u>19,689</u> |

4. Analysis of Group Expenditure

| | Direct Costs Staff £'000 | Other Direct Costs £'000 | Support Costs £'000 | 2016 Total £'000 | 2015 Total £'000 |
|--|---|---|------------------------------------|---------------------------------|---------------------------------|
| Substance Misuse Services | 12,039 | 2,119 | 1,458 | 15,616 | 16,239 |
| Family Services | 213 | 39 | 26 | 278 | 287 |
| Young People | 129 | 24 | 16 | 169 | 174 |
| Recovery Services | 310 | 58 | 37 | 405 | 383 |
| Residential Rehabilitation Services | 262 | 132 | 32 | 426 | 600 |
| Clinical Services | 1,067 | 195 | 129 | 1,391 | 2,725 |
| Costs of Raising Funds | 179 | 34 | 29 | 242 | 184 |
| Blue Sky Development & Regeneration | 977 | 211 | 717 | 1,905 | 982 |
| | <u>15,176</u> | <u>2,812</u> | <u>2,444</u> | <u>20,432</u> | <u>21,574</u> |

5. Analysis of Support Costs

| | Executive & Central Admin £'000 | Resources £'000 | Governance £'000 | 2016 Total £'000 | 2015 Total £'000 |
|--|--|--------------------|---------------------|------------------------|------------------------|
| Substance Misuse | 327 | 943 | 188 | 1,458 | 1,779 |
| Family Services | 6 | 17 | 3 | 26 | 29 |
| Young People Services | 4 | 10 | 2 | 16 | 18 |
| Recovery Support Services | 8 | 24 | 5 | 37 | 39 |
| Residential Rehabilitation Services | 7 | 21 | 4 | 32 | 52 |
| Clinical Services | 29 | 83 | 17 | 129 | 145 |
| RAPt – Costs of Raising funds | 7 | 18 | 4 | 29 | 29 |
| Blue Sky | 460 | 251 | 4 | 717 | 830 |
| | <u>848</u> | <u>1,369</u> | <u>227</u> | <u>2,444</u> | <u>2,921</u> |

The basis of allocation of the above costs are based on staff time, numbers and usage.

6. Governance costs include:

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Staff costs | 132 | 231 |
| Legal and professional fees | 71 | 104 |
| Audit fees and other fees payable to auditor | 24 | 22 |
| | <u>227</u> | <u>357</u> |

7. Net (expenditure)/income for the year

| | 2016 £'000 | 2015 £'000 |
|---------------------------------------|---------------|---------------|
| This is stated after charging: | | |
| Depreciation | 30 | 23 |
| Auditor's remuneration (excludes VAT) | | |
| Audit group accounts | 22 | 20 |
| Audit subsidiary accounts | 6 | 8 |
| Operating lease charges | | |
| Property | 471 | 377 |
| Other | 12 | 12 |
| | <u></u> | <u></u> |

8. Subsidiary Charity

On 1 October 2014, the Charity became the sole member of Blue Sky Development and Regeneration, a charitable company limited by guarantee. The results of Blue Sky Development and Regeneration have been consolidated from this date. The following is a summary of the financial statements of Blue Sky Development and Regeneration for the year ended 31 March 2016:

The wholly owned subsidiary **Blue Sky Development and Regeneration** is incorporated in **England and Wales** (company number: 05639379).

Rehabilitation for Addicted Prisoners Trust
Notes to the Consolidated Financial Statements
For the year ended 31 March 2016

| | Restricted | Unrestricted | Total | Total |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Funds 2016 £ | Funds 2016 £ | Funds 2016 £ | Funds 2015 £ |
| Income: | | | | |
| Donations and legacies | 91,529 | 146,145 | 237,674 | 560,365 |
| Charitable activities | 438,073 | 1,323,710 | 1,761,783 | 1,815,710 |
| Investments | | 2,474 | 2,474 | 2,485 |
| Other | | 8,065 | 8,065 | 398 |
| Total | 529,602 | 1,480,394 | 2,009,996 | 2,378,958 |
| Expenditure: | | | | |
| Raising funds | | 96,958 | 96,958 | 109,097 |
| Charitable activities | 529,602 | 1,278,292 | 1,807,894 | 2,175,524 |
| Total | 529,602 | 1,375,250 | 1,904,852 | 2,284,621 |
| Net income/(expenditure) | - | 105,144 | 105,144 | 94,337 |
| Net movement in funds | - | 105,144 | 105,144 | 94,337 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | - | 322,076 | 322,076 | 227,739 |
| Total funds carried forward | - | 427,220 | 427,220 | 322,076 |

9. Staff numbers and costs

The average number of employees during the year, excluding trustees/directors was 448 (2015: 470):

| | Parent | Subsidiary | Total | Total |
|----------------|------------|------------|------------|------------|
| Charitable | 381 | 9 | 390 | 433 |
| Administration | 53 | 5 | 58 | 54 |
| | 434 | 14 | 448 | 470 |

Staff costs were as follows:

| | Group £'000 | Group £'000 |
|---|----------------|----------------|
| Salaries and wages | 12,913 | 14,454 |
| Social security costs | 1,123 | 1,155 |
| Pension contributions | 645 | 563 |
| Operating costs of the defined benefit pension scheme | 40 | 39 |
| Redundancy and termination costs | 33 | 69 |
| Other forms of employee benefit (Life Assurance) | 31 | 37 |
| | 14,785 | 16,355 |

Rehabilitation for Addicted Prisoners Trust
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For the year ended 31 March 2016

| | | |
|--|-------------------|-------------------|
| Directors' emoluments | - | - |
| | <u> </u> | <u> </u> |
| The number of employees whose annualised earnings were over £60,000 per annum: | | |
| £60,000 - £69,999 | 5 | 4 |
| £70,000 - £79,999 | 2 | 2 |
| £90,000 - £99,999 | - | - |
| £100,000 - £109,999 | 1 | 1 |
| | <u> </u> | <u> </u> |

9. Staff numbers and costs (continued)

In respect of the higher paid employees above, contributions for the provision of pension benefits totalled £51k (2015: £40k).

The total employee benefits of the key management personnel of the Group were £870k (2015: £761k). Of this, £535k (2015: £378k) relates to the key management personnel of the charity. The key management personnel of the group are considered to be Chief Executive Officer, Deputy Chief Executive Officer, Director of Finance & Operations, Director of Human Resources, Director of External Affairs, Clinical Director and Director of Services. Within our subsidiary we have the following key management personnel: Managing Director, Development Director, Commercial Director, Teams' Director and Financial Controller.

During the year no Trustee received any remuneration (2015: £Nil).

During the year no Trustee received any benefits in kind (2015: £Nil).

No Trustee received any reimbursement of expenses or amounts that were paid directly to third parties (2015: £Nil).

10. Tangible Assets

| Group | (Total) Fixtures, fittings, motor vehicles & equipment £'000 |
|-----------------------|---|
| Cost | |
| At 1 April 2015 | 151 |
| Additions in year | 3 |
| Disposals | (25) |
| | <u> </u> |
| At 31 March 2016 | 129 |
| | <u> </u> |
| Depreciation | |
| At 1 April 2015 | 112 |
| Charged in year | 24 |
| Disposals | (20) |
| | <u> </u> |
| At 31 March 2016 | 116 |
| | <u> </u> |
| Net Book Value | |
| At 31 March 2016 | 13 |
| | <u> </u> |
| At 31 March 2015 | 39 |
| | <u> </u> |

Rehabilitation for Addicted Prisoners Trust
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For the year ended 31 March 2016

Parent Charity

Cost

At 1 April 2015

102

Additions in year

-

At 31 March 2016

102

Depreciation

At 1 April 2015

79

Charged in year

14

At 31 March 2016

93

Net Book Value

At 31 March 2016

9

At 31 March 2015

23

11. Debtors: due within one year

| | 2016 | | 2015 | |
|------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| Trade debtors | 2,278 | 2,148 | 2,666 | 2,460 |
| Other debtors | 30 | 30 | 24 | 23 |
| Prepayments & accrued income | 144 | 142 | 222 | 192 |
| | <u>2,452</u> | <u>2,320</u> | <u>2,912</u> | <u>2,675</u> |

12. Creditors: amounts falling due within one year

| | 2016 | | 2015 | |
|---------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| Trade creditors | 367 | 348 | 299 | 273 |
| Other taxes and social security | 313 | 279 | 344 | 298 |
| Accruals | 258 | 220 | 312 | 269 |
| Other creditors | 147 | 135 | 99 | 77 |
| Deferred income (see below) | 1,595 | 1,256 | 2,043 | 1,362 |
| | <u>2,680</u> | <u>2,238</u> | <u>3,097</u> | <u>2,279</u> |

13. FINANCIAL INSTRUMENTS

| | 2016 £ | 2015 £ |
|--|-------------------|-------------------|
| Financial assets that are debt instruments measured at amortised Cost | | |
| - Trade debtors | 2,278 | 2,666 |
| - Other debtors | 30 | 24 |
| | <u>2,308</u> | <u>2,690</u> |
| Financial liabilities measured at amortised cost | | |
| - Trade creditors | 367 | 299 |
| - Other creditors | 147 | 99 |
| | <u>514</u> | <u>398</u> |

Rehabilitation for Addicted Prisoners Trust
Notes to the Consolidated Financial Statements
For the year ended 31 March 2016

| 14. Deferred income within one year | 2016 | | 2015 | |
|---|----------------|------------------|----------------|------------------|
| | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| At 31 March 2015 | 2,043 | 1,362 | 1,723 | 1,723 |
| Released to incoming resources | (2,043) | (1,362) | (1,723) | (1,723) |
| Income deferred to a future year | 1,595 | 1,256 | 1,362 | 1,362 |
| Transfer from Blue Sky Development and Regeneration (note 27) (2015 only) | - | - | 681 | - |
| At 31 March 2016 | <u>1,595</u> | <u>1,256</u> | <u>2,043</u> | <u>1,362</u> |

Deferred Income are funds received for charitable activities in future years.

| 15. Statement of funds Group | Brought forward £'000 | Income £'000 | Expenditure £'000 | Transfer/ Gains/losses £'000 | Carried forward £'000 |
|------------------------------|--------------------------|-----------------|----------------------|------------------------------------|--------------------------|
| Designated funds: | | | | | |
| Redundancy and Pension fund | 350 | - | - | - | 350 |
| Works – The Bridges | 30 | - | - | - | 30 |
| | <u>380</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>380</u> |
| General funds | <u>1,805</u> | <u>19,757</u> | <u>19,162</u> | <u>(11)</u> | <u>2,389</u> |
| | <u>2,185</u> | <u>19,757</u> | <u>19,162</u> | <u>(11)</u> | <u>2,769</u> |

The Designated Fund represents funds set aside to cover the potential redundancy and pension liabilities towards its staff and refurbishment costs of the Bridges Project in Hull.

Transfers include actuarial losses of £11,000 in respect of the defined benefit pension scheme.

| Group and Charity | Brought forward £'000 | Income £'000 | Expenditure £'000 | Carried forward £'000 |
|---------------------------------------|--------------------------|-----------------|----------------------|--------------------------|
| Restricted funds: | | | | |
| S Shepherd & S Dickson | - | 5 | (5) | - |
| The Roughley Charitable Trust | - | 5 | (5) | - |
| Liz & Terry Bramall Foundation | - | 20 | (20) | - |
| Trustees of 29 th May 1961 | - | 8 | (8) | - |
| The Eva Rausing Memorial Trust | 204 | 518 | (557) | 165 |
| Trustees of the Saintbury Trust | - | 10 | (10) | - |
| Swire Charitable Trust | - | 5 | (5) | - |
| Heartwood | - | 5 | (5) | - |
| Garfield Weston Foundation | - | 50 | (50) | - |
| The Quintessentially Foundation | - | 5 | (5) | - |
| The Martann Trust | 3 | 1 | - | 4 |
| Other restricted funding | 8 | 68 | 70 | 6 |
| Blue Sky | - | 530 | (530) | - |
| | <u>215</u> | <u>1,230</u> | <u>1,270</u> | <u>175</u> |

The purpose of restricted funds are as below:

S Shepherd & S Dickson – funding towards the core costs of the Bridges residential unit.

The Roughly Charitable Trust – funding towards the core costs of the Bridges residential unit.

Liz & Terry Bramall Foundation – funding towards the core costs of the Bridges residential unit.

The 29th May 1961 Charitable Trust – funding towards the core costs of Recovery Support Services.

Trustees of the Saintbury Trust – funding towards the core costs of Recovery Support Services.

Swire Charitable Trust – funding towards the cost of a family worker.

Eva Rausing Memorial Trust – funding towards the apprenticeship scheme and social enterprise.

Heartwood – funding towards the core costs of the Bridges residential unit.

Garfield Weston Foundation – funding towards the core costs of Recovery Support Services.

The Quintessentially Foundation – funding towards the core costs of the Bridges residential unit.

The Martann Trust – funding towards the loan scheme for graduates.

| 16. Summary of funds | Brought forward | Income | Expenditure | Transfers/ Gains/losses | Carried Forward |
|----------------------|-----------------|---------------|-----------------|----------------------------|-----------------|
| Group | £'000 | £'000 | £'000 | £'000 | £'000 |
| Designated funds | 380 | - | - | - | 380 |
| General funds | 1,805 | 19,757 | (19,162) | (11) | 2,389 |
| Restricted funds | 215 | 1,230 | (1,270) | - | 175 |
| | <u>2,400</u> | <u>20,987</u> | <u>(20,432)</u> | <u>(11)</u> | <u>2,944</u> |

| Summary of funds | Brought forward | Income | Expenditure | Transfers/ Gains/losses | Carried Forward |
|------------------|-----------------|---------------|-----------------|----------------------------|-----------------|
| Charity | £'000 | £'000 | £'000 | £'000 | £'000 |
| Designated funds | 380 | - | - | - | 380 |
| General funds | 1,483 | 18,277 | (17,786) | (11) | 1,963 |
| Restricted funds | 215 | 700 | (740) | - | 175 |
| | <u>2,078</u> | <u>18,977</u> | <u>(18,526)</u> | <u>(11)</u> | <u>2,518</u> |

| 17. Analysis of net assets between funds | Restricted funds | Unrestricted funds | Total Funds |
|--|------------------|--------------------|--------------|
| Group | £'000 | £'000 | £'000 |
| Fixed assets | - | 13 | 13 |
| Current assets | 175 | 5,436 | 5,611 |
| Current liabilities | - | (2,680) | (2,680) |
| | <u>175</u> | <u>2,769</u> | <u>2,944</u> |
| Charity | | | |
| Fixed assets | - | 9 | 9 |
| Current assets | 175 | 4,572 | 4,747 |
| Current liabilities | - | (2,238) | (2,238) |
| | <u>175</u> | <u>2,343</u> | <u>2,518</u> |

18. Operating Lease Commitments

At 31 March 2016, the charitable company and the Group future minimum operating lease payments are as follows:

BUILDINGS

| | 2016 £'000 | 2015 £'000 |
|----------------------------|---------------|---------------|
| Group | | |
| Leases that expire: | | |
| Within one year | 324 | 382 |
| Two to five years | 1,121 | 1,110 |
| Over five years | 971 | 1,249 |
| | <u>2,416</u> | <u>2,741</u> |

During the year's rental costs in respect of assets under operating leases of £465k (2015:£387k).

Parent charity

Leases that expire:

| | | |
|-------------------|--------------|--------------|
| Within one year | 301 | 382 |
| Two to five years | 1,110 | 1,110 |
| Over five years | 971 | 1,249 |
| | <u>2,382</u> | <u>2,741</u> |

During the year's rental costs in respect of assets under operating leases of £397k (2015:£383k).

19. Related Party Transactions

There were one related party transactions in the year. In the year 2016 the Charity received £10,000 from one trust (£10,000 – The Saintbury Trust, which one of our Trustees, Ben Houghton, is connected to).

Donations from Trustees in aggregate were £4.5k/(2015: £7.7K).

20. Pensions

The group contributes to both defined contributions and defined benefit schemes for its employees. All defined benefit schemes are closed to new entrants and the numbers of active members can only grow as a result of the transfer of staff from other organisations ("TUPed").

The Charity operates a number of defined contribution schemes. Prudential Platinum Pension Scheme which is managed by Xafinity Limited, Group Personal Pension Plan is managed by Aviva, NHS Pension Scheme managed by NHS Pensions, Shropshire County Pension fund managed by Shropshire Council and Civil Service Pension managed by The Cabinet Office.

The NHS Pension Fund is a closed defined benefit scheme specific to employees TUPed who were members of a NHS Pension Scheme at the time of transfer. Shropshire County Pension is a closed defined benefit scheme applicable to employees TUPed who were members of Shropshire Pension Scheme at the time of transfer. Civil Service Pension Scheme is a closed defined benefit scheme applicable to employees who were members of the Civil Service Pension Scheme at the time of transfer.

The Prudential Platinum Scheme is a defined statutory scheme which is contracted out of State Second Pension. This scheme was set up to ensure that we provide a comparable scheme for staff who are TUPed with final salary pension rights.

The assets of any pension scheme are held separately from those of the Group.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the group for the year together with any material provision to record the Group's liability in relation to a defined benefit pension scheme, where this can be identified, in accordance with the accounting standard incorporated in FRS102.

The latest formal valuation of Sub-Scheme of the Prudential Platinum Pension - The Rehabilitation for Addicted Prisoners Trust ('the Scheme') for the purposes of the UK pensions accounting standard FRS 102 for the year ending 31 March 2016 ('the Measurement Date'). This information was provided to the Directors of RAPt solely for the purposes of the FRS 102 disclosures and should not be relied upon for any other purpose.

The numbers in this report relate only to the Scheme. The costs and balance sheet items in respect of any other pension arrangement the Company may operate, or promises the Company may have made, will also need to be included in the Company's disclosures.

The total contributions made by the Charity were £593,786 (2015: £529,353). No further liability arose other than these payments. £70,620 (2015 - £77,167) of contributions were outstanding at the year-end in creditors. The total Group contributions were £644,341 (2015: £563,521).

The Prudential Platinum Pension scheme is set up on a tax relieved basis as a separate trust independent of the Company and supervised by an independent trustee. The relevant trustee is responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that Scheme assets are appropriately invested.

This scheme provides pensions and lump sums to members on retirement and to their dependants on death. Members who leave service before retirement are entitled to a deferred pension.

Active members of the Scheme pay contributions at a rate based on their pensionable pay and the Company pays the balance of the cost as determined by regular actuarial valuations. The independent trustee is required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

The liabilities for this year's accounting disclosures have been calculated by rolling forward the 31 March 2013 FRS 17 liabilities from that valuation date to 31 March 2016 allowing for member movements and cashflows and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

The amounts recognised in the statement of financial position are as follows:

| | 2016 £000s | 2015 £000s |
|---|---------------|---------------|
| Defined benefit obligation | (406) | (341) |
| Fair value of plan assets | 434 | 360 |
| Net defined benefit asset | 28 | 19 |
| Restriction on asset recognised | - | - |
| Net amount recognised year end (before any adjustment for deferred tax) | 28 | 19 |

Rehabilitation for Addicted Prisoners Trust
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The amounts recognised as comprehensive income are:

The current and past service costs, settlements and curtailments together with the net interest for the year are included in profit or loss. Remeasurements of the net deferred benefit liability are included in other comprehensive income.

| | 2016 £000s | 2015 £000s |
|--|---------------|---------------|
| Service cost | | |
| Current service cost (net of employees contributions) | 76 | 75 |
| Administration expenses | 41 | 41 |
| Loss/(gain) on plan introductions, charges, Curtailments and settlements | | |
| Net interest expense (credit) | (1) | (2) |
| | <u>116</u> | <u>114</u> |
| Charge/(credit) recognised in profit or loss | | |
| | <u>116</u> | <u>114</u> |
| | 2016 £000s | 2015 £000s |
| Remeasurements of the net liability | | |
| Return on scheme assets (excluding amounts included in net | | |
| Interest expense | 14 | (41) |
| Actuarial (gains)/losses | (25) | 82 |
| Adjustments for restrictions on the asset recognised | | |
| | <u>11</u> | <u>41</u> |
| Charge/(credit) recorded on other comprehensive income (Actuarial gains and losses on the Statement of Financial Activities.) | | |
| | <u>105</u> | <u>155</u> |
| Total defined benefit cost | | |
| | <u>105</u> | <u>155</u> |
| The principal actuarial assumptions used were: | % | % |
| Liability discount rate | 3.40% | 3.20% |
| Inflation assumption – RPI | 2.90% | 3.00% |
| Inflation assumption – CPI | 2.40% | 2.30% |
| Rate of increase in salaries | 3.40% | 3.50% |
| Revaluation of deferred pensions - CPI | 2.40% | 2.30% |
| Increases for pensions payment – CPI | 2.40% | 2.30% |
| Expected age at death of current pensioner at age 65: | | |
| Male aged 65 at year end | 87.2% | 87.3% |
| Female aged 65 at year end | 89.1% | 89.4% |
| Expected age at death of future pensioner at age 65: | | |
| Males aged 45 at year end | 88.6% | 88.7% |
| | 90.6% | 90.9% |
| Female aged 45 at year end | | |
| | <u>90.6%</u> | <u>90.9%</u> |

Rehabilitation for Addicted Prisoners Trust
Notes to the Consolidated Financial Statements
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Reconciliation of scheme assets and liabilities

| | Assets £'000 | Liabilities £'000 | Total £'000 |
|---|-------------------------|------------------------------|------------------------|
| At start of period | 360 | (341) | 19 |
| Benefits paid | (10) | 10 | - |
| Administration expenses | (41) | - | (41) |
| Current service cost | - | - | - |
| Contributions from the employer | - | (76) | (76) |
| Contributions from the employees | 114 | - | 114 |
| Interest income/(expenses) | 12 | (12) | - |
| Return on assets (excluding amount included net interest expense) | 13 | (12) | 1 |
| Actuarial gains/(losses) | (14) | - | (14) |
| Gain/(loss) on planning deductions and changes | - | 25 | 25 |
| Gain/(loss) on curtailments | - | - | - |
| Assets distributed/liabilities extinguished on settlements | - | - | - |
| Assets acquired/liabilities assumed in a business combination | - | - | - |
| At end of period | <u>434</u> | <u>(406)</u> | <u>28</u> |

**2016
£000s**

**2015
£000s**

The return on plan assets was:

| | | |
|--|------------|-----------|
| Interest income | 13 | 11 |
| Return on plan assets (excluding amounts included in net interest expense) | (14) | 41 |
| Total return on plan assets | <u>(1)</u> | <u>52</u> |

The major categories or scheme assets are as follows:

| | 2016 £000s | 2015 £000s |
|------------------------------|-----------------------|-----------------------|
| Corporates | 216 | 181 |
| Indexlinked | 218 | 179 |
| Cash | - | - |
| Total market value of assets | <u>434</u> | <u>360</u> |

The Scheme has no investments in the Company on property occupied by the Company.

This note summarises the membership data used for the FRS 17 valuation which was carried out as at 31 March 2013. The calculations for the accounting disclosures described in this report use the results of that valuation as a starting point and an approximate allowance for subsequent membership movements has been made using the benefit cashflow information.

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ACTIVE MEMBERS

| | Number | Pensionable salaries (£000s pa) |
|---------|---------------|--|
| Males | 1 | 18 |
| Females | 11 | 203 |
| | <hr/> | <hr/> |
| Total | 12 | 221 |
| | <hr/> | <hr/> |

DEFERRED PENSIONERS

| | Number | Deferred Pensions (at valuation date) (£000s pa) |
|---------|---------------|---|
| Males | - | - |
| Females | 8 | 1 |
| | <hr/> | <hr/> |
| Total | 8 | 1 |
| | <hr/> | <hr/> |

FINANCIAL ASSUMPTIONS

This note sets out the long-term actuarial assumptions used to value the liabilities as at 31 March 2016. The corresponding assumptions used for the 31 March 2015 disclosure is shown for comparison. A summary of the financial assumptions used is as follows:

| | Assumption as at 31 March 2016 | 31 March 2015 |
|----------------------------------|---|----------------------|
| Discount rate | 3.40% | 3.20% |
| Retail price inflation | 2.90% | 3.00% |
| Consumer price inflation | 2.40% | 2.30% |
| Pensionable salary increases | 3.40% | 3.50% |
| Revaluation of deferred benefits | 2.40% | 2.30% |
| Pension increases | 2.40% | 2.30% |

Demographic assumptions

Mortality

The mortality assumptions used are the SAPS S2PxA tables. Improvements are assumed to be in line with the CMI_2013 projections, with minimum improvements of 1 per cent per annum. These tables reflect the current best estimates but without incorporating margins for prudence.

The mortality assumptions used in last year's disclosure are the SAPS S2PxA tables. Improvements are assumed to be in line with the CMI_2012 projections, with minimum improvements of 1 per cent per annum.

Commutation

It has been assumed that no members will commute their pensions for a cash sum.

Other demographic assumptions

It is assumed that 90 per cent of members are married and that a husband is 3 years older than his wife. The estimated principal elements of the Profit and Loss account for the year to 31 March 2017 and set out these elements in the table below. It is important to note that these projections are based on a number of assumptions about the year to come. In the event that these assumptions are not borne out, the figures below may not accurately reflect the final P&L number for year ending 31 March 2017.

Rehabilitation for Addicted Prisoners Trust
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In particular the following assumptions have been made:

- Benefit payments and Scheme expenses will be broadly similar to previous years
- Contributions will be made to the Scheme in line with the Schedule of Contributions.
- The balance sheet position at the start of the year is as set out above.

Projected P&L cost items for year ending 31 March 2017:

| | £000s |
|-------------------------|-------|
| Service cost: | |
| Current service cost | 69 |
| Administration expenses | 42 |
| Net interest income | (1) |
| Overall P&L charge | 110 |

It is anticipated that the figure at the year-end will be adjusted for actual cashflows experienced by the Scheme.

21. Indemnity Insurance

The Charity's professional indemnity insurance is included as part of its' commercial combine policy which also covers liability in respect of negligence, default and breach of duty or trust other than that caused by reckless or criminal negligence in respect of all of the Directors, trustees and officials.

22. Capital Commitments

There are no known capital commitments at the year end.

23. Contingent Liabilities

There are no known contingent liabilities at the year end.

24. Post Balance Sheet Events

On 20th September 2016, Russell Brand (patron of RAPt) donated the social enterprise "Trew Era Café" to RAPt. It does not have any significant effect on the Statement of financial position date which would have required an adjustment to the financial statements.

Rehabilitation for Addicted Prisoners Trust
Notes to the Consolidated Financial Statements
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| 24. Consolidated Comparative SOFA | | Restricted Funds £'000 | Unrestricted Funds £'000 | 2015 Total Funds £'000 |
|--|--------------|---------------------------------------|---|---------------------------------------|
| | Notes | | | |
| INCOME: | | | | |
| Donations, events and legacies | 2 | 959 | 167 | 1,126 |
| Charitable activities | 3 | | | |
| Substance Misuse | | - | 15,226 | 15,226 |
| Family Services | | - | 262 | 262 |
| Young People Services | | - | 166 | 166 |
| Recovery Support Services | | - | 164 | 164 |
| Residential Rehabilitation Services | | - | 381 | 381 |
| Clinical Services | | - | 2,453 | 2,453 |
| Blue Sky Development & Regeneration Services | | - | 1,036 | 1,036 |
| Investment Income | | - | 9 | 9 |
| Total income | 5 | <u>959</u> | <u>19,864</u> | <u>20,823</u> |
| EXPENDITURE: | | | | |
| Costs of raising funds | | | | |
| Raising Funds | | - | 184 | 184 |
| Expenditure on charitable activities | 5 | 588 | 15,651 | 16,239 |
| Family Services | | 35 | 252 | 287 |
| Young People Services | | - | 174 | 174 |
| Recovery Support Services | | 108 | 275 | 383 |
| Residential Rehabilitation Services | | 58 | 542 | 600 |
| Clinical Services | | - | 2,725 | 2,725 |
| Blue Sky Development & Regeneration Services | | - | 982 | 982 |
| Total expenditure | 5 | <u>789</u> | <u>20,785</u> | <u>21,574</u> |
| Net income/(expenditure) | | 170 | (921) | (751) |
| Transfers between funds | | - | - | - |
| Other recognised gains and losses: | | | | |
| Actuarial gains/(losses) on defined benefit pension scheme | | - | (40) | (40) |
| Net assets from Blue Sky Development & Regeneration | | - | 275 | 275 |
| Net movement in funds | | - | (686) | (686) |
| Reconciliation of funds | | | | |
| Total funds brought forward | | 45 | 2,871 | 2,916 |
| Total funds carried forward | 15 | <u>215</u> | <u>2,185</u> | <u>2,400</u> |

Reference and Administrative Details

The Rehabilitation for Addicted Prisoners Trust (RAPt) is a charitable company limited by guarantee.

Charity Number: 1001701

Company Number: 02560474

TRUSTEES/DIRECTORS

Hon David Bernstein
Lady Gibbings
Ben Houghton
Hon Isabelle Laurent
John Mason
Dame Benita Refson DBE
Ronald Sheldon
Marsha Taylor
Rev John Wates JP OBE
Andrew Wylie

COMPANY SECRETARY

Merlin Gaston

PATRONS

Dame Judi Dench
Roger Graef OBE
The Rt Hon The Lord Woolf of Barnes
Lady Puttnam
The Hon Emma Soames
Sir Anthony Hopkins CBE
Tony Adams MBE
Russell Brand

FOUNDERS

Jonathan Wallace
Peter Bond
Michael Meakin

BANKERS

HSBC
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BUSINESS ADDRESS/REGISTERED OFFICE

The Foundry
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London SE11 5RR

AUDITOR

haysmacintyre
Chartered Accountants & Registered Auditors
26 Red Lion Square
London WC1R 4AG

SOLICITORS

Bates Wells & Braithwaite
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London EC4R 1BE

KEY MANAGEMENT PERSONNEL

Sean Cox – Director of Services
Hannah Fox – Director of External Affairs
Merlin Gaston – Director of Finance & Operations
Caroline Gilmartin – Director of Human Resources
Gail Jones – Deputy Chief Executive Officer
Kate Markey – Director of Employability
Michael Trace – Chief Executive Officer
Dr Michael Wilks – Clinical Director

