

# Swanswell

**get well**

**feel well**

**do well**

**be well**

**swanswell**

Financial Statements 2017

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## Reference and administrative details of the Charity, its Trustees and advisors

<b>Registered name:</b>	Swanswell Charitable Trust																				
<b>Also known as:</b>	Swanswell																				
<b>Registered company:</b>	03692925 (United Kingdom)																				
<b>Registered charity:</b>	1074891 (England and Wales)																				
<b>Principle / Registered office:</b>	Thames Mews, Portsmouth Road Esher Surrey KT10 9AD																				
<b>Trustees:</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: <table><tr><td>Dr A Maynard</td><td>Chair (resigned December 2016)</td></tr><tr><td>Mr R Pertwee</td><td>Chair (appointed December 2016)</td></tr><tr><td>Mr J Watkins</td><td>Vice-Chair (resigned December 2016)</td></tr><tr><td>Dr J Bland</td><td>President (resigned December 2016)</td></tr><tr><td>Mr T Rutherford</td><td></td></tr><tr><td>Mr C Mitchell</td><td>(resigned December 2016)</td></tr><tr><td>Dr A Zaghloul</td><td>(resigned December 2016)</td></tr><tr><td>Mr M Pilgrim</td><td>(resigned December 2016)</td></tr><tr><td>Mr A Furlong</td><td></td></tr><tr><td>Prof P Cook</td><td>(resigned December 2016)</td></tr></table>	Dr A Maynard	Chair (resigned December 2016)	Mr R Pertwee	Chair (appointed December 2016)	Mr J Watkins	Vice-Chair (resigned December 2016)	Dr J Bland	President (resigned December 2016)	Mr T Rutherford		Mr C Mitchell	(resigned December 2016)	Dr A Zaghloul	(resigned December 2016)	Mr M Pilgrim	(resigned December 2016)	Mr A Furlong		Prof P Cook	(resigned December 2016)
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Dr A Zaghloul	(resigned December 2016)																				
Mr M Pilgrim	(resigned December 2016)																				
Mr A Furlong																					
Prof P Cook	(resigned December 2016)																				
<b>Auditor:</b>	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL																				
<b>Bankers:</b>	NatWest Bank 4 <sup>th</sup> Floor 1 St Philip Place Birmingham B3 2PP																				

## Report of the Trustees

### Introduction

The Trustees present their report and the audited financial statements for the year ended 31 March 2017.

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

In December 2016, Swanswell Charitable Trust became a wholly-owned subsidiary of Cranstoun, a company registered in England no. 03306337, charity number 1061582. The change of control was undertaken to enable Cranstoun and Swanswell to work more closely together as a group of companies with the ultimate aim of merging the organisations in the future. Steady progress towards this has been made in the transitional phase with central functions being combined and considerable efforts made to reduce costs and future liabilities at Swanswell.

At the time of the change of control Cranstoun's Chair, Richard Pertwee, became a trustee and also Chair of Swanswell however to maintain independence two of the existing Swanswell trustees have remained on the board. Also Cranstoun's senior management team assumed roles in Swanswell's executive team to provide support and oversight.

### Structure, management and governance

#### How we do it

The Trustees meet periodically to set the Charity's strategy, monitor progress towards achievement of organisational goals, review operational performance and oversee the management of organisational risk.

The Trustees have established the following subcommittees in order to increase the scrutiny of and to provide input to key strategic risk areas:

- Clinical Reference Group - to review and scrutinise Swanswell's activity and performance in the domains of clinical quality assurance and clinical excellence. This committee has not met since December 2016 and the intention is that its functions will be incorporated in a group clinical governance function during the 2017/18 financial year.
- Finance, Risk, Audit and Compliance Committee - to review and scrutinise Swanswell's activity and performance in the domains of finance, including employment and remuneration, risk management, audit and compliance. From December 2016 this committee has been incorporated into the Cranstoun Group Finance and Audit Committee.

The Executive of the organisation comprises:

- Director of Western Region – David Lewis
- Director of Eastern Region – Anne Steele
- Medical Director – Dr Steve Brinksman
- Chief Finance Officer – Martin Holly (Cranstoun)
- Director of Operations – Peter Glass (Cranstoun)
- Director of HR & Governance – Kim Coles (Cranstoun)

The Executive manages the Charity on a day-to-day basis.

### **Remuneration policy**

Swanswell has 172 team members. Swanswell's remuneration policy is based on an ambition to recruit and retain skilled staff who are remunerated fairly but who are primarily motivated to work with us because of our vision. To that end we aim to pay staff at rates that are comparable to the median rate in the charity sector for similar jobs in the local employment market, subject to considerations of affordability for the organisation.

This policy extends to all staff, including executive management. We ensure that we adhere to this policy by subscribing to and applying a job evaluation system and subscribing to sector pay surveys annually.

### **Governance**

Swanswell began its charitable activities in 1968 in Coventry and Warwickshire, delivering alcohol treatment services. It achieved charity status in 1969, and became incorporated as a company limited by guarantee in January 1999.

Swanswell is governed by its Articles of Association and Trustees are appointed by the members in a General Meeting or at a meeting of Trustees. The Trustees adhere to the Nolan principles of public life. They exercise a constant oversight of the Charity's performance ensuring that, through robust governance arrangements, it works to further its charitable objects in accordance with its policies and best practice. Trustees are recruited and inducted in line with policies and procedures, which have been written specifically for this purpose, including the assessment of fit and proper persons in line with CQC requirements.

### **Statement of responsibilities of the trustees**

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

# Swanswell Charitable Trust

## Statement of responsibilities of the trustees (continued)

In so far as the Trustees are aware:

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

Cranstoun is the sole member of the Charity and guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2017 was 1 (2016: 9). The Trustees are no longer members of the Charity and have no beneficial interest in the Charity.

## About us

Swanswell is a national recovery charity that has over 48 years' experience helping people change and be happy. We believe in a society free from problem alcohol and drug use.

You probably know someone affected by alcohol or drugs. Most people do. The difficulty is most people don't like to talk about problem alcohol and drug use, even though it's a common problem affecting millions.

If you believe problem alcohol and drug use doesn't have an impact on society, it's time to think again. The harms caused by drug and alcohol misuse affect individuals, families and communities.

### Alcohol misuse

- **7%** of adults in England regularly drink over the Chief Medical Officer's low-risk guidelines
- In 2015, there were **8,758** alcohol-related deaths
- In England, there are an estimated **595,000** dependent drinkers
- Alcohol harms are estimated to cost the NHS around **£3.5 billion** annually
- Alcohol-related crime in the UK is estimated to cost between **£8bn** and **£13bn** per year

Source: Alcohol Concern (August, 2016)

### Drug misuse

- The social and economic cost of drug supply in England and Wales is estimated to be **£10.7 billion** a year. **£6 billion** is attributed to drug-related acquisitive crime
- In 2015 – 2016, around **2.7 million** (8.4%) of 16-59 year olds in England and Wales reported using a drug in the last year
- There has been a dramatic increase in drug misuse deaths since 2012. In England and Wales, the number of deaths from drug misuse registered in 2015 **increased by 10.3%** to **2,479**
- Deaths involving heroin, which is involved in half the deaths, **more than doubled** from 2012 – 2015

Source: 2017 Drug Strategy (July, 2017)

Swanswell is passionate about helping people think clearly about alcohol and drug use. Our experience and skills also enables us to deliver supporting people services, which offer practical help to service users for housing, budgeting, debt management, benefits, volunteering, and training and to gain employment. We support people to develop their skills enabling them to live an independent life. We believe more people deserve the chance to change and be happy, and get the support they deserve.

## Objectives

Our Trustees are dedicated to leading a charity that offers change to all who seek a happier life. Our charitable objects commit us to improving people's lives. We help people break free from dependency and support them on their journey towards recovery. By helping people change their problem behaviour their families and communities feel the positive impact. We're also committed to changing the way alcohol and drug misuse is viewed and treated in society.

Alcohol and drug misuse can devastate families, destroy lives and damage society. **It doesn't have to be this way.**

Swanswell has a demanding vision for individuals and for society – **Change and be happy. We believe in a society free from problem alcohol and drug use.** This is an ambitious vision which dares to imagine generational, transformational change.



## Swanswell's mission

To achieve a society free from problem alcohol and drug use. We will enable a climate of clear thinking around the use of alcohol and drugs

- **by clearly demonstrating** the cause and effect that drives problem behaviour
- **that will** change the majority of public opinion
- **so that** society demands policy change
- **that will** help eliminate the problems of alcohol and drug use within a generation

In December 2016, Swanswell became a wholly-owned subsidiary of Cranstoun. The charities already successfully worked in partnership on a number of projects. These include a joint initiative across alcohol and substance misuse in Sandwell, creating joint pathways into mental health across services in Berkshire West and delivering a reducing alcohol-related violent crime course for West Midlands Police. The Trustees consider that the opportunity for the organisations to more closely work would enhance the operations and provide economies and efficiencies that would be in the best interests of service users.

The two charities are an excellent fit in terms of their positive vision, mission, values and their shared ambition to save lives by tackling alcohol and drug addiction. The values and strategic vision for both organisations are aligned, not only in tackling substance misuse but also the desire to diversify and deliver other behaviour changes. This exciting partnership is a great opportunity for the future and ultimately it is intended that in the future the charities will merge as a single entity. Preparatory work is therefore being undertaken by both organisations to facilitate this.

## Public benefit

The Trustees, with due regard to the public benefit guidance issued by the Charity Commission, consider Swanswell's activities to be of public benefit as they provide relief for people and families suffering from with or affected by, substance misuse issues.



### Activities

Swanswell provides a range of services which help individuals to reach their full potential, and reduce the cost of their problematic use of alcohol and drugs on health, relationships and society overall. Our services demonstrate public benefit through supporting people to develop their skills enabling them to live an independent life.

In 2016/17, we operated services in Avon and Somerset, Barnsley, Birmingham, Coventry, West Midlands, West Berkshire and Worcestershire.

In 2016/17, we provided the following services to help people feel well, do well and be happy:

#### **Substance misuse services**

- Alcohol treatment and support
- Drug treatment and support
- Young person's support

#### **Criminal justice services**

- Arrest intervention and referral service
- Reducing alcohol-related violent crime

#### **Supporting people services**

- Single people
- Offender
- Mental health support
- HIV/TB support
- Tenancy related support

#### **Other services**

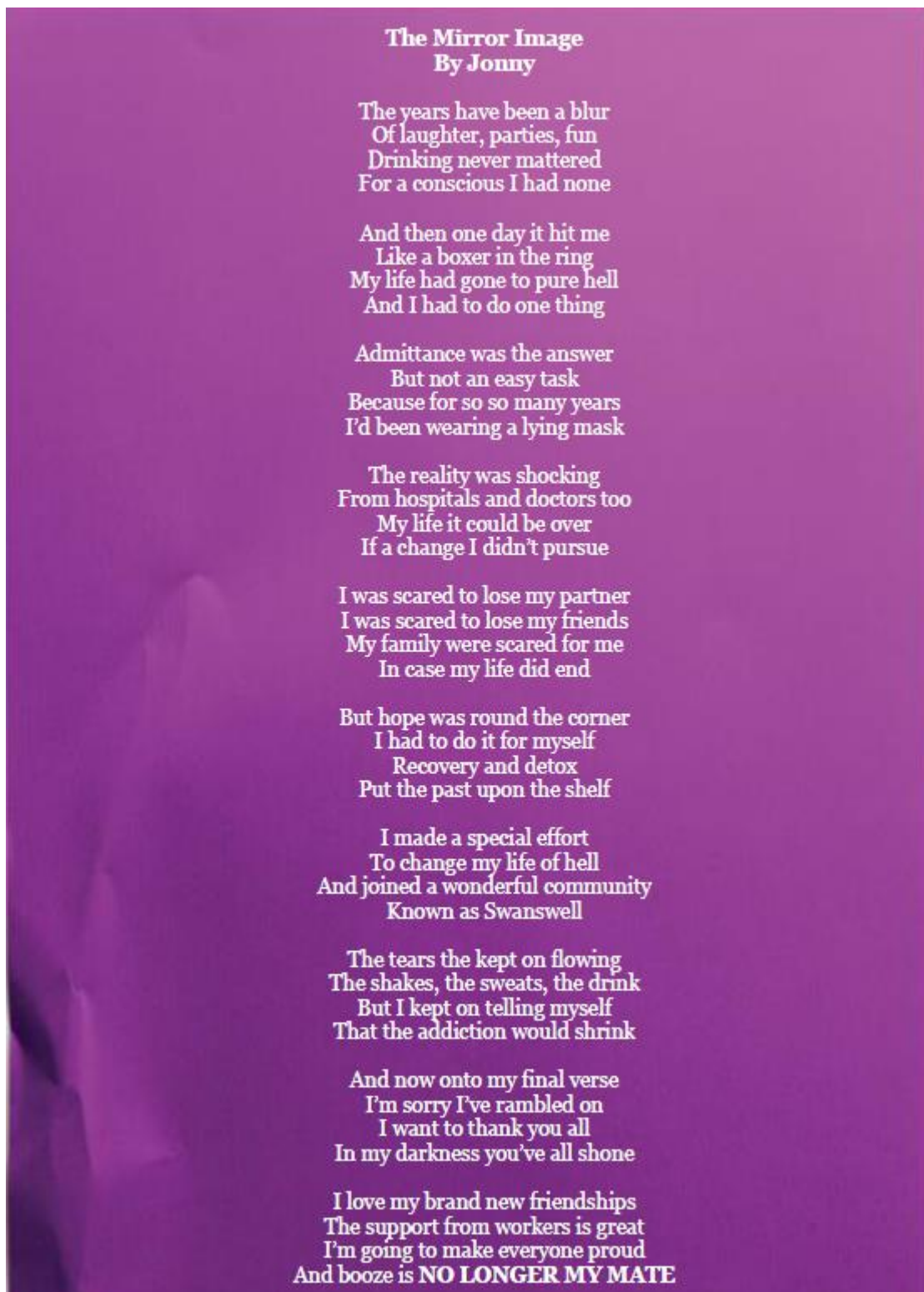
- Family and carer support



**use our service**



An **inspirational poem** by one of our Newbury service users.



## Strategic Report

### Our service users at a glance

Last year, thousands of service users and their families were supported by Swanswell on their journey towards recovery.

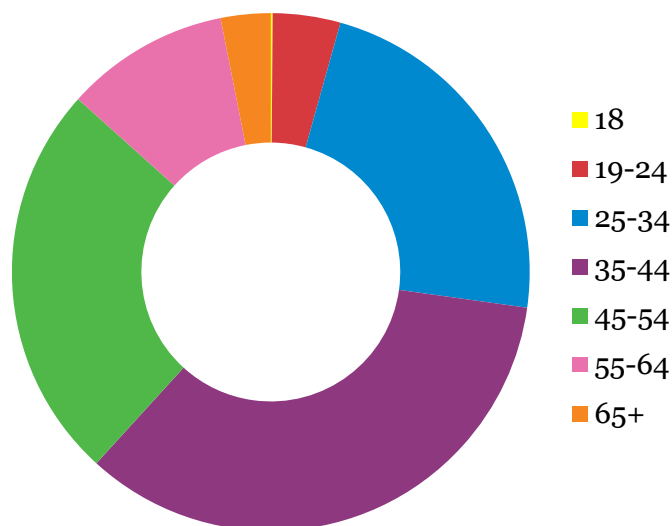
In 2016/17, we supported **6,251 people**.

Overall, **50.38% of service users** left our service in a planned way. Within Sandwell, West Berkshire and Worcestershire this was an **8% improvement**, compared to the previous year.

- **33.2%** of our service users are female
- **66.8%** of our service users are male
- **0.06%** of our service users are transgender

This is comparable to the **70% male, 30% female** gender split in recovery services across England.

Our service users are of different ages:



### The top five most used substances

- Alcohol
- Heroin
- Cannabis
- Cocaine
- Cocaine freebase (crack)

### Achievements and performance

Here are some of Swanswell's highlights from 2016/17.

#### Avon and Somerset Arrest Intervention Referral Service (AIRS)

Reducing re-offending and breaking the cycle of addiction and crime is the aim of our Arrest Intervention Referral Service (AIRS) in Avon and Somerset. In the first three years of the contract, we've had over **37,000 contacts with detainees**.

In 2016/17, AIRS:

- had **10,377 contacts** with offenders in cells
- completed **1,952 assessments and interventions**
- referred **809 individuals** to community treatment
- achieved on average, **90% satisfaction**

We have exceeded our contract requirements by:

- identifying veterans in custody to ensure they receive the appropriate support
- completing joint mental health assessments in Somerset custody suites
- contributing to the Newcastle & Bristol University alcohol intervention study
- providing intelligence to the constabulary, regarding drug gang culture locally
- referring perpetrators of domestic violence to the local scheme and assisting partners to obtain restraining orders within 24 hours
- identifying foodbanks and issuing vouchers to those in custody following an assessment
- participating in student enrichment days at local schools and colleges
- writing and delivering the Drug Education Programme for Avon and Somerset. Since going live, we have had over **500 delegates attend the Drug Education Programme**. Our attendance rate is over **80%** and **none of the delegates** have re-presented for a drug-related crime since attending. The Drug Education Programme has featured on the BBC national news and Radio 5 Live

*'I wish this programme was available years ago.'*

*'Great programme! so grateful for this opportunity.'*

*'Needed this education. Didn't know half of the effects on my body that I was doing through drug abuse.'*

The Drug Education Programme

#### Barnsley carer support service

Our contract to deliver the carer support service in Barnsley expired in December 2016. From March to December, we supported **50 individuals** who were affected by someone else's drug and alcohol use.



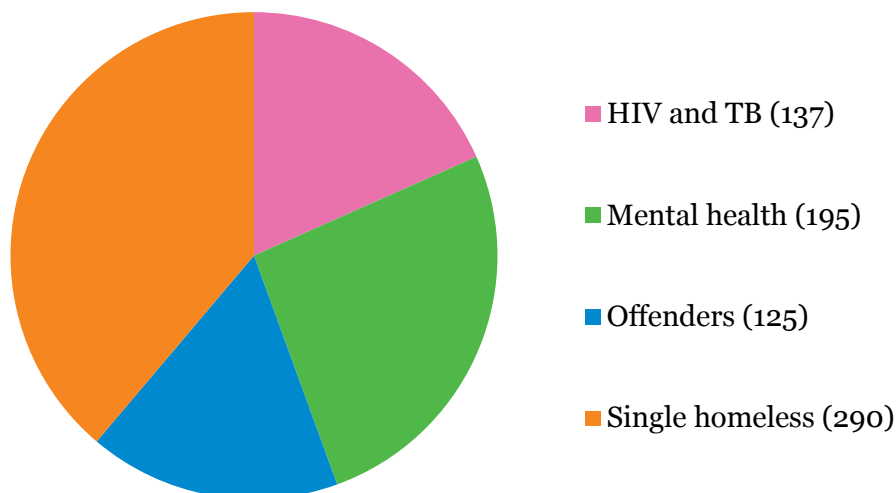
## Swanswell Charitable Trust

### Birmingham supporting people services

Swanswell delivers part of the floating support service for offenders, single people and people requiring support with mental health issues in Birmingham. We also support people living with HIV and TB.

In 2016/17 we:

- received **1,574 referrals**
- **supported 747 people**



### Supporting people service

- Successfully achieved the full payment by outcome (PBO) payment, exceeding the **80%** target. We also supported more service users than contract requirements
- Achieved **86% positive outcomes** for offenders contract, against a target of **80%**
- Achieved **93% positive outcomes** for single homeless contract, against a target of **80%**
- **92%** of service users established or maintained independent living, exceeding the **80%** target

### Mental health service

- Successfully achieved the full payment by outcome (PBO) payment, exceeding the **80%** target. We also supported more service users than contract requirements
- **89%** of service users established or maintained independent living, exceeding the **80%** target

### HIV and TB support service

- Supported mothers with HIV to obtain baby milk
- Supported service users to attend treatment at clinic and maximise their visit
- Held children's party at Christmas for the families of parents and children living with HIV
- Facilitate regular 'Safe Space' self support meetings for service users living with HIV or TB
- **93%** of service users established or maintained independent living, exceeding the **80%** target

*'My worker has been a big help to me and I respect her for that. I want to thank you for everything you have done and tried to do for me. I appreciate this.'*

*'Very pleased with my support worker. We achieved everything that needed to be done. I would recommend this service.'*

### Coventry alcohol and drug tenancy related support

Our service promotes independent living for adults who are affected by substance misuse in Coventry. We provide finance, housing, benefits and education advice. In 2016/17, **420 clients** were referred into the service and **89%** of people achieved their goals.

In March 2017, our team helped organise a film screening of I, Daniel Blake along with a question and answer session with the award-winning director, Ken Loach. Over **280 people** came to the screening at Coventry University, which was a huge success.

### West Midlands

#### Sandwell alcohol service

Swanswell delivers community-based alcohol treatment in Sandwell. Our alcohol service has exceeded key performance indicator targets set by commissioners, achieving a planned closure rate of **81%** against a target of **60%**, for all service users in treatment.

*'I came to Swanswell desperate for help but at the same time, not really convinced you would be able to, as I'd been trying myself without success for a long time. I went into my home detox willing it to work and dreading what I thought would be the week from hell. The nurses were great, the medication made quitting painless and a month on I haven't looked back. I would urge anyone considering this path to have faith in the Swanswell team and let them help you.'*

In 2016/17:

- **1,104 individuals** accessed support from the Sandwell alcohol service
- **45.97%** of people successfully completed their alcohol treatment, which is a **14%** improvement since the contract start and above the national average of **40.1%**
- we supported the Sandwell Public Health Agenda to extend alcohol misuse screening and 'make every contact count' by delivering training to **52** agencies in Sandwell. **97%** of delegates rated the knowledge of the trainer as either good or excellent
- we completed a service user survey. **98%** of service users said they are satisfied, or very satisfied with our service

We are part of the Sandwell's Blue Light Project, facilitated by Alcohol Concern, to develop an approach to engage treatment resistant drinkers. Outcomes for the project are impressive:

- 16 individuals, now managed by the project, had previously cost the police, ambulance and health service **£292,319** (in one year)
- reduced costs to the ambulance service by **62%**
- reduced costs to A&E to **54%**
- **25%** of service users improved their health substantially by successfully completing treatment with **15%** continuing to have some level of engagement with services

### Reducing alcohol-related violent crime course (West Midlands Police)

In December 2016, Swanswell won a joint bid with Cranstoun to deliver a reducing alcohol-related violent crime course for West Midlands Police. This is a conditional caution intervention scheme, aimed at those who commit first time, low-level offences under the influence of alcohol.

From January to March 2017:

- **three** courses took place
- **63 clients** completed the course



## Swanswell Charitable Trust

### West Berkshire alcohol and drug recovery service

Swanswell delivers support for people affected by problem alcohol and drug use in West Berkshire.

We supported **615 individuals** in 2016/17.

- **7.18%** of opiate users successfully left treatment, which is an improvement of **0.8%** since the contract start and meets the national average
- **56.76%** of non-opiate users successfully left treatment, which is an **improvement of 26.2%** since the contract start and **exceeds the national average by 16%**
- **40%** of alcohol users successfully left treatment, which meets the national average
- We are growing in size! In 2015, when we became the new service provider, we had 336 people in service (quarter one). For the same period in 2017, we had **427 people** in service – almost 100 people more

West Berkshire has a programme of community activities to get people involved in their recovery. Key activities include:

- CV writing workshop with one service user gaining employment
- Workshops held for service users to build skills. Topics include confidence building, self-esteem, volunteering, team building, cooking, sporting activities to improve mental health, yoga, relaxation techniques and a Christmas decoration workshop
- To build confidence and self-esteem, we organised an event to promote recovery called **Newbury's got Talent**, which was really successful

*'You can come here and talk and they don't judge. They listen and help as much as they can. I wouldn't be able to cope without them.'*

*'They deserve a medal for what they do.'*

#### Visitor Posts



**Guy Reynolds** ▸ Swanswell

8 April at 03:06 · 🌐

Hi my name is Guy Reynolds I am a grateful addict who today is free. God has given me the gift of 86400 seconds in a day. I just want to shout from the roof tops and tell you all about all the truly, amazing fantastic beautiful kind loving caring gifted Supercalifragilisticexpialidocious team of swanswell Newbury they are all fantastic and I love them all dearly they saved my life. Thank you everybody at Swanswell in Newbury xxxxxxxxx



### Worcestershire alcohol and drug recovery service

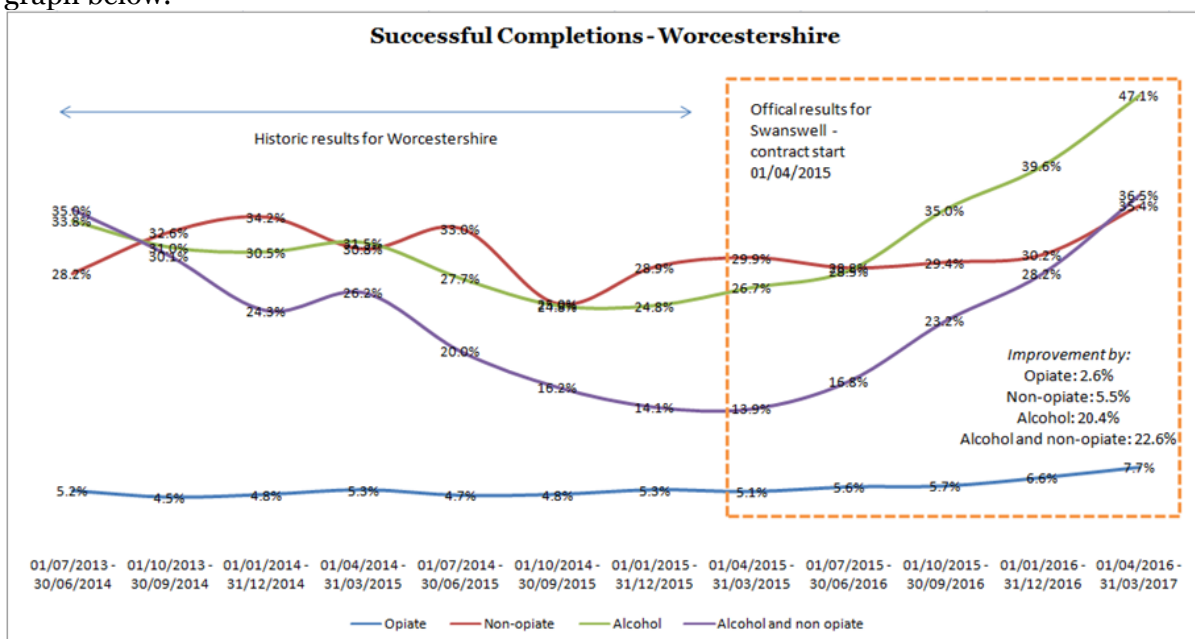
Swanswell delivers support for people affected by problem alcohol and drug use in Worcestershire. The Worcestershire alcohol and drug recovery service has faced a particularly challenging second year, due to significant funding reductions, which led to a service and staffing model redesign. Despite these challenges, performance within the contract has continued to improve.

In 2016/17, we supported **3,120** individuals.

The number of people successfully completing treatment has improved since the contract start:

- **7.7%** of opiate users successfully left treatment, which is an improvement of **2.6%** since the contract start and exceeds the national average of **7.1%**
- **35.4%** of non-opiate users successfully left treatment, which is an improvement of **5.5%** since the contract start
- **47.1%** of alcohol users successfully left treatment, which is an improvement of **20.4%** since the contract start and exceeds the national average of **40.1%**
- **36.5%** of alcohol and non-opiate users successfully left treatment, which is an improvement of **22.6%** since the contract start and exceeds the national average of **35.7%**
- **71%** of young people successfully completed their treatment, which is an increase of **7%** on the previous year

Successful completions for the service are at their highest levels for five years, as illustrated in the graph below.



Our young person and family team in Worcestershire delivered a total of **48 events** and workshops to the public. The team also delivered alcohol and drug awareness workshops in schools, encouraging students to keep safe around drink and drugs. The feedback from the events has been really positive:

*"The best interactive workshop I have seen. You have a winning formula!"*

*"They ran a practical and informal session, where learners were given the opportunity to experience life through 'beer goggles' and to look at drugs, to enable them to identify them and understand the dangers. It was a very popular event, with learners queuing up to participate."*



*'My life is better and I am now drug free having detoxed off Subutex. I have not had any heroin or crack since August. I am now in contact with my son again and **feel like my life is back on track**. Thank you.'*

*'Swanswell gave me support, a balance and a better look on what I can achieve, basically reality that there's more and a routine. My life now is healthy and family and real friends are back. I'm active and have ambition to learn and make a living.'*

*'My life nine months ago was stressful and unsettled. I was drinking almost daily and it was having a huge effect on my life. **I feel like I now have clarity and feel more grounded and connected with myself**. I have a more simple and enjoyable life without alcohol causing problems. Thank you for your help.'*

*'I was a heavy binge drinker and I was drinking whenever I had the money to. **My life now is a lot better** because I feel more active to do things, my partner feels that I am supportive and I've now spent less money on booze.'*

**Comments from the Worcestershire alcohol and drug recovery service**

**Worcestershire shared care highlights:**

- arranged for **13 shared care GPs** to complete their Level 1 RCGP for alcohol management in primary care
- appointed Dr Iain Macleod and Dr Jonathan Coleman as GPwSI (General Practitioner with Specialist Interest) to support other GPs in the community
- planned shared care surgery reviews
- implemented a medical review and initial assessment templates in GP surgeries
- implemented a quarterly shared care GP bulletin
- shared care GP Events were organised to share information with GPs
- shared care briefing was held for substance misuse workers to provide an update on shared care model and developments
- completed a clinical audit of shared care



be well

## Partnerships and performance

Swanswell is the organisation of choice for a wide range of commissioners. Our relationships with commissioners are based on mutually agreed contracts and service level agreements through which demanding targets are set and performance measured. We hold an impressive, demonstrable track record of achievement against these targets, and strive continuously to improve performance and service quality, while achieving competitive service costs. While performance targets are set locally, they reflect the targets which central government has set out for substance misuse services. We pride ourselves on delivering the best services possible to service users.

## Shouting about Swanswell

Social media presence:

- **1,793 people** follow Swanswell on twitter
- Almost **10,000 people** have viewed our YouTube channel
- Since launching our Facebook page, we've achieved **840 'likes'**

## Involving team members

Swanswell has well-established arrangements for managing, consulting and involving team members, and we believe that they are important for the success and development of the Charity. We consult with team members, and seek their views, through a variety of routes, including team meetings, our team brief and the intranet.

## Volunteers and peer mentors

Volunteers and peer mentors are really important to Swanswell.

- The Birmingham supporting people service has employed **three** peer mentors as support workers
- In Worcestershire, we have continued to invest in recruiting both peer mentors and volunteers to support the service:
  - peer mentors have represented Swanswell at the West Midlands Service User Forum in Birmingham
  - a peer mentor attended HM Prison Hewell to support our ACE (Assertive Community Engagement) workers. They engaged with inmates and provided support for pre-release groups
  - peer mentors supported a number of young person events by sharing their stories
- In West Berkshire a Peer Mentor and Volunteer Co-ordinator was recruited in November 2016, who implemented a promotional recruitment campaign and gained **seven** volunteers and **21** peer mentor applications

## Diversity

Swanswell is an equal opportunities employer. All of our team members, and all applicants for employment, are given equal opportunity in employment irrespective of their colour, race, nationality, ethnic or national origins, religion, sex, marital status, sexual orientation, disability or age. We recognise the rights and responsibilities which are set out in the Equality Act (2010), and will support individuals who may need special assistance. Our recruitment procedure ensures that we comply with good practice and employment law. We are committed to making reasonable adjustments for team members who are disabled to ensure they are able to do their job effectively.

We are committed to preventing and discouraging discrimination, harassment and victimisation of any team member on any grounds and especially all nine protected characteristics. We view any such actions as gross misconduct.

### Involving our service users

Our service users are at the heart of everything we do. We want people to have a positive experience with us. We've created the following opportunities to give service users the opportunity to enhance their recovery, get involved and influence Swanswell's development.

- Service user groups
- Networking at events and conferences
- Recovery presentations at GP surgeries, schools and community venues
- Media interviews, so service users can tell their story
- Service users invited to be Trustees
- Service users included in the recruitment process
- Volunteering opportunities
- Service users involved in the tendering process for new services
- Website, which has email contact options and links to our Facebook and Twitter
- Team members gathering feedback during appointments

We encourage service users to have their say. In 2016/17, we received **104 compliments** and **18 formal complaints**, which we dealt with using our compliments, concerns and formal complaints procedure. We shared our learning with team members through update meetings and our quarterly lessons learnt bulletin.

### What our service users say

*'I find my worker an excellent member of staff. She really motivates me and supports me through my recovery I am so glad that I was referred to Swanswell. I feel supported and empowered. Swanswell are fantastic.'*

**Sandwell service user**

*'I've been away and lost my life but with your help it's now being put back together. This should be made more available to help people like myself.'*

**Birmingham service user**

### Plans for future periods

Moving forward we'll take more of what we do well to more people who need it. At Swanswell, we're good at what we do and we have an enviable reputation for delivering what we promise.

Like others in the sector, Swanswell has faced an increasingly challenging financial environment. Our link with Cranstoun will enable us to combine our respective experience and knowledge and expand our services, achieving better outcomes for service users as we work towards a full merger.

By working in partnership with Cranstoun we're confident we will become stronger and we'll continue to help people change their lives for the better so they can feel well, do well, be well and stay well.

### Financial review and going concern

In 2016/17 the financial performance of the charity was poor with a reduction in funds of £782,660 (2016: £765,059). This is a similar result to the prior year and again primarily due to challenges in managing the Worcestershire substance misuse contract, especially the substitute prescribing costs, within the available funding. The Trustees have therefore taken steps, both during the financial year and following the year end, to improve the financial position of the charity by restructuring, effecting costs savings and realising economies of scale by combining central functions and working ever more closely with Cranstoun. These steps have resulted in the charity balancing the Worcestershire substance misuse budget and forecasting a surplus for both 2017/18 and 2018/19. The section on risk below also explains the Trustees' approach and mitigations to managing the challenges to funding and cashflow management. Given the steps taken and planned, together with the approach to risk management, the Trustees consider that the going concern basis remains appropriate.

### Our reserves policy

At 31<sup>st</sup> March 2017 unrestricted reserves were £248,605 (2016: £956,468), this consists of tangible fixed assets with a net book value of £85,285 (2016: £180,032) leaving free reserves of £163,320 (2016: £776,436) held as net current assets.

The Trustees have determined that unrestricted reserves held by the Charity should be at a level that will enable the Charity to meet its financial obligations if current contracts are not retained. This level, at 31<sup>st</sup> March 2017, is considered to be £216,000 (2016: £320,000). The trustees have noted the reduction in the overall level of reserves and that the level of free reserves is below the stated requirement at the end of the financial year. However, the cost saving and restructuring measures noted above have improved reserves levels such that they met the reserve requirement of £216,000 early in the 2017/18 year. This trend has continued and at the end of September 2017 the Charity has a management accounts surplus of £101,842 with free reserves of £326,323.

### Our investment policy

Our Articles of Association enable Swanswell to invest monies not immediately required for the furtherance of our objects. We apply a cautious approach to the investment of surplus funds in order to protect us from the volatility in the banking market. Interest received was £2,458 (2016: £8,716). This decrease is due to the reduction in cash balances during the year.

### Principal risks and uncertainties

#### Organisational Risk Management

Following the change of control, whereby Swanswell became a wholly owned subsidiary of Cranstoun, risk has been managed on a group basis. The charities in the group operate in similar environments and the risks are largely the same and therefore Trustees maintain a common register of the risks to which the group's charities are exposed. Formal reviews of the register are undertaken on a twice yearly basis and involve senior management, together with the Trustee bodies of the charities. The register identifies risks, assesses their severity in terms of impact and likelihood of occurrence and then determines plans to avoid, reduce, share, transfer or mitigate these risks. As a result of this process the Trustees are satisfied that the risks to which the charity is exposed have been identified and systems have been established and implemented to mitigate exposure to those risks.

The principal risks identified and the plans and strategies for managing these risks are as follows:

- The possible loss of contract income due to the highly competitive operational environment and low levels of reserves. This risk is mitigated by continual monitoring of service quality and performance and by maintaining a competitive cost base with strong financial management and controls and the ongoing consideration of a full merger with Cranstoun.

### **Organisational Risk Management (continued)**

- The possibility of reduced or changed funding as a result of changes in Government policy. This risk is managed by monitoring, on a group basis government strategy and any legal and regulatory changes, membership of service provider bodies representing the sector and engaging with policy makers and commissioners.
- The possibility of inadequate cashflow problems. This risk is mitigated by the implementation of a strict financial management regime based on budgets and regular management reporting and reviews together with cashflow monitoring and reporting. The relationship with Cranstoun also provides some further mitigation through the possibility of short term support if, exceptionally, this were required.

### **Operational risk management**

Swanswell's operational activity is subject to extensive external scrutiny in terms of outputs and outcomes achieved, as well as the processes through which we deliver our work to our service users. Sound clinical governance is integral to our working practice, ensuring that risk assessment is continually carried out and subject to thorough clinical supervision.

We deliver services for people, with people, through people, so employment practice is of critical importance to the quality of our work. The Trustees are committed to good employment practices and to ensuring that employment risk is minimised.

### **Clinical governance**

Our clinical governance is everything we do - as individuals and as an organisation - to strive to achieve excellence in the clinical services we provide. It's a framework through which we are accountable for continually improving the quality of our services and safeguarding high standards of care, by creating an environment in which excellence in clinical care will flourish.

The Medical Director ensures our compliance, supported by our policies and procedures which underpin our service provision. To ensure that the clinical governance framework is effective, the Trustees commissioned an independent review by DAC Beachcroft which was completed in 2016.

There are a number of regulated activities in delivering social care and health services, and we are registered and compliant with the Care Quality Commission (CQC) which is the independent regulator of health and adult social care in England.

The Report of the Trustees, which includes the Strategic Report, was approved by the Trustees and signed on their behalf by

**Richard Pertwee**

**Chair**

**9 November 2017**



## Report of the Auditor

### Independent auditor's report to the members of Swanswell Charitable Trust

#### Opinion

We have audited the financial statements of Swanswell Charitable Trust (the 'charitable company') for the year ended 31 March 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

#### Basis for opinion

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

We have nothing to report in this regard.

### **Independent auditor's report to the members of Swanswell Charitable Trust (continued)**

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

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

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

#### Auditor's responsibilities for the audit of the financial statements

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.



## **Independent auditor's report to the members of Swanswell Charitable Trust (continued)**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Judith Miller (Senior statutory auditor)

Date 10 November 2017

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

# Swanswell Charitable Trust

## Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2017

	Note	Unrestricted Funds	Restricted Funds	Total Funds 31 March 2017	Total Funds 31 March 2016
		£	£	£	£
<b>Income from:</b>					
Donations	3	6,022	-	6,022	7,538
Charitable activities	4				
Substance Misuse Treatment services		6,406,300	31,710	6,438,010	9,107,676
Criminal Justice and Probation services		738,229	-	738,229	1,016,487
Supporting people services		1,267,857	-	1,267,857	1,030,029
Other charitable services		45,074	-	45,074	216,797
Other trading activities	5	716	-	716	883
Investments	6	2,458	-	2,458	8,716
Other		30,352	300	30,652	15,198
<b>Total income</b>		<b>8,497,008</b>	<b>32,010</b>	<b>8,529,018</b>	<b>11,403,324</b>
<b>Expenditure on</b>					
Charitable activities	7				
Substance Misuse Treatment services		7,298,529	106,807	7,405,336	9,926,116
Criminal Justice and Probation services		695,473	-	695,473	1,071,442
Supporting people services		1,175,594	-	1,175,594	944,923
Other charitable services		35,275	-	35,275	225,902
<b>Total expenditure</b>	8,9,10	<b>9,204,871</b>	<b>106,807</b>	<b>9,311,678</b>	<b>12,168,383</b>
<b>Net movement in funds</b>	20	<b>(707,863)</b>	<b>(74,797)</b>	<b>(782,660)</b>	<b>(765,059)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		956,468	91,402	1,047,870	1,812,929
<b>Total funds carried forward</b>	20	<b>248,605</b>	<b>16,605</b>	<b>265,210</b>	<b>1,047,870</b>

All amounts relate to continuing activities

All recognised gains and losses are included in the statement of financial activity

The notes on pages 25 to 39 form part of these financial statements, movements in funds are disclosed in note 20.

# Swanswell Charitable Trust

Registered company number: 03692925  
Balance sheet as at 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
<b>Fixed assets</b>			
Tangible fixed assets	13	<u>85,285</u>	<u>180,032</u>
<b>Current assets</b>			
Stocks	14	1,143	13,411
Debtors	15	643,909	707,421
Cash at bank and in hand		<u>325,676</u>	<u>1,543,960</u>
		<b>970,728</b>	<b>2,264,792</b>
<b>Liabilities</b>			
Creditors amount falling due within one year	16,17	<u>790,803</u>	<u>1,396,954</u>
<b>Net current assets</b>		<b>179,925</b>	<b>867,838</b>
<b>Total assets less current liabilities</b>		<u><b>265,210</b></u>	<u><b>1,047,870</b></u>
<b>Funds</b>			
Restricted funds	20	16,605	91,402
Unrestricted funds	20	248,605	956,468
<b>Total charity funds</b>		<u><b>265,210</b></u>	<u><b>1,047,870</b></u>

The financial statements were approved by the Trustees on 11 November 2017 and signed on their behalf by:

**Richard Pertwee**  
**Chair**

# Swanswell Charitable Trust

## Statement of cash flows for the year ended 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
<b>Cash flows from operating activities</b>			
<b>Net cash (used in)/provided by operating activities</b>	21	<b>(1,219,265)</b>	<b>208,244</b>
<b>Cash flows from investing activities</b>			
Interest received		2,458	8,716
Purchases of fixed assets		(1,477)	(141,173)
<b>Net cash provided by/(used in) investing activities</b>		<b>981</b>	<b>(132,457)</b>
<b>Change in cash and cash equivalents</b>		<b>(1,218,284)</b>	<b>75,787</b>
Cash and cash equivalents at beginning of year		1,543,960	1,468,173
<b>Cash and cash equivalents at end of year</b>	22	<b>325,676</b>	<b>1,543,960</b>

Notes to the financial statements  
for the year ended 31 March 2017

1. Statement of accounting policies

**Statutory Information**

Swanswell Charitable Trust is a charitable company limited by guarantee and incorporated in the United Kingdom. The registered office address and principal place of business is Thames Mews, Portsmouth Road, Esher, Surrey, KT10 9AD.

**Basis of preparation**

The financial statements 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 FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 September 2015) and the Companies Act 2006.

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

**Public benefit entity**

The Charitable Company meets the definition of a public benefit entity under FRS 102.

**Going concern**

The trustees have noted the poor financial performance of the charity during the year, the reduction in the overall level of reserves, and that the level of free reserves at the end of the financial year, at £163,000, is below the stated requirement of the reserves policy (p.17) of 216,000. The trustees therefore continued to take steps throughout the year to improve the financial position of the charity, in particular restructuring, effecting cost savings and realising economies of scale through working more closely with Cranstoun. These have resulted in the charity forecasting a surplus for both 2017/18 and 2018/19 and achieving, at the end of September 2017, a management accounts surplus of £101,282 with free reserves of £326,323.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

**Income**

Income from charitable activities is recognised as earned upon receipt or upon fulfilling specific performance conditions under contract.

Income from donations is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before Swanswell has unconditional entitlement.

Donations for purposes restricted by the wishes of the donor are taken to restricted funds. All donations received are accounted for on a receipts basis.

All other income is accounted for on an accruals basis.

### **Expenditure and irrecoverable VAT**

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

Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs

Other expenditure represents those items not falling into any other heading

Expenditure relating to redundancy and termination benefits is recognised once the decision to terminate has been made, it is probable that termination will occur and the amount of the obligation can be measured.

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

### **Allocation of support costs and governance**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central functions, is apportioned on the following basis which are an estimate, based on usage, staff numbers and expenditure, of the amount attributable to each activity.

Substance misuse services	80%
Criminal justice services	13%
Supporting people services	7%
Other	<1%

### **Tangible fixed assets**

All long-lasting assets that Swanswell owns, and costing more than £500, are capitalised. Depreciation is provided to write-off the cost of all fixed assets and is allocated to activities on the basis of the use of the assets. It is calculated on a straight line basis over the expected useful life at the following annual rate:

Short Leasehold	over the term of the lease
Fixtures and fittings	20%
Computer equipment	33%

### **Fund structure**

Unrestricted funds are generated from contracts for service delivery that are not subject to restrictions on the use of funds.

Unrestricted funds are also generated from the management charge element of restricted contracts. Head Office and Governance costs are charged to these funds.

Designated funds comprise corporate funds that are set aside by the Trustees for specific purposes.

Restricted funds are incoming resources that are to be used for a specific purpose. Expenditure relating to these activities is charged to these funds.

Notes to the financial statements  
for the year ended 31 March 2017 (continued)

**Operating leases**

Rentals paid under operating leases are charged on a straight line basis over the term of the lease.

**Pensions**

Contributions to all schemes are charged as they become payable. The schemes are detailed in note 18.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**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 at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**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.

**Financial Instruments**

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



# Swanswell Charitable Trust

## 2. Detailed comparatives for the statement of financial activities

	Unrestricted	Restricted	Total 31 March 2016
	£	£	£
<b>Income from:</b>			
Donations	5,038	2,500	7,538
Charitable activities			
Substance Misuse Treatment services	9,083,091	24,585	9,107,676
Criminal Justice and Probation services	1,016,487	-	1,016,487
Supporting people services	1,030,029	-	1,030,029
Other charitable services	216,797	-	216,797
Other trading activities	883	-	883
Investments	8,716	-	8,716
Other	15,198	-	15,198
<b>Total income</b>	<b>11,376,239</b>	<b>27,085</b>	<b>11,403,324</b>
<b>Expenditure on</b>			
Charitable activities			
Substance Misuse Treatment services	9,925,286	830	9,926,116
Criminal Justice and Probation services	944,923	-	944,923
Supporting people services	1,071,442	-	1,071,442
Other charitable services	225,902	-	225,902
<b>Total expenditure</b>	<b>12,167,553</b>	<b>830</b>	<b>12,168,383</b>
<b>Net movement in funds</b>	<b>(791,314)</b>	<b>26,255</b>	<b>(765,059)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	1,747,782	65,147	1,812,929
<b>Total funds carried forward</b>	<b>956,468</b>	<b>91,402</b>	<b>1,047,870</b>

## 3. Income from donations

	Unrestricted	Restricted	Total 31 March 2017	Total 31 March 2016
	£	£	£	£
Donations	6,022	-	6,022	7,538

Notes to the financial statements  
for the year ended 31 March 2017 (continued)

4. Income from charitable activities

	Unrestricted	Restricted	Total 31 March 2017	Total 31 March 2016
	£	£	£	£
<b>By customer/activity:</b>				
Local authority commissioners	6,406,300	31,710	6,438,010	9,103,091
Other	-	-	-	4,585
<b>Substance misuse treatment services</b>	6,406,300	31,710	6,438,010	9,107,676
Local authority commissioners	738,229	-	738,229	1,016,487
<b>Criminal justice and probation services</b>	738,229	-	738,229	1,016,487
Local authority commissioners	1,267,857	-	1,267,857	1,021,289
Other	-	-	-	8,740
<b>Supporting people services</b>	1,267,857	-	1,267,857	1,030,029
Local authority commissioners	45,074	-	45,074	216,797
<b>Other charitable services</b>	45,074	-	45,074	216,797
	<b>8,457,460</b>	<b>31,710</b>	<b>8,489,170</b>	<b>11,370,989</b>

**Substance misuse treatment services** are services commissioned, primarily by local authorities, to reduce the harm from alcohol and or drug use. The services support individuals to change their alcohol and drug use. Swanswell offer a range of interventions, which includes psychological support, health checks, prescribing, and supported withdrawal from alcohol and drugs. The aim is to help service users reach their goals and achieve recovery. To improve accessibility Swanswell provides services in a variety of settings including GP practices, hospitals and community venues. All Swanswell's treatment services are registered with the Care Quality Commission (CQC) and comply with the CQC's regulations and standards. Swanswell supports the development of local recovery communities. During 2016/17 these services included Leicestershire and Rutland County Councils, Sandwell Metropolitan Borough Council, West Berkshire Council and Worcestershire County Council.

**Criminal justice and probation services** include the Arrest Intervention and Referral Service provided to Avon and Somerset County Council. Team members are based in the custody suites across the area and identify individuals who may be experiencing problems with alcohol and drugs, provide them with advice, support and an intervention including referral to local treatment services where necessary.

**Supporting people services** are services commissioned to support individuals to retain their tenancy. Service users are supported to develop a variety of skills to enable them to manage their tenancy effectively, support may also extend to entering education or employment and obtaining debt advice. During 2016/17 we had a substance misuse related independent living service in Coventry and Warwickshire and in Birmingham there were four contracts providing services for single homeless people, offenders, people with HIV or TB and mental health issues. The latter two services were mobilised during the year.

**Other charitable services** include provision of a support service to carers of people affected by substance misuse for Barnsley Council and the management of the substance misuse shared care scheme on behalf of Leicestershire and Rutland County Councils.

# Swanswell Charitable Trust

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 5. Income from other trading activities

	Unrestricted	Restricted	Total 31 March 2017	Total 31 March 2016
	£	£	£	£
On-line support courses	716	-	716	883

### 6. Income from investments

	Unrestricted	Restricted	Total 31 March 2017	Total 31 March 2016
	£	£	£	£
Interest on cash deposits	2,458	-	2,458	8,716

Notes to the financial statements  
for the year ended 31 March 2017 (continued)

7. Analysis of expenditure

	Substance misuse services £	Criminal justice and probation services £	Supporting people services £	Other charitable activities £	Support services £	Governance £	Total 2016/17 £	Total 2015/16 £
Staff costs (note 9)	3,686,197	562,418	852,853	4,438	549,302	61,376	5,716,584	7,634,592
Employment costs	204,643	9,134	21,537	52	143,948	166	379,480	749,855
Operational costs	1,680,079	22,467	11,726	26,127	-	-	1,740,399	2,267,318
Business systems	275,826	8,592	80,066	201	35,259	652	400,596	480,144
Facilities	534,632	1,853	42,011	-	146,428	1,379	726,303	738,382
Marketing	4,121	264	775	-	19,880	-	25,040	29,882
Finance	36,777	3,640	17,188	39	85,865	34,556	178,065	144,265
Depreciation	55,580	-	2,201	-	38,443	-	96,224	89,179
Board costs	-	-	-	-	-	48,987	48,987	34,766
Total costs	6,477,855	608,368	1,028,357	30,857	1,019,125	147,116	9,311,678	12,168,383
Support costs	810,483	76,117	128,664	3,861	(1,019,125)	-	-	-
Governance costs	116,998	10,988	18,573	557	-	(147,116)	-	-
Total costs	7,405,336	695,473	1,175,594	35,275	-	-	9,311,678	-
Total costs 2015/16	9,926,116	944,923	1,071,442	225,902	-	-	-	12,168,383

In 2016/17 Board costs not only included Trustee expenses and meeting costs but also recruitment costs and away day/training costs.

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 8 Net income/expenditure for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	95,138	89,179
Loss on disposal of fixed assets	1,086	4,644
Auditor's Remuneration:		
Current year	18,000	8,500
Under-provision in respect of prior year	5,100	0
Other services	5,875	0
Operating lease rentals:		
property	341,063	286,022
other	33,374	31,874

### 9 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

	2017 £	2016 £
Wages and salaries	4,929,483	6,646,060
Redundancy and termination costs	82,665	30,686
Social security costs	389,297	533,107
Employer's contribution to defined contribution pension schemes	247,300	362,916
Other forms of employee benefit	67,839	61,823
	<b>5,716,584</b>	<b>7,634,592</b>

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

	2017 No.	2016 No.
£60,000-£70,000	1	0
£80,000-£89,999	0	2
£90,000-£99,999	0	1
£140,000-£149,999	0	1

The total employee benefits including employer's pension contributions and employer's national insurance of the key management personnel were £447,488 (2016: £486,860). The key management personnel are considered to comprise the posts of CEO, Director of Finance and Business Resources, Director Western Region, Director Eastern Region, Medical Director and Director of Sales and Marketing.

Redundancy and termination costs relate to 16 employees (2016: 9), whose employment contracts ended in the year, and were settled during the year apart from one employee who left in April 17 and whose costs were accrued.

The Charity Trustees were not paid or received any other benefits from employment with the Charity in the year (2017: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £6,173 (2016: £1,842) incurred by 10 (2016: 6) Trustees relating to attendance at meetings of the Trustees.

Notes to the financial statements  
for the year ended 31 March 2017 (continued)

10. Staff numbers

The average number of employees, by headcount, during the year was as follows:

	2017 No.	2016 No.
Substance Misuse Treatment services	150	200
Criminal Justice and Probation services	24	40
Supporting people services	41	32
Other charitable services	0	1
Support	26	38
Governance	9	6
	<b>250</b>	<b>317</b>

11. Related party transactions

There are no related party transactions to disclose for 2017 (2016: nil).

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

12. Taxation

The Charitable Company is exempt from Corporation Tax as all its income is charitable and is applied for charitable purposes.

13. Tangible fixed assets

	Leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At the start of the year	108,140	153,480	884,526	1,146,146
Additions in year	1,477	-	-	1,477
Disposals in year	(1,390)	-	-	(1,390)
<b>As the end of the year</b>	<b>108,227</b>	<b>153,480</b>	<b>884,526</b>	<b>1,146,233</b>
<b>Depreciation</b>				
At the start of the year	61,702	122,795	781,617	966,114
Charge for the year	21,374	12,426	61,338	95,138
Disposals in year	(304)	-	-	(304)
<b>As the end of the year</b>	<b>82,772</b>	<b>135,221</b>	<b>842,955</b>	<b>1,060,948</b>
<b>Net book value</b>				
<b>At the end of the year</b>	<b>25,455</b>	<b>18,259</b>	<b>41,571</b>	<b>85,285</b>
<b>At the start of the year</b>	<b>46,438</b>	<b>30,685</b>	<b>102,909</b>	<b>180,032</b>

All of the above assets are used for charitable purposes.

# Swanswell Charitable Trust

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 14. Stock

	2017 £	2016 £
Finished goods	1,143	13,411

Finished goods are marketing materials for future use.

### 15. Debtors

	2017 £	2016 £
Trade debtors	79,052	101,069
Other debtors	8,106	2,106
Prepayments	145,834	222,866
Accrued income	410,917	381,380
	<b>643,909</b>	<b>707,421</b>

All of the charitable company's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and in note 15 below.

### 16. Creditors

	2017 £	2016 £
Trade creditors	233,765	484,207
Taxation and social security	81,619	109,701
Other creditors	27,717	321,919
Accruals	402,296	434,227
Deferred income (see note 17)	45,406	72,951
	<b>790,803</b>	<b>1,396,954</b>

### 17 Deferred income

Deferred income comprises contractual income receivable in advance of the period to which it relates

	2017 £	2016 £
Balance at the beginning of the year	175	72,951
Amounts released to income in the year	(175)	(72,951)
Amounts deferred in the year	45,406	175
Balance at the end of the year	<b>45,406</b>	<b>175</b>



Notes to the financial statements  
for the year ended 31 March 2017 (continued)

18. Pension schemes

Swanswell operates a defined contribution pension scheme, incorporating auto-enrolment. Swanswell also contributes to individual defined contribution personal pension schemes and is a Direction Employer, enabling former NHS employees to remain members of the NHS Pension Scheme.

For the defined contribution pension there are two providers, Aviva and Scottish Aegon. The majority of team members (2017: 157, 2016: 252) are members of the Aviva scheme as this includes auto-enrolment. The amount due to the pension scheme in respect of March contributions is £10,589 (2016: £17,860). Of the remaining team members (2017: 5, 2016: 9) are members of Scottish Aegon. The amount due to the pension scheme in respect of March contributions is £1,361 (2016: £2,356).

There are 10 team members (2016: 16) who are members of the NHS scheme. The amount due to the pension scheme in respect of March contributions is £5,870 (2015: £9,676). For these team members details of the benefits payable under these provisions can be found on the NHS pension's website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The scheme is an unfunded, defined benefit scheme that covers NHS employers and other bodies allowed under the Direction of the Secretary of State in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme: the cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date the scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. An outline of these is as follows:

**Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates. The last published actuarial valuation undertaken for the NHS pension scheme was completed for the year ended 31 March 2012, and was published in June 2014. As a result of the valuation, employer contribution rates increased on 1 April 2015 from 14 per cent to 14.3 per cent. The scheme regulations allow contribution rates to be set by the Secretary of State for Health with the consent of HM Treasury, and in consideration of the advice of the scheme actuary and appropriate employee and employer representatives as deemed appropriate.

**Accounting valuation**

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2012 (published in 2014) is based on detailed membership data as at 31 March 2012 with summary global member and accounting data. The next actuarial valuation is due in March 2017. The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS pension scheme (England and Wales) resource account published each year. You can see these accounts on the NHS pension website, or get copies from The Stationery Office.

### 18. Pension schemes (continued)

#### Scheme provisions

The NHS pension scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the scheme or the specific conditions that must be met before the benefits can be obtained. The scheme is a final salary scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service and; 1/60th for the 2008 section of reckonable pay per year of membership. With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum permitted under HMRC rules. This new provision is known as pension commutation. Annual increases are applied to pension payments at rates defined by the (Increase) Act 1971 and are based on changes in Consumer Price Index (CPI) in the twelve months ending 30 September in the previous calendar year. Early payment of a pension with enhancement is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final years pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer. Members can purchase additional service in the NHS scheme and contribute to money purchase additional voluntary contributions run by the scheme's approved provider, or by other free standing AVC providers.

### 19. Analysis of net assets between funds

	Unrestricted	Restricted	Total 2017
	£	£	£
Tangible fixed assets	85,285	-	85,285
Net current assets	163,320	16,605	179,925
<b>Net assets at 31 March 2017</b>	<b>248,605</b>	<b>16,605</b>	<b>265,210</b>

#### Analysis of net assets between funds previous year

	Unrestricted	Restricted	Total 2016
	£	£	£
Tangible fixed assets	180,032	-	180,032
Net current assets	776,436	91,402	867,838
<b>Net assets at 31 March 2016</b>	<b>956,468</b>	<b>91,402</b>	<b>1,047,870</b>

Notes to the financial statements  
for the year ended 31 March 2017 (continued)

20 Movements in funds

	At 1 April 2016 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
<b>Restricted funds</b>					
Evesham recovery community	1,670	-	(837)	-	833
West Berkshire rehabilitation project	20,000	-	(20,000)	-	-
Sandwell NHS project	4,585	-	(4,585)	-	-
Young people funds	65,147	-	(65,147)	-	-
West Berkshire rehabilitation project	-	20,000	(4,383)	-	15,617
Sandwell recovery award	-	300	(145)	-	155
Sandwell wellness	-	7,500	(7,500)	-	-
West Berkshire volunteer counsellor	-	4,210	(4,210)	-	-
<b>Total Restricted funds</b>	<b>91,402</b>	<b>32,010</b>	<b>(106,807)</b>	<b>-</b>	<b>16,605</b>
<b>Unrestricted funds</b>					
Unrestricted reserves	956,468	8,497,008	(9,204,871)	-	248,605
	<b>956,468</b>	<b>8,497,008</b>	<b>(9,204,871)</b>	<b>-</b>	<b>248,605</b>
<b>Total funds</b>	<b>1,047,870</b>	<b>8,529,018</b>	<b>(9,311,678)</b>	<b>-</b>	<b>265,210</b>

Movements in funds  
Previous year

	At 1 April 2015 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2016 £
<b>Restricted funds</b>					
Evesham recovery community	-	2,500	(830)	-	1,670
West Berkshire rehabilitation project	-	20,000	-	-	20,000
Sandwell NHS project	-	4,585	-	-	4,585
Young people funds	65,147	-	-	-	65,147
<b>Total Restricted funds</b>	<b>65,147</b>	<b>27,085</b>	<b>(830)</b>	<b>-</b>	<b>91,402</b>
<b>Designated funds</b>					
Business Development	1,157,191	4,207	(691,315)	(470,083)	-
<b>Total Designated funds</b>	<b>1,157,191</b>	<b>4,207</b>	<b>(691,315)</b>	<b>(470,083)</b>	<b>-</b>
<b>Unrestricted funds</b>					
Unrestricted reserves	590,591	11,372,032	(11,476,238)	470,083	956,468
	<b>590,591</b>	<b>11,372,032</b>	<b>(11,476,238)</b>	<b>470,083</b>	<b>956,468</b>
<b>Total funds</b>	<b>1,812,929</b>	<b>11,403,324</b>	<b>(12,168,383)</b>	<b>-</b>	<b>1,047,870</b>

# Swanswell Charitable Trust

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 20 Movements in funds (continued)

#### Restricted funds

##### **Evesham recovery community:**

Funds to support the meetings and activities of the Evesham recovery community, including gardening club.

##### **West Berkshire rehabilitation projects (I and II)**

This project is to scope an alternative to residential rehabilitation and to identify and contribute to a pilot based on the outcomes.

##### **Sandwell NHS project**

These funds provide the equipment and supervision of a health and well-being initiative among recovering service users. Both service users and their team member buddy will use activity trackers and a series of resources aimed at improving activity levels, diet and sleep patterns. The project is fully monitored.

##### **Young people funds:**

Funds for the provision of services to young people.

#### **Transfers between funds**

The transfer from the business development fund to the unrestricted funds reflects the reduction in overall funds and the need to focus on supporting core activity.

There were no transfers between restricted funds and unrestricted funds.

### 21. Reconciliation of net expenditure to net cash flow from operating activities

	31 March 2017 £	31 March 2016 £
<b>Net expenditure for the reporting period</b>	<b>(782,660)</b>	<b>(765,059)</b>
Depreciation charges	95,138	89,179
Interest received	(2,458)	(8,716)
Loss on the disposal of fixed assets	1,086	4,644
Decrease/(increase) in debtors	63,512	130,016
Decrease/(increase) in stocks	12,268	4,022
Increase/(decrease) in creditors	(606,151)	754,158
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,219,265)</b>	<b>208,244</b>

### 22. Analysis of cash and cash equivalents

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	1,543,960	(1,218,284)	325,676
<b>Total cash and cash equivalents</b>	<b>1,543,960</b>	<b>(1,218,284)</b>	<b>325,676</b>

Notes to the financial statements for the year ended 31 March 2017 (continued)

23. Operating lease commitments

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

	Property		Equipment	
	2017 £	2016 £	2017 £	2016 £
Within 1 year	290,704	334,153	23,272	31,874
One to five years	395,041	685,745	-	23,272
	<u>685,745</u>	<u>1,019,898</u>	<u>23,272</u>	<u>55,146</u>

24. Legal status of the Charity

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