

**get well**

**feel well**

**do well**

**be well**

**stay well**

**swanswell**

# Swanswell Charitable Trust

## Annual Report

### Company information

#### For the year ended 31 March 2012

<b>Directors:</b>	Mr M Wells Ms R Stringfellow Dr J Bland Mr R Fass Ms S Malhotra Mr T Rutherford Prof K Warwick Mr J Watkins Mrs J Wiglesworth	Chair Vice-Chair President
<b>Secretary:</b>	Mr R Bosworth	
<b>Chief Executive:</b>	Ms D Bannigan	
<b>Registered office:</b>	Hilton House, Suite 5 Corporation Street Rugby Warwickshire CV21 2DN	
<b>Registered company:</b>	3692925 (England and Wales)	
<b>Registered charity:</b>	1074891	
<b>Auditors:</b>	Luckmans Duckett Parker Ltd Victoria House 44/45 Queens Road Coventry CV1 3EH	
<b>Bankers:</b>	Natwest Bank 4 <sup>th</sup> Floor 1 St Philip Place Birmingham B3 2PP	

## Introduction

The Trustees, who are also Directors for the purposes of the Companies Act, submit their annual proved and audited financial statements for the year ended 31 March 2012. The Trustees adopted the provision of the Statement of Recommended Practice (SORP) issued in March 2005 in preparing the annual report and financial statements of the charity.

## Statement of disclosure of information to auditors

So far as the Directors are aware, there's no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and we've taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

## What we do

We help people change and be happy.

Our charitable objects require us to improve the conditions of life of the public with particular, but not exclusive, reference to service delivery in the field of substance misuse.

Since 2008/09, our Trustees have been committed to building a national organisation that offers the prospect of change to all who seek a happier life. We will achieve this by systematically eliminating the barriers to long term sustainable change, and building a national brand and service that's trusted by service users, funders, policy makers and partners.

We've launched a new Corporate Plan (2011-2014) which sets out our vision:

**Change and be happy. We believe in a society free from problem alcohol and drug use.**

It commits us to taking up the leadership challenge and saying 'let it be us, and let it start now'. We know achieving this will require generational change – over 25-50 years - so it requires very long term thinking. Our Corporate Plan outlines commitments to:

- become national
- develop thought leadership
- deliver service excellence

Our aim continues to be making our services available to as many people who need them as possible. Our new Corporate Plan also sets out our intention to 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, forever

Our services include a substantial Shared Care drug treatment service – delivered in partnership with GP surgeries – and Drug Intervention Programme (DIP) in Birmingham. We continue to work with the criminal justice system (in Birmingham, Sandwell and Coventry/Warwickshire) to provide effective interventions for people where drug and/or alcohol use has contributed to their offending behaviour. We provide substance misuse floating support services in Birmingham, Coventry and Warwickshire, helping people with the practical issues related to their substance misuse, and carer support services in Barnsley. We've also started delivering integrated substance misuse services in Leicestershire and Rutland, our drug treatment service in Sandwell and our community based open access to alcohol services in Sandwell.

We recruit people who believe in our mission and vision and who are committed to helping the organisation achieve its charitable objects. We currently have a small number of volunteers, and we've recently recruited a Volunteer Co-ordinator to help increase our volunteer engagement.

### How we did this year

In 2011/12, we continued to support many service users, and their families/carers, on their journey towards recovery. In 2011/12 our key performance indicators, and results, were as follows:

Service type	Open cases	New episodes	Closures	Successful closures
Drug	4,858	1,368	1,246	413 (33%)
Alcohol	3,038	2,197	1,973	1,179 (60%)
Supporting People	1,486	n/a	1,080	900 (83%)
<b>Swanswell Total</b>	<b>9,382</b>	<b>3,565</b>	<b>4,299</b>	<b>2,492 (58%)</b>

We know our aim of achieving a 'society free from problem drug and alcohol use' is ambitious, but we believe it can be achieved. As part of this, we're continuing with our aim of making our services available to even more people. We'll do this partly through tendering for public sector contracts in new geographic areas. This year we've been successful in gaining a contract to deliver alcohol support across Sandwell, which will give us the opportunity to help around 2,800 more people every year. We've successfully implemented this contract as well as the Sandwell drug services contract, and the Leicestershire and Rutland substance misuse contract.

We've completed the pilot of our recovery model, which puts in place the tools and resources people need to achieve their recovery goals. It's been highly successful, with twice the number of service users on the new programme coming off methadone, compared to those in the control group, and more than twice as many people reducing their dose levels of substitute medications. The success of our recovery model was recognised in Drink and Drugs News (DDN), and we presented it at the Substance Misuse Management in General Practice (SMMGP) conference. We're now rolling it out across all our operational teams, and making it available to other organisations.

We ran the second stage pilot of our Criminal Justice Reducing Drug-Related Offending programme. We brought in a number of changes based on recommendations from the first stage, and the results are exciting, with:

- 24% of service users completing the course drug free
- 42% of service users reporting an improvement in their psychological health
- 39% of service users reporting an improvement in their physical health and quality of life
- 21% drop in illegal drug spend among participants
- 85% attendance rate

The programme was recognised in the Community Programmes Awards by the Howard League for Penal Reform. They said that well-resourced and well-structured programmes like our Criminal Justice Reducing Drug-Related Offending programme will raise public protection, bring down the rate of reoffending, and repay the damage done by crime in a way that custodial sentences cannot.

Our work with Reading University continues. We've completed the second stage of our project looking at developing interactive technology treatment options, and we're now testing our virtual environments with service users.

We've continued to get our message out and raise our profile via the media and, at the same time, further develop our social networking profile. From April 2011 to March 2012 we achieved £261,870 advertising value equivalent of media coverage helping us to raise our national profile. We've done this through a range of activities including using social networking sites, radio and

television appearances, and getting involved in public debate and discussion, such as Debbie, our Chief Executive Officer, and service users taking part in BBC 5 Live interviews.

We've hosted a number of Swanswell Connect events, giving us the opportunity to show commissioners, MPs and VIPs what we do well. Recognition of the Swanswell brand has improved and increased with visits from Mark Pawsey MP, Sir Alan Beith MP and Baroness Sally Hamwee. We also received a Head Office visit from Dame Fiona Caldicott. At the end of her visit Dame Fiona said she had been very impressed with Swanswell's work, and really enjoyed meeting our team members and service users.

#### Who we did it with

Swanswell is the organisation of choice for a diverse range of commissioners. Our relationships with commissioners are based on mutually agreed contracts and service level agreements through which demanding targets are set. We hold an impressive, demonstrable track record of achievement against these targets, and strive continuously to improve performance and service quality, whilst achieving competitive service costs. Whilst performance targets are set locally, they reflect the Key Performance Indicators (KPIs) which central government has set out for substance misuse services.

Swanswell leads and participates in research and development projects through which we connect with Universities and research agencies. Our knowledge transfer partnership with the University of Reading has just received national recognition after picking up an award from the Interactive Technologies and Games; Education, Health and Disability Conference (ITAG 2011), for a paper entitled 'The use of computer game technology in the treatment of addiction.'

We've continued our partnership with Netmums, the national online network for mums (and dads), where we provide online advice and support for parents about drugs, alcohol and addiction. Since the project began in 2009, our posts have been viewed more than 228,000 times. We've also held forums with the Princess Royal Trust for Carers, where we provided support and advice to young people and adults about substance misuse, and teamed up with Pfizer to use their website for Man MOT – an online, one-to-one, confidential chat with a Swanswell worker about problems with alcohol. We held the forum during Alcohol Awareness Week in November 2011.

#### How we do it

The Board of Directors (Trustees) meets periodically to set the Company's strategy, monitor progress towards achievement of organisational goals, review operational performance and oversee the management of organisational risk. The meeting is quorate with the attendance of a minimum of four Trustees and each meeting is formally minuted. The Executive of the organisation comprises:

- Chief Executive Officer, through whom the Board exercises its Governance
- Director of Services
- Director of Operations
- Director of Clinical Governance
- Head of Business Resources
- Head of Sales and Marketing

The Finance Manager, who reports to the Chief Executive Officer, is also the Company Secretary. The Chief Executive Officer is responsible for our strategic and operational management and is authorised to deploy resources, through the Executive Team, towards the achievement of our business objectives.

Our Director of Operations exercises operational management through a team of Operations Managers, based in the localities where we deliver services. Regular business meetings are held where performance is monitored, both operationally and financially, potential improvements are discussed and actions agreed. Operations Managers, in turn, discharge their responsibilities

through the activities of teams of skilled and committed workers engaged in day-to-day contact with our service users and clients.

We are a registered charity (No. 1074891) and a Company limited by guarantee (No. 3692925).

The Directors in office during the year were:

Mr M Wells	Chair
Ms R Stringfellow	Vice-Chair
Dr J Bland	President
Ms S Basham	resigned 24 October 2011
Mr R Fass	
Ms S Malhotra	appointed 23 September 2011
Mr T Rutherford	appointed 23 September 2011
Prof K Warwick	
Mr J Watkins	
Mrs J Wiglesworth	

Following the adoption of our revised Articles of Association in May 2011, all of our current Directors will serve the remainder of their term of office, followed by a fixed three year term.

One Director, who was appointed during 2009/10, is an employee of a University with which Swanswell has a Knowledge Transfer Partnership agreement. This person is not responsible for, or has any involvement in, any decision making activities between the two parties.

#### Involving our team members

Swanswell has well-established arrangements for consulting and involving team members, and we believe that they are important for the success and development of the Company:

- Through the Company Intranet team members have access to discussion boards where they can raise questions and comment on areas of interest
- Team members are encouraged to email the Chief Executive Officer directly to put forward development ideas
- We carry out an annual survey of all team members using Best Companies which allows us to gauge levels of satisfaction and engagement across the Company, and benchmarks us against other organisations
- Team members have opportunities to raise issues during their formal Performance Reviews, which are held every month
- Our Intranet site contains information on Key Performance Indicators and, from this, team members are able to see how the Company is performing towards achieving the targets set by our commissioners
- Every two weeks team members are kept up to date with what is happening across the Company through the Team Brief. This is our internal communications tool for sharing important information, project updates and good news from across our teams

#### Our governance

Swanswell began its charitable activities in 1968 in Coventry, where we delivered alcohol treatment services. We became incorporated as a Company limited by guarantee in January 1999, and are governed by our Articles of Association. Our Trustees are appointed by the Company in General Meeting and we are committed to appointing a minimum of two Trustees who identify themselves as service users. Our Trustees adhere to the Nolan principles of public life and exercise a constant oversight of the Company's performance ensuring that, through robust governance arrangements, we work to further its charitable objects in accordance with our policies and best practice. We recruit and induct our Trustees in line with our policies and procedures, which have been written specifically for recruiting and inducting Trustees. The Trustees (who are also directors of Swanswell Charitable Trust for the purposes of Company Law) are responsible for preparing the

Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year in order to provide a true and fair picture of the state of the Company's affairs and the profit and loss of the Company for that period.

In preparing the financial statements, the Trustees:

- select suitable accounting policies to ensure the statements are complete and fit for purpose
- make judgements and estimates that are responsible, reasonable and prudent
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the Company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with 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're also responsible for safeguarding the assets of the Company and take reasonable steps for the prevention or detection of fraud and other irregularities, of which there have been none to date.

#### Addressing risk

Swanswell is an organisation that is responsive to risk. Our principal risks are:

#### Market:

- Loss of contracts arising from external competition
- Sales activity is not converted into new business
- Cost base is too high to enable our tenders to have a competitive advantage
- Change of national or local government policy adversely affecting our services
- Inability to provide suitably qualified operations team members to support business development opportunities reduces our ability to take advantage of opportunities when they arise
- The Board of Trustees does not have sufficient access to influential networks to support effective fundraising activity

#### Operations:

- Insufficient flexibility to offer extended hours for our service
- Unrealistic timescales for delivery of key objectives, leads to poor or inappropriate delivery against objectives
- The impact of contract mobilisations may significantly affect achievement of our Corporate Plan activities

#### Employment practice:

- Lack of, or ineffective, Board succession policy leads to a weak or under-resourced trustee team
- Loss of Trustees, key personnel, key team members

#### Systems

- IT infrastructure insufficient to support IT requirements

Our principal risks were identified through a major risk assessment project in 2007. Principal risks are those which have both a high likelihood of happening and a high impact on the business if they happen. Our risk assessment activities are discussed by the Board of Trustees at every Board

meeting. They are presented with updates on our previous overall risk assessment, and areas for action are noted and acted on.

#### Business risk management

Swanswell has adopted rigorous risk management processes which ensure that Trustees, the Executive Team, Operations Managers and team members are engaged with the routine assessment of risk and its mitigation. Trustees receive risk management reports at their meetings and scrutinise the progress achieved by the Executive in managing and mitigating business risk.

Key areas of risk which are identified through the risk management process are subject to management action, set out in our corporate plan and team plans, which ensures that the management of risk forms an integral part of our operational activity.

#### 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 the achievement of world class employment practice through which to exercise their responsibilities as good employers and to ensure that employment risk is minimised.

#### Our quality standards

Swanswell retained a number of accreditations that evidence the quality of its services, including:

- ISO9001 for Quality Management
- ISO14001 for Environmental Assurance
- ISO18001 for Health and Safety
- Investors in People
- Investors in Diversity level 2 (we're also a Stonewall Diversity Champion)

In the last year we've also picked up a number of awards, including the Howard League for Penal Reform's Community Programme Award (which we're especially proud of as it's usually awarded to probationary trusts or police forces), the Birmingham Drug and Alcohol Action Team (BDAAT) award for Service User Engagement and Wellbeing, and the BDAAT Outstanding Contribution by a Service User award. As well as awards, one of our Senior Practitioners from Barnsley was invited to Her Majesty's Garden Party at Buckingham Palace in recognition of her outstanding work with carers.

Our Clinical Governance is everything that 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. We deliver our framework in terms of the seven pillars of clinical governance. Our Director of Clinical Governance ensures our compliance, supported by our policies and procedures which underpin our service provision. There are a number of regulated activities in delivering social care and health services, and we are registered with The Care Quality Commission (CQC) which is the independent regulator of health and adult social care in England. As an organisation we pride ourselves on being open and transparent. During 2011 we transferred a service from an outgoing provider. This resulted in a Serious Untoward Incident regarding transfer of prescribing. In response Swanswell initiated a Serious Untoward Incident investigation by an independent, external organisation, which also informed the commissioners' investigation. We welcomed this process and the root cause was identified. Even though the root cause did not sit with Swanswell it's a mark of the integrity of our organisation that we have contributed to and taken from the learning inherent to this process and apologised to all who were affected by the difficulties we experienced, especially our service users who remain at the heart of our services at all times.

### Our finances

Swanswell's financial position reflects our continued investment in business development, marketing and systems improvement as part of the implementation of our strategic intention to invest for growth, so that we can offer more of our services to as many people who need them as possible.

Our costs remained within budget, demonstrating the capacity of our managers to control costs and manage expenditure. Our first priority when using funds is to ensure that our contractual targets are met. Further expenditure is targeted towards improving the efficiency and quality of our service delivery.

Our principal funding sources are from Drug and Alcohol Action Teams (DAATs), Local Authorities, Primary Care Trusts (PCTs), NHS Hospital Trusts and Probation Services in respect of services delivered under contract or service level agreements. Our commissioners confirmed continuity of contract, at increased contract values, for several of our services, up to 2013. We also increased our portfolio of work in April 2011 with new contracts to deliver an integrated drug and alcohol service in Leicestershire and Rutland, and a drug treatment service in Sandwell.

We've also continued to receive funding for development projects beyond the commissioning process. This also reflects our Trustees' ambitions to create new and innovative interventions for the benefit of our service users.

Our expenditure over the past year has supported the achievement of our key objectives. We have recruited a significant number of new team members to help provide the best possible service to our customers and service users.

We've also invested in implementing a new HR and finance system to improve efficiency and ensure consistency across our business resources functions.

### Our investment policy

Under the Articles of Association, the charity has the power to invest the monies not immediately required for the furtherance of its objects in or upon investments, securities or property as may be thought fit. Our investment arrangements have been subject to continuous review through 2011/12 because of the current volatility in the banking industry. A cautious approach to investment resulted in reduced yields, consistent with the marketplace but – more importantly – brought security of capital.

### Our reserves policy

Unrestricted funds not committed or invested in tangible fixed assets held by the charity should be held at a level that is both necessary and in the charity's best interests. Reserves are needed to both meet the working capital requirements of the charity and to meet the cost of management of a potential significant drop in funding, so that the charity would be able to meet any costs of significantly restructuring its activities.

After funding the Head Office, without which we could not function, any balances remaining have hitherto been applied by supporting our market-leading business strategy. Having recognised the need to invest in new business development, our Trustees have continued to apply a reserves policy through which they determined that unrestricted reserves of £374,000 are currently required to safeguard against the risk of business downturn. Reserves held in excess of this sum, together with funds generated from our current activity, after meeting the costs of Head Office, have been designated for the purpose of business development.

Unrestricted reserves are therefore held at £374,000.

The Criminal Justice and Probation fund is in deficit by £8,930. The Drink Impaired Drivers Scheme contract ended on 30th September 2008. We were advised of our success in re-tendering for this contract in September 2008, at which point the service switched to a unit based costing invoicing method, as opposed to the established method of agreeing funding levels in advance.

We have therefore restructured the service, to deliver the scheme within the unit cost available. This has resulted in a loss to date, which will be recovered during the life of the contract. Current forecasts anticipate that we will achieve a surplus by 30 September 2012.

The Sandwell substance misuse fund is in deficit by £95,818, due to significant initial investment required to make the contract viable in the long term. We are working closely with the commissioners, and our partners, to address this deficit.

#### Designated funds

Swanswell's Business Development Fund has been utilised during the year and amounts to £220,000 as at 31 March 2012. Our corporate plan which builds upon strategies approved by the Board demonstrates how these funds will be applied towards the achievement of operational efficiencies and business growth.

#### Funds held on behalf of others

Swanswell received £103,000 from Heart of Birmingham PCT in 2010/11 to distribute to a third party, in respect of a consultant conducting a review of the primary care function in Birmingham. There are funds remaining of £15,626 included in Other creditors. The funds are separately identifiable within our accounting records.

#### Research and development

Swanswell has a strategic aim to develop our portfolio of services that deliver behaviour change. This involves the development of innovative interventions to either deliver services in a new way or to deliver services that do not currently exist in the marketplace.

Our development services are a mix of funded, part funded and internally funded developments. They range from developing new services such as interactive technological interventions and alcohol-related brain injury treatments, to providing innovative ways of delivering existing services such as combating domestic violence and recovery focused services.

We consider our development projects in accordance with the principles of SSAP 13: Research and development and capitalise those development projects that we feel fulfil the required criteria.

#### 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 Disability Discrimination Act (1995), 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 with a disability to ensure they are able to do their job effectively and in an environment which suits them.

We are committed to preventing and discouraging discrimination, harassment and victimisation of any team member because of their disability, and we view any such actions as gross misconduct.

#### Our plans for the future

To offer more of what we do well to more people who need it.

Trustees approved a Corporate Plan for the period 2009-12, which has now been rolled forward to 2014. The Corporate Plan sets out in detail the activities which our teams will carry out towards the achievement of our corporate objectives to:

- become national
- develop thought leadership

- deliver service excellence

Our ambitions are bold and necessary if we are to fulfil our charitable objects in an increasingly competitive marketplace. The Board is delighted to note that our Executive Team, supported by our hard working and talented workforce, has continued to achieve significant results and manage corporate risk, while maintaining financial strength and stability.

At Swanswell, we are good at what we do. We have an enviable reputation for delivering what we promise. By investing our resources carefully, and managing our risks prudently, we are confident that our intentions will be achieved and Swanswell will continue to help people change their lives for the better so they can feel well, do well and be happy.

### **On behalf of the board**

**Mick Wells**  
**Chair**  
**10 July 2012**

## Independent Auditor's Report to the members of Swanswell Charitable Trust

We have audited the financial statements of Swanswell Charitable Trust for the year ended 31<sup>st</sup> March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 Trustees' Responsibilities Statement set out on pages 3 and 4, 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.

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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2012, 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; 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 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:

- 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;

**Mark Spafford FCCA**

Senior Statutory Auditor

For and on behalf of Luckmans Duckett Parker Limited

Victoria House

44/45 Queens Road

Coventry

CV1 3EH

**12 July 2012**

Swanswell Charitable Trust

Statement of financial activities  
(including an income and expenditure account)  
for the year ended 31 March 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 31/03/2012 £	Total Funds 31/03/2011 £
<b>Incoming resources</b>					
Incoming resources from charitable activities	2	1,477,811	8,879,333	10,357,144	6,712,315
Donations		1,335		1,335	945
Investment income - interest received		1,346		1,346	2,406
Other income resources		6,744	9,606	16,350	9,196
<b>Total incoming resources</b>		<b>1,487,236</b>	<b>8,888,939</b>	<b>10,376,175</b>	<b>6,724,862</b>
<b>Resources expended</b>					
Costs of activities in furtherance of the charity's objectives	3	1,462,187	7,684,560	9,146,747	5,990,179
Head Office costs	4	1,143,709	-	1,143,709	928,546
Governance costs	5	70,849	-	70,849	59,391
<b>Total resources expended</b>		<b>2,676,745</b>	<b>7,684,560</b>	<b>10,361,305</b>	<b>6,978,116</b>
<b>Net incoming resources before transfers</b>	6	<b>(1,189,509)</b>	<b>1,204,379</b>	<b>14,870</b>	<b>(253,254)</b>
<b>Gross transfers between funds</b>	12	<b>1,084,782</b>	<b>(1,084,782)</b>	<b>-</b>	<b>-</b>
<b>Net incoming resources for the year</b>	6	<b>(104,727)</b>	<b>119,597</b>	<b>14,870</b>	<b>(253,254)</b>
Fund balances brought forward 1 April 2011		739,898	299,987	1,293,139	1,293,139
<b>Fund balances carried forward at 31 March 2012</b>	12,13,14	<b>635,171</b>	<b>419,584</b>	<b>1,054,755</b>	<b>1,039,885</b>


Balance sheet  
as at 31 March 2012

	Note	31/03/2012		31/03/2011	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	7		45,730		90,933
Tangible fixed assets	8		<u>293,722</u>		<u>283,693</u>
			339,452		374,626
<b>Current assets</b>					
Stocks			33,101		15,716
Debtors	9		732,017		509,272
Cash at bank and in hand			<u>643,462</u>		<u>615,091</u>
			1,408,580		1,140,079
<b>Liabilities</b>					
Creditors amounts falling due within one year	10		<u>693,277</u>		<u>474,820</u>
<b>Net current assets</b>			715,303		665,259
<b>Total assets less current liabilities</b>			<u><u>1,054,755</u></u>		<u><u>1,039,885</u></u>
<b>Funds</b>					
Restricted funds	12,13		290,097		214,760
Restricted capital funds	12,13		129,487		85,227
Designated funds	13,14		244,214		347,182
Unrestricted funds	13,14		390,957		392,716
<b>Total charity funds</b>			<u><u>1,054,755</u></u>		<u><u>1,039,885</u></u>

These financial statements have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 in regard to medium sized companies.

Approved by the Directors on and signed on their behalf by:

Mr M Wells

  
\_\_\_\_\_

Ms R Stringfellow

  
\_\_\_\_\_

Date

10/07/2012  
\_\_\_\_\_

Swanswell Charitable Trust

Cashflow statement for the year ended 31 March 2012

	31/03/2012 £	31/03/2011 £
<b>Cash flows from operating activities</b>		
Surplus before tax	14,870	( 253,254 )
<i>Adjustments for:</i>		
Depreciation of plant and equipment	239,712	179,325
Interest received	( 1,346 )	( 2,406 )
Decrease/(increase) in trade and other receivables	( 222,745 )	( 145,424 )
Decrease/(increase) in stocks	( 17,385 )	( 1,707 )
Increase/(decrease) in trade payables	218,457	214,738
<b>Cash inflow from operating activities</b>	<u>231,563</u>	<u>( 8,728 )</u>
<b>Returns on investment and servicing of finance</b>		
Interest paid	1,346	2,406
<b>Net cash from returns on investment</b>	<u>1,346</u>	<u>2,406</u>
<b>Cash flows from capital expenditure</b>		
Proceeds from sale of equipment	-	3,099
Purchases of property, plant and equipment	( 188,914 )	( 117,431 )
Purchases of intangible fixed assets	( 15,624 )	( 30,965 )
<b>Net cash from capital expenditure</b>	<u>( 204,538 )</u>	<u>( 145,297 )</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	28,371	( 151,619 )
Cash and cash equivalents at beginning of year	<u>615,091</u>	<u>766,710</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>643,462</u></u>	<u><u>615,091</u></u>

Notes to the accounts  
for the year ended 31 March 2012

1. Statement of accounting policies

**Basis of accounts preparation**

These financial statements are prepared in line with The Charities Act 2011 under the historical cost convention. In preparing the financial statements, Swanswell complies with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 and the Companies Act 2006.

**Incoming resources**

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

Income 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 received for general purposes of Swanswell are credited to a designated Fundraising fund. 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 accrual basis.

**Resources expended**

All resources are accounted for on an accrual basis. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where costs relate to more than one cost centre, they have been apportioned on the number of staff relevant to the service. The irrecoverable element of VAT is included with the item of expenses to which it relates.

Head Office Costs includes the organisation of contracts for service delivery, Human Resources facility, Finance function, Central Administration, IT function and Marketing.

Governance Costs comprises the cost of running Swanswell, including strategic planning for future development, also external audit, any legal advice for the trustees and the cost of complying with constitutional and statutory requirements, such as the cost of trustee meetings and the preparing of statutory accounts.

**Transfers**

Swanswell operates through contracts for service delivery. These contracts are organised by and utilise the support services. Swanswell has a policy of charging a percentage of the contract value (management charge) which is transferred from the Restricted Fund to Unrestricted Funds. This funds the Head Office and Governance Costs and other related costs.

Transfers between Restricted funds may occur when a project has been completed or amalgamated.

Transfers between Designated Funds occur when a particular designated goal is attained and funds may be re-allocated for other designated purposes.

Notes to the accounts  
for the year ended 31 March 2012 (continued)

### **Intangible assets** **Research and development**

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and Swanswell has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Development expenditure will be amortised, on a straight line basis, over three years from the first sale of the product or service.

### **Tangible fixed assets and depreciation**

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

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

### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

### **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 directors for specific purposes.

Restricted Funds are incoming resources that are to be used for a specific purpose. A fund is set up dependent on whether the funder needs costs to be identified separately. Expenditure relating to these activities is charged to these funds. Any capital purchases from these funds are identified separately and the income relating to these funds is transferred to the Capital Fund.

### **Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

### **Pensions**

Swanswell operates a defined contribution pension scheme. Swanswell also contributes to individual personal pension schemes and will pay a percentage of annual salary on both schemes. Swanswell is a Direction Employer, enabling former NIIS employees to continue to contribute to the NIIS Pension Scheme. Contributions to all schemes are charged to the Statement of Financial Activities as they become payable.

Swanswell Charitable Trust

Notes to the accounts  
for the year ended 31 March 2012 (continued)

2 Incoming resources from charitable activities

	2012 £	2011 £
By activity:		
Substance misuse treatment services	8,557,048	5,097,269
Criminal justice and probation services	129,407	135,727
Supporting people services	1,402,104	1,094,039
Other charitable services	268,585	385,280
	<u>10,357,144</u>	<u>6,712,315</u>

3 Expenditure on advisory services

	2012 £	2011 £
a) By activity:		
Substance misuse treatment services	7,384,229	4,472,329
Criminal justice and probation services	107,790	101,624
Supporting people services	1,322,632	1,076,140
Young people services	2,870	13,914
Other charitable services	329,226	326,172
	<u>9,146,747</u>	<u>5,990,179</u>

	2012 £	2011 £
b) By category of expenditure		
Operational	936,237	214,798
Staffing	6,941,247	4,782,099
Human resources	35,718	37,155
Business systems	345,786	283,850
Facilities	553,363	434,430
Marketing	67,387	57,215
Finance	112,010	74,754
Other	15,188	15,899
Depreciation	139,811	87,169
Profit/loss on disposal of assets	-	2,809
	<u>9,146,747</u>	<u>5,990,179</u>

Swanswell Charitable Trust

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

4 Head office costs

	2012 £	2011 £
Operational	2,669	15,044
Staffing	810,725	636,659
Human resources	23,952	28,268
Business systems	62,438	50,338
Facilities	79,125	67,053
Marketing	42,827	9,055
Finance	14,661	11,290
Designated funds - depreciation	-	13,006
Depreciation	99,901	79,150
Profit/loss on disposal of assets	-	289
Other	7,411	18,393
	<b><u>1,143,709</u></b>	<b><u>928,546</u></b>

5 Governance

	2012 £	2011 £
External audit	8,250	9,350
Trustee costs	7,098	16,865
Apportionment of executive staff costs	55,351	33,026
Trustee liability insurance	150	150
	<b><u>70,849</u></b>	<b><u>59,391</u></b>

6 Net incoming resources

Included in net incoming resources in the year are:-

	2012 £	2011 £
Auditor fees - audit	8,250	8,000
Auditor fees - other services	-	1,350
Depreciation	178,885	178,656
Loss on disposal	-	3,099
Research and development - amortisation	60,827	669
Research and development - current	-	-
Research and development - deferred	-	-
Pension	230,771	69,999
Operating lease rentals:		
- Plant and machinery	48,761	42,463
- Other	1,999	-
	<b><u>1,999</u></b>	<b><u>-</u></b>

Swanswell Charitable Trust

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

7 Intangible fixed assets

	Research and development	Totals
	£	£
<b>Cost</b>		
As at 1 April 2011	91,602	91,602
Additions	15,624	15,624
Disposals	-	-
<b>As at 31 March 2012</b>	<b><u>107,226</u></b>	<b><u>107,226</u></b>
<b>Depreciation</b>		
As at 1 April 2011	669	669
Charge for the year	60,827	60,827
Disposals	-	-
<b>As at 31 March 2012</b>	<b><u>61,496</u></b>	<b><u>61,496</u></b>
<b>Net book value</b>		
<b>As at 31 March 2012</b>	<b><u>45,730</u></b>	<b><u>45,730</u></b>
<b>As at 31 March 2011</b>	<b><u>90,933</u></b>	<b><u>90,933</u></b>

Swanswell Charitable Trust

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

8 Tangible fixed assets

	Short leasehold property	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
<b>Cost</b>				
As at 1 April 2011	88,472	246,910	550,085	885,467
Additions	-	13,466	175,448	188,914
Disposals	-	-	(39,425)	(39,425)
<b>As at 31 March 2012</b>	<b><u>88,472</u></b>	<b><u>260,376</u></b>	<b><u>686,108</u></b>	<b><u>1,034,956</u></b>
<b>Depreciation</b>				
As at 1 April 2011	75,023	224,521	302,230	601,774
Charge for the year	1,056	21,493	156,336	178,885
Disposals	-	-	(39,425)	(39,425)
<b>As at 31 March 2012</b>	<b><u>76,079</u></b>	<b><u>246,014</u></b>	<b><u>419,141</u></b>	<b><u>741,234</u></b>
<b>Net book value</b>				
<b>As at 31 March 2012</b>	<b><u>12,393</u></b>	<b><u>14,362</u></b>	<b><u>266,967</u></b>	<b><u>293,722</u></b>
<b>As at 31 March 2011</b>	<b><u>13,449</u></b>	<b><u>22,389</u></b>	<b><u>247,855</u></b>	<b><u>283,693</u></b>

Swanswell Charitable Trust

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

9 Debtors

	2012 £	2011 £
Trade debtors	142,935	307,214
Other debtors	-	-
Prepayments and accrued income	589,082	202,058
	<b><u>732,017</u></b>	<b><u>509,272</u></b>

10 Creditors

	2012 £	2011 £
Trade creditors	173,283	81,305
Social security and other taxes	174,280	129,110
Accruals	243,355	41,439
Deferred income (See note 15)	5,663	61,519
Other creditors	96,696	161,447
	<b><u>693,277</u></b>	<b><u>474,820</u></b>

11 Funds held on behalf of others

	2012 £	2011 £
Heart of Birmingham PCT	15,626	64,978
	<b><u>15,626</u></b>	<b><u>64,978</u></b>

Swanswell has received funds totalling £0 (2011: £103,000) from Heart of Birmingham PCT to distribute to a third party consultant. The funds held at 31 March 2012 amount to £15,626 (31 March 2011 £64,978), and are shown as Other creditors.

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

## 12 Restricted funds

	Balance 1 April 2011	Incoming resources	Expenditure	Transfers restricted fund	Transfers unrestricted	Balance 31 March 2012
	£	£	£	£	£	£
<b>Substance misuse treatment funds:</b>						
- Birmingham	82,471	3,747,975	(3,198,229)	-	(551,726)	80,491
- Leicestershire & Rutland	-	2,742,649	(2,282,419)	-	(279,366)	180,864
- Sandwell	-	1,168,545	(1,138,861)	-	(107,417)	(77,733)
- Coventry	12,334	378,529	(339,144)	-	(51,719)	-
- Warwickshire	14,939	407,309	(363,933)	-	(58,315)	-
Criminal justice and probation funds	(6,491)	111,933	(100,882)	-	(13,490)	(8,930)
Young people funds	65,147	-	-	-	-	65,147
Other charitable funds	46,360	215,397	(194,034)	-	(17,465)	50,258
	214,760	8,772,337	(7,617,502)	-	(1,079,498)	290,097
<b>Capital</b>						
<b>Substance misuse treatment funds:</b>						
- Birmingham	62,016	16,615	(40,562)	3,114	581	41,764
- Leicestershire & Rutland	-	58,099	(11,565)	536	-	47,070
- Sandwell	-	45,490	(7,673)	(510)	-	37,307
- Coventry	9,361	178	(3,936)	(648)	(4,955)	-
- Warwickshire	6,565	151	(4,225)	(2,131)	(360)	-
Other charitable funds	7,285	1,703	(4,731)	(361)	(550)	3,346
	85,227	122,236	(72,692)	-	(5,284)	129,487
<b>Totals</b>	<b>299,987</b>	<b>8,894,573</b>	<b>(7,690,194)</b>	<b>-</b>	<b>(1,084,782)</b>	<b>419,584</b>

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

12 Restricted funds (continued)

**Substance misuse treatment services** - incorporates the following projects:

Swanswell Birmingham (formerly DSB) - provides high quality treatment to people with drug related difficulties in the Birmingham area.

DIP - the "Drug Intervention Programme" involves working with offenders in probation and transferring them into primary care when they are stable.

PPO - the "Priority and Prolific Offenders" scheme offers drug treatment to priority and prolific offenders within the Birmingham Criminal Justice system.

Swanswell Leicestershire & Rutland - provides high quality treatment to people with drug and alcohol related difficulties in the Leicestershire & Rutland area.

Swanswell Sandwell - provides high quality treatment to people with drug and alcohol related difficulties in the Sandwell area.

Swanswell Coventry - provides high quality treatment to people with alcohol related difficulties in the Coventry area.

Swanswell Warwickshire - provides high quality treatment to people with alcohol related difficulties in the Warwickshire area.

**Criminal justice and probation services** - incorporates the following projects:

Accredited programmes - incorporates several nationally validated programme which helps people analyse and change their offending behaviour.

**Young people services** - incorporates the following projects:

YPSMS - the "Young Peoples Substance Misuse Service" is a free and confidential service offering drug and alcohol advice to young persons.

**Other charitable services** - incorporates the following projects:

Community care - a fund dedicated to providing service users with community and leisure activities to improve their physical and mental well-being.

Alcohol related brain injury - develop interventions for people diagnosed with ARBI to enable them to live their lives to their full potential, and to work with their carers to support them to deliver some of the interventions at home.

Barnsley carer support service - part of an integrated substance misuse service, where carers are actively encouraged to support service users in treatment. The service offers individual support to the carers themselves and briefing programmes on aspects of treatment.

Total Place - pilot project which aims to reduce alcohol related hospital admissions at Heartlands Hospital in Birmingham.

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

## 13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds 2012	Total funds 2011
	£	£	£	£
Fixed assets	209,965	129,487	339,452	374,626
Net current assets	425,206	290,097	715,303	665,259
<b>Total net assets</b>	<b>635,171</b>	<b>419,584</b>	<b>1,054,755</b>	<b>1,039,885</b>

## 14 Unrestricted funds

	Balance 1 April 2011	Incoming resources	Expenditure	Transfers restricted fund	Transfers unrestricted	Balance 31 March 2012
	£	£	£	£	£	£
<b>Designated funds</b>						
Business development	347,182	75,707	(541,529)	-	362,854	244,214
	347,182	75,707	(541,529)	-	362,854	244,214
<b>Unrestricted reserves</b>						
Unrestricted reserves	380,000	2,478	(813,268)	1,084,640	(274,709)	379,141
Supporting people services	12,716	1,403,416	(1,316,313)	142	(88,145)	11,816
	392,716	1,405,894	(2,129,581)	1,084,782	(362,854)	390,957
	<b>739,898</b>	<b>1,481,601</b>	<b>(2,671,110)</b>	<b>1,084,782</b>	<b>-</b>	<b>635,171</b>

**Designated funds**

Business development - funds set aside to complete business strategy development, including the Business Development, Operations and Business Resources strategies.

**Transfers between funds**

The transfers to the Business development fund from Unrestricted reserves and Supporting People services, totalling £362,854, are in order to achieve the goals stated above (2010: transfer to Unrestricted reserves and Supporting people from the Business development fund to cover losses suffered on Supporting People contracts, totalled £36,166).

The transfers from Restricted funds to Unrestricted reserves totalling £1,084,640 (2011 £675,563) consists of £1,039,051 management charges to cover the administration costs of the Trust, £40,417 of funds redeployed from closed projects, and £5,142 of capital redeployed from closed projects.

The transfers from Restricted funds to Supporting People services totalling £142 relate to the redeployment of capital from closed projects (2011 £0).

Swanswell Charitable Trust

Notes to the accounts  
for the year ended 31 March 2012  
(continued)

15 Deferred income

	2012 £	2011 £
Supporting people	3,239	3,685
Alcohol treatment	-	37,733
Carer support	-	11,269
Drug treatment	-	8,832
Criminal justice and probation services	2,424	-
	<u>5,663</u>	<u>61,519</u>

16 Staff costs

	2012 £	2011 £
Wages and salaries	6,072,314	4,766,964
Social security costs	506,761	419,858
Pension costs	230,771	69,999
	<u>6,809,846</u>	<u>5,256,822</u>

The average number of employees analysed by function was:

Advisory services	237	180
Support costs	26	19
	<u>263</u>	<u>199</u>

**The number of higher paid employees was**

Salary band	2012	2011
£70,000-£80,000	1	1
£90,000-£100,000	1	0

Contributions paid towards pension funds for the year in respect of higher paid staff amounted to £10,137 (2011 £4,800).

**Directors remuneration and expenses**

No remuneration, directly or indirectly, was paid or payable out of the funds of the charity in the period to any director or to any person or persons known to be connected with any of them. Six directors were paid expenses totalling £2,258 during the year (2011 six Directors £3,536).

17 Commitments under operating leases

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Operating leases which expire:				
Within 1 year	20,702	2,340	-	-
In 2 - 5 years	85,320	70,320	45,871	36,151
			<u>45,871</u>	<u>36,151</u>