

Swanswell Charitable Trust

Report and financial statements
31 March 2010

Swanswell Charitable Trust

Company information
For the year ended 31 March 2010

Directors:	Mr M Wells	Chair
	Mrs J Wiglesworth	Vice-Chair
	Ms S Basham	
	Dr J Bland	President
	Mr P Forrester	resigned 28 September 2009
	Mrs H Norgrove	resigned 22 June 2009
	Ms M Philbin	appointed 11 September 2009
	Mr M Singh	
	Mr S Smith	resigned 22 June 2009
	Ms R Stringfellow	
	Prof K Warwick	appointed 11 September 2009
	Mr A Youd	resigned 8 February 2010
	Mr R Fass	appointed 17 September 2010
	Mr J Watkins	appointed 17 September 2010
Secretary:	Mr R Bosworth	
Chief Executive:	Ms D Bannigan	
Registered office:	Hilton House, Suite 5 Corporation Street Rugby Warwickshire CV21 2DN	
Registered company:	3692925 (England and Wales)	
Registered charity:	1074891	
Auditors:	Luckmans Duckett Parker Victoria House 44/45 Queens Road Coventry CV1 3EH	
Bankers:	Natwest Bank 4 th Floor 1 St Philip Place Birmingham B3 2PP	

Swanswell Charitable Trust

Report of the directors For the year ended 31 March 2010

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 2010. 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.

Administrative information

The Swanswell Charitable Trust (Swanswell) is a registered charity (No. 1074891) and a Company limited by guarantee (No. 3692925).

The Directors in office were:

Mr M Wells	Chair	Mr P Forrester	resigned 28 September 2009
Mrs J Wiglesworth	Vice-Chair	Mrs H Norgrove	resigned 22 June 2009
Dr J Bland	President	Mr S Smith	resigned 22 June 2009
Ms S Basham		Mr A Youd	resigned 08 February 2010
Mr M Singh			
Ms R Stringfellow			
Ms M Philbin	appointed 11 September 2009		
Prof K Warwick	appointed 11 September 2009		

In accordance with the Articles of Association, Ms S Basham and Ms R Stringfellow will retire at the forthcoming Annual General Meeting and will be eligible to stand for re-election.

One Director, who resigned during 2009/10, was an employee of one of the Councils who fund services for Swanswell. This person was not responsible for, or had any involvement in, any decision making activities between the two parties.

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.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and we have 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.

Swanswell Charitable Trust

Report of the Directors For the year ended 31 March 2010 (continued)

Structure, governance and management

1. Trustees

Swanswell commenced its charitable activity with the delivery of alcohol treatment services in Coventry in 1968. It was incorporated as a Company limited by guarantee on 8 January 1999 and is governed by its Memorandum and Articles of Association. Swanswell's Trustees are appointed by the Company in General Meeting and Swanswell has expressed a policy intention to appoint a minimum of two Trustees who identify themselves as service users. The 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, Swanswell works to further its charitable objects in accordance with our policies and best practice. Swanswell's policies and procedures for the recruitment, induction and training of Trustees are set out in a Trustees' handbook.

2. Statement of Trustees' responsibilities

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 that 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 are 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.

**Report of the Directors
For the year ended 31 March 2010
(continued)**

3. Decision making

The Board of Directors (Trustees) meets periodically to set Swanswell'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 the Chief Executive Officer, through whom the Board exercises its Governance, the Director of Services, the Director of Operations and the Head of Corporate Governance. Swanswell's Finance Manager, who reports to the Chief Executive, is also the Company Secretary. The Chief Executive Officer holds responsibility for Swanswell's strategic and operational management and is authorised to deploy resources, through the Executive Team, towards the achievement of Swanswell's business objectives.

Swanswell's Executive Team exercises operational management through a team of Operations Managers, based in the localities where Swanswell delivers 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 Swanswell's service users and clients.

4. Connections to a wider network

Swanswell is the organisation of choice for a diverse range of commissioners. The relationship with commissioners is based on mutually agreed contracts and service level agreements through which demanding targets are set. Swanswell holds an impressive, demonstrable track record of achievement against these targets and strives continuously to improve performance and service quality whilst achieving competitive service costs. Targets are set locally but reflect the Key Performance Indicators which central government has determined for substance misuse services.

Swanswell also leads and participates in research and development projects through which it connects with Universities and research agencies.

Through a partnership with Netmums, a national online network for mums (and dads) that boasts more members than the WI, Swanswell provides online advice and support for parents about drugs, alcohol and addiction.

**Report of the Directors
For the year ended 31 March 2010
(continued)**

5. Risk management

(i) Business risk

Swanswell has adopted rigorous risk management processes which ensure that Trustees, the Executive Team, Operations Managers and staff 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, expressed through Swanswell's corporate plan and team plans, ensuring that the management of risk forms an integral part of Swanswell's operational activity.

(ii) Operational activity

Swanswell's operational activity is subject to extensive external scrutiny in terms of outputs and outcomes achieved and the processes through which our work is delivered to our service users and clients. Sound clinical governance is integral to our working practice, ensuring that risk assessment is carried out on an on-going basis and is subject to thorough clinical supervision.

Swanswell delivers services for people, with people, through people, so employment practice is of critical importance to the quality of Swanswell's work. The Trustees have expressed a commitment 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.

**Report of the Directors
For the year ended 31 March 2010
(continued)**

Charitable objectives and activities

Swanswell's 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. The area of benefit enables Swanswell to work throughout England and Wales. We are aware of the Charity Commission's general guidance on public benefit. The Board reviews our aims and objectives and plans our future activities consistent with this guidance. In particular, Trustees consider how planned activities will contribute to the aims and objectives they have set.

At Swanswell, we believe that everybody deserves the chance to change and to be happy. We help them to remove the things that stand in their way, whether physical, emotional or practical. So, as their lives improve, they can feel well, do well and stay well. A Strategic Corporate Plan was adopted for the period 2009 - 2013. Swanswell achieved all of the major objectives set out in this plan for the period ending 31 March 2010.

Since 2008/09 Trustees have been committed to building a national organisation that offers the prospect of change to all who seek a happier life. This will be achieved by systematically eliminating the barriers to long term sustainable change and building a national brand and service that is trusted by service users, funders, policy makers and partners. We aim to make our services available to as many people who need them as we possibly can. Recognising that our ambitions can only be achieved through the diligent hard work of our staff team, Trustees endorsed a corporate plan which invests Swanswell's resources for growth.

Swanswell's services include a substantial shared care drug treatment service - delivered in partnership with GP surgeries - in Birmingham, and innovative, community-based alcohol treatment services across Coventry and Warwickshire. Swanswell also works alongside the criminal justice system to provide effective interventions for people where drug and/or alcohol use has contributed to their offending behaviour. Swanswell's high quality supporting people services are delivered in close alignment with treatment services, which contributes to the excellent outcomes achieved by many of Swanswell's service users and clients.

Swanswell has a history of innovation and new service development which continued through 2009/10 through several research and development projects. This portfolio includes an intervention for perpetrators of domestic violence where alcohol misuse contributes to their offending behaviour. The pilot project achieved a remarkable 100% zero-reoffending during the life of the project, settling at 71% longitudinally. Further research and development pilots include alcohol awareness self-help groups, development of interventions for alcohol acquired brain injury and creation of a therapeutic immersive environment in partnership with Reading University.

**Report of the Directors
For the year ended 31 March 2010
(continued)**

Achievements and performance

In 2008, Swanswell's Trustees set Swanswell's strategic direction for the future and have continued on that course through 2009/10. Recognising that we work in an increasingly competitive marketplace, where we must prove the value of our activity to our commissioners, Trustees made a commitment to offer more of what we do well to as many people as possible. This required investment for growth, in particular through the establishment of marketing support and development of 21st Century IT systems for maximum efficiency and effectiveness.

We know that to reach more people we have to achieve the trust of commissioners, funders and service users by communicating Swanswell's message of success. Swanswell's service users achieve change and happiness – measured across a range of indicators. Swanswell's brand tells this story in positive, simple, clear and active language. It lets people know that we help people change their lives for the better so that they can feel well, do well and be happy.

Swanswell has adopted as its logo a bit of crumpled paper. A bit of crumpled paper that helps people to change their lives for the better. The "crumple" logo is a metaphor for the journey that people go through whilst using Swanswell's services. The crumple represents how people may be feeling before they come to Swanswell. The logo then smoothes out, showing the changes they make on their journey to feeling "well". The "well" is always smooth, representing how a person can be happy and well with Swanswell's support.

Our brand has been awarded a D&AD award for its innovative design and is acclaimed by service users, commissioners and partners for its bright and positive image. We have been told that it has de-stigmatised our services and helped service users to engage with us. We know that, by focusing on what can be achieved, our brand contributes to our service users' belief that they can do well and be happy.

But the brand is only a starting point. It helps us to communicate what we know to more people. But we have to make sure that we back up the promise of our brand with the very best services.

**Report of the Directors
For the year ended 31 March 2010
(continued)**

Swanswell's ambitions are founded on the recognition that we have a team of highly skilled and committed workers. Building on our achievement of a National Training Awards in 2007 and 2008, Swanswell won a further award in 2009. Our corporate plan for 2009-12 continued the development of our talent development programme and puts in place reward and benefit systems which recognise excellence in clinical practice. A staff engagement survey which was conducted in January 2009 and repeated in autumn that year, shows an improvement in staff engagement and Swanswell has been recognised as "one to watch" in the national "best companies to work for" survey. We also achieved Investors in People accreditation and Investors in Diversity recognition during 2009/10.

We enjoy an excellent reputation for providing good quality services, evidenced by the fact that we consistently exceed internal and external performance targets. Our success has been endorsed by our commissioners through the extension of several existing contracts and the award of new funding for development projects. This is a testament to our capacity to build strong business relationships through our straightforward, honest and trustworthy approach to our work. The quality of our services has also earned us ISO 9001, 14001 and 18001 accreditations, a Best Business Award for Best Customer Focus for our shared care service, and a Global Business Excellence Award for Outstanding Hospital Liaison Service.

But we do not rest on our laurels. We know that it is important to create continuous improvement and our capacity to review performance in this way has been enhanced through the implementation of a case management database system across all of our services. Our systems strategy, endorsed by the Board in 2009, continues our investment in state-of-the-art technology in support of our services. Our search for efficiency is informed by rigorous value stream mapping of all of our services so that we can eliminate waste and deliver excellent value.

At the heart of all that we do is a commitment to service user involvement, which continues to underpin the quality of all of Swanswell's services. Service users inform all our major decisions. We have a policy to appoint a minimum of two Trustees who identify themselves as service users and, throughout 2009/10, service user participant/observers have joined our Board.

Swanswell Charitable Trust

Report of the Directors For the year ended 31 March 2010 (continued)

Financial review

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

Costs remained within budget, demonstrating the capacity of our managers to control costs and manage expenditure.

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 services, up to 2012. We also increased our portfolio of work with an extended contract for Supporting People services in Birmingham and a new contract to deliver services for carers of people with substance misuse issues in Barnsley.

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

(i) Investment policy

Under the Memorandum and 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. Swanswell's investment arrangements have been subject to continuous review through 2009/10 because of the volatility in the banking industry at this time. A cautious approach to investment resulted in reduced yields, consistent with the marketplace but – more importantly - security of capital.

**Report of the Directors
For the year ended 31 March 2010
(continued)**

(ii) 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 Central Support Services, without which Swanswell could not function, any balances remaining have hitherto been put into unrestricted reserves. The adoption of a market-leading business strategy, focusing on growth and development, demanded that we create a more sophisticated financial strategy which enables resources to be deployed towards the achievement of business objectives, balanced with a need for prudent risk management.

Having recognised the need to invest in new business development, Trustees have continued to apply a reserves policy through which Trustees determined that unrestricted reserves of £350,000 are currently required to safeguard against the risk of business downturn. Reserves held in excess of this sum, together with funds generated from Swanswell's current activity, after meeting the costs of Central Services, have been designated for the purpose of business development.

Unrestricted reserves are therefore held at £350,000.

The Criminal Justice & Probation fund is in deficit by £20,308. The Drink Impaired Drivers Scheme contract ended on 30th September 2008. We were advised of our success in re-tendering 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 31 March 2011.

Designated funds

Swanswell's Business Development Fund has been increased by £112,000 bringing the total designated for this purpose to £639,000 as at 31 March 2010. 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.

Swanswell Charitable Trust

**Report of the Directors
For the year ended 31 March 2010
(continued)**

Key objectives for the future

Trustees approved a corporate plan for the period 2009-12, which has subsequently rolled forward to 2013. The corporate plan sets out in detail the activities which our teams will undertake towards the achievement of our corporate objectives:

- to become a service provider with national presence
- to develop our portfolio of services that deliver behaviour change
- to join up our services, and to join up our services with those of other providers
- to develop new - media based services

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
15 November 2010**

Report of the independent auditors to the members of Swanswell Charitable Trust

We have audited the financial statements of Swanswell Charitable Trust for the year ended 31st March 2010 on pages thirteen to twenty five. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion the information given in the Report of the Trustees is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Report of the independent auditors to the members of
Swanswell Charitable Trust**

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Mark Spafford (Senior Statutory Auditor)
For and on behalf of Luckmans Duckett Parker Limited
Victoria House
44-45 Queens Road
Coventry
West Midlands
CV1 3EH

Date: 15 November 2010

**Statement of financial activities
(including and income and expenditure account)
for the year ended 31 March 2010**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 31/03/2010 £	Total Funds 31/03/2009 £
Incoming resources					
Incoming resources from charitable activities	2	696,366	5,308,500	6,004,866	5,758,835
Donations		1,629	-	1,629	5,875
Investment Income - Interest Received		3,885	-	3,885	49,059
Other income resources		316	-	316	376
Total incoming resources		702,196	5,308,500	6,010,696	5,814,145
Resources expended					
Costs of activities in furtherance of the charity's objectives	3	437,938	4,675,534	5,113,472	5,224,718
Head Office Costs	4	878,954	-	878,954	1,030,490
Governance Costs	5	39,833	-	39,833	28,281
Total resources expended		1,356,725	4,675,534	6,032,259	6,283,489
Net incoming resources before transfers	6	(654,529)	632,966	(21,563)	(469,344)
Gross transfers between funds	11	698,133	(698,133)	-	-
Net incoming resources for the year	6	43,604	(65,167)	(21,563)	(469,344)
Fund balances brought forward 1 April 2009		947,728	366,974	1,314,702	1,784,046
Fund balances carried forward at 31 March 2010	11,12,13	991,332	301,807	1,293,139	1,314,702

Swanswell Charitable Trust

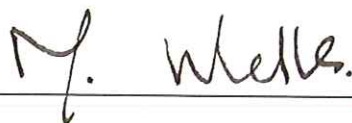
**Balance sheet
as at 31 March 2010**

	Note	31-03-2010		31-03-2009	
		£	£	£	£
Fixed assets					
Intangible fixed assets	7		60,637		-
Tangible fixed assets	8		<u>348,017</u>		<u>236,328</u>
			408,654		236,328
Current assets					
Stocks		14,009		3,042	
Debtors	9	363,848		170,423	
Cash at bank and in hand		<u>766,710</u>		<u>1,284,044</u>	
		1,144,567		1,457,509	
Liabilities					
Creditors amounts falling due within one year	10	<u>260,082</u>		<u>379,135</u>	
Net current assets			884,485		1,078,374
Total assets less current liabilities			<u><u>1,293,139</u></u>		<u><u>1,314,702</u></u>
Funds					
Restricted funds	11,12		186,000		197,540
Restricted capital funds	11,12		115,807		169,434
Designated funds	12,13		639,328		526,774
Unrestricted funds	12,13		352,004		420,954
Total charity funds			<u><u>1,293,139</u></u>		<u><u>1,314,702</u></u>


These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Directors on 15 November 2010 and signed on their behalf by:

Mr M Wells



Ms S Basham



Notes to the accounts for the year ended 31 March 2010

1. Statement of accounting policies

Basis of accounts preparation

These financial statements are prepared in line with The Charities Act 1993 under the historical cost convention in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). 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.

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

**Notes to the accounts for the year ended
31 March 2010**

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. Contributions to both schemes are charged to the Statement of Financial Activities as they become payable.

**Notes to the accounts
for the year ended 31 March 2010 (continued)**

2 Incoming resources from charitable activities

	2010 £	2009 £
By activity:		
Drug treatment services	4,042,442	3,961,376
Alcohol treatment services	1,086,901	980,359
Criminal justice and probation services	127,037	171,287
Supporting people services	560,384	533,484
Young people services	1,094	75,701
Other charitable services	187,008	36,628
	6,004,866	5,758,835

3 Expenditure on advisory services

	2010 £	2009 £
a) By activity:		
Drug treatment services	3,519,298	3,568,103
Alcohol treatment services	1,002,210	934,252
Criminal justice and probation services	117,225	178,141
Supporting people services	400,086	447,957
Young people services	15,240	71,570
Other charitable services	59,413	24,695
	5,113,472	5,224,718

	2010 £	2009 £
b) By category of expenditure		
Administration	178,709	147,210
Information technology	111,491	129,759
Payroll	4,168,311	4,186,146
Personnel and training	68,066	92,897
Premises	347,319	338,118
Resources	132,462	220,982
Group expenses	16,837	8,808
Other	1,407	-
Depreciation	88,756	99,054
Profit/loss on disposal of assets	114	1,744
	5,113,472	5,224,718

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

4 Head office costs

	2010 £	2009 £
Administration	26,765	37,569
Information technology	17,102	25,694
Payroll	688,134	760,613
Personnel and training	51,574	91,596
Premises	64,211	62,040
Resources	1,968	23,475
Other	1,321	1,576
Designated funds - depreciation	15,082	16,479
Depreciation	12,797	11,448
Profit/loss on disposal of assets	-	-
	878,954	1,030,490

5 Governance

	2010 £	2009 £
External audit	8,000	7,190
Cost of trustees meetings	2,731	880
Apportionment of executive staff costs	28,967	18,594
Governors liability insurance	135	1,617
	39,833	28,281

6 Net incoming resources

Included in net incoming resources in the year are:-

	2010 £	2009 £
Audit fees	8,000	7,190
Depreciation	116,635	126,979
Loss on disposal	114	1,744
Research and development - current	-	-
Research and development - deferred	-	-
Pension	64,119	58,427

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

7 Intangible fixed assets

	Research and development	Totals
	£	£
Cost		
Additions	60,637	60,637
As at 31 March 2010	<u><u>60,637</u></u>	<u><u>60,637</u></u>
Amortisation		
Charge for the year	-	-
As at 31 March 2010	<u><u>-</u></u>	<u><u>-</u></u>
Net book value		
As at 31 March 2010	<u><u>60,637</u></u>	<u><u>60,637</u></u>

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

8 Tangible fixed assets

	Short leasehold property	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
Cost				
As at 1 April 2009	167,545	262,878	341,915	772,338
Additions	4,259	-	224,179	228,438
Disposals	-	-	(26,540)	(26,540)
As at 31 March 2010	<u><u>171,804</u></u>	<u><u>262,878</u></u>	<u><u>539,554</u></u>	<u><u>974,236</u></u>
Depreciation				
As at 1 April 2009	137,668	161,411	236,931	536,010
Charge for the year	9,985	42,731	63,919	116,635
Disposals	-	-	(26,426)	(26,426)
As at 31 March 2010	<u><u>147,653</u></u>	<u><u>204,142</u></u>	<u><u>274,424</u></u>	<u><u>626,219</u></u>
Net book value				
As at 31 March 2010	<u><u>24,151</u></u>	<u><u>58,736</u></u>	<u><u>265,130</u></u>	<u><u>348,017</u></u>
As at 31 March 2009	<u><u>29,877</u></u>	<u><u>101,467</u></u>	<u><u>104,984</u></u>	<u><u>236,328</u></u>

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

9 Debtors

	2010 £	2009 £
Trade debtors	191,779	43,040
Other debtors	-	206
Prepayments and accrued income	172,069	127,177
	363,848	170,423

10 Creditors

	2010 £	2009 £
Trade creditors	84,029	177,799
Social security and other taxes	109,976	104,731
Accruals	33,718	30,699
Deferred income (See note 14)	22,124	57,177
Other creditors	10,235	8,729
	260,082	379,135

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

11 Restricted funds

	Balance 1 April 2009	Incoming resources	Expenditure	Transfers restricted fund	Transfers unrestricted	Balance 31 March 2010
	£	£	£	£	£	£
Drug treatment funds:						
- Birmingham	74,805	4,031,848	(3,452,193)	-	(578,303)	76,157
Alcohol treatment funds:						
- Coventry	38,766	518,237	(478,366)		(59,411)	19,226
- Warwickshire	-	558,247	(510,181)		(42,241)	5,825
Criminal justice and probation funds	(14,055)	125,013	(115,687)	-	(15,579)	(20,308)
Young people funds	87,763	(1,093)	(14,876)	-	-	71,794
Other charitable funds	10,261	50,057	(21,534)	-	(5,478)	33,306
	197,540	5,282,309	(4,592,837)	-	(701,012)	186,000
CAPITAL						
Drug treatment funds:						
- Birmingham	144,408	10,594	(67,105)	(4,330)	(866)	82,701
Other charitable funds	25,026	15,597	(15,592)	4,330	3,745	33,106
	169,434	26,191	(82,697)	-	2,879	115,807
Totals	366,974	5,308,500	(4,675,534)	-	(698,133)	301,807

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

11 Restricted funds (continued)

Drug 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.

Self help referral - a scheme whereby drug and alcohol users are encouraged to confront their difficulties through the use of self-arranged peer groups.

Trainee scheme - to enable the recruitment of people from a wide variety of backgrounds into Swanswell and, through a modular combination of classroom based learning and closely supervised practical sessions, produce NVQ3 qualified, skilled drug workers for our workforce.

Alcohol treatment services- incorporates the following projects:

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.

NOMS intervention training - provision of training to Offender Managers in the delivery of alcohol interventions in accordance with NOMS regulations.

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.

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
Fixed assets	292,847	115,807	408,654	236,328
Net current assets	698,485	186,000	884,485	1,078,374
Total Net Assets	991,332	301,807	1,293,139	1,314,702

13 Unrestricted funds

	Balance 1 April 2009 £	Incoming resources £	Expenditure £	Transfers restricted fund £	Transfers unrestricted £	Balance 31 March 2010 £
Designated funds						
Business development	526,774	137,611	(308,813)	2,470	281,286	639,328
	526,774	137,611	(308,813)	2,470	281,286	639,328
Unrestricted reserves						
Unrestricted reserves	414,918	4,201	(647,826)	698,542	(119,835)	350,000
Supporting people services	6,036	560,384	(400,086)	(2,879)	(161,451)	2,004
	420,954	564,585	(1,047,912)	695,663	(281,286)	352,004
	947,728	702,196	(1,356,725)	698,133	-	991,332

Designated funds

Business development - funds set aside to complete business strategy development, including the Marketing and Operations, Human Resources, Information Systems and Financial strategies. This also incorporates the Head office relocation fund which relates to the refurbishment of the new Head office (March 2006).

Transfers between funds

The transfers from Unrestricted reserves and Supporting people to the Business development fund, totalling £281,286 (2009: £459,572), represent the investment in future business development in order to achieve the goals stated above (see Business development fund notes).

The transfers from Restricted funds to Unrestricted reserves totalling £698,133 (2009 £655,169) represent management charges to cover the administration costs of the Trust.

**Notes to the accounts
for the year ended 31 March 2010
(continued)**

14 Deferred income

	2010 £	2009 £
Supporting people	22,124	25,177
Development projects	-	15,000
Birmingham drug treatment services	-	17,000
	<u>22,124</u>	<u>57,177</u>

15 Staff costs

	2010 £	2009 £
Wages and salaries	3,728,126	3,836,522
Social security costs	368,859	383,253
Pension costs	64,119	58,427
	<u>4,161,104</u>	<u>4,278,202</u>

The average number of employees analysed by function was:

Advisory services	134	145
Support costs	18	12
	<u>152</u>	<u>157</u>

The number of higher paid employees was

Salary band	2010	2009
£60,000-£70,000	1	0

Contributions paid towards pension funds for the year in respect of higher paid staff amounted to £4,147 (2008-09 £0)

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. Five directors were paid expenses totalling £1,535 during the year (2008-09 two Directors £622).

16 Commitments under operating leases

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Operating leases which expire:				
Within 1 year	3,857	-	1,877	2,584
In 2 - 5 years	81,301	90,206	35,398	33,235
	<u>85,158</u>	<u>90,206</u>	<u>37,275</u>	<u>35,819</u>