

Swanswell Charitable Trust
Financial statements
For the year ended 31 March 2016



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Swanswell Charitable Trust

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Swanswell Charitable Trust

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

Registered name: Swanswell Charitable Trust

Also known as: Swanswell

Registered company: 3692925 (England and Wales)

Registered charity: 1074891

**Registered office
and head office** Hilton House, Suite 5
Corporation Street
Rugby
Warwickshire
CV21 2DN

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

Dr A Maynard	Chair (appointed September 2015)
Ms R Stringfellow	Chair (resigned September 2015)
Mr J Watkins	Vice-Chair
Dr J Bland	President
Mr T Rutherford	
Mr C Mitchell	
Dr A Zaghloul	
Mr M Pilgrim	
Mr A Furlong	
Prof P Cook	(appointed May 2015)

Chief Executive: Ms D Bannigan (to July 2016)

Auditors: Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Bankers: Natwest Bank
4th Floor
1 St Philip Place
Birmingham
B3 2PP

Report of the Trustees

Introduction

The Trustees present their report and the audited financial statements for the year ended 31 March 2016.

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

Objectives and activities

Swanswell is a national recovery charity that helps people change and be happy. We have over 45 years' experience helping people change and be happy.

Swanswell wants to achieve a society free from problem alcohol and drug use.

No one falls to earth as an alcoholic but **13 million people** regularly drink too much, **7.8 million people** binge drink and **300,000 people** are dependent on alcohol. Alcohol can be enjoyed responsibly but when problems begin, they can quickly spiral out of control, affecting millions of people and costing society **£21 billion** a year to deal with.

Problem drug use costs society **£15 billion** a year and nearly **400,000 people** are addicted to opiates, crack or both.

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

Swanswell has a demanding vision for individuals and for society – **we believe in a society free from problem alcohol and drug use.**

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

Our Corporate Plan sets out our vision:

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



This is an ambitious vision which dares to imagine generational, transformational change. It reconnects Swanswell with a significant cause, appropriate to our charitable status. In adopting this vision, Swanswell takes up a leadership challenge, saying 'let it be us', and 'let it start now'.

Swanswell's mission:

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

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

Our Corporate Plan is agreed by our Trustees and delivered by our CEO and Executive Team. The Corporate Plan outlines how we'll deliver our long-term vision of achieving a society free from problem alcohol and drug use and our mission of enabling a climate of clear thinking around the use of alcohol and drugs. 2015/16 was the second year of progress towards our vision.

Our strategic imperatives - key achievements and essential milestones on the journey towards our vision - are:

- **Service excellence**
to deliver evidenced service excellence, so that the quality of our work can be objectively verified as consistent with, or above, that which is delivered within our sector, by c2018
- **Financial freedom**
to achieve sufficient financial diversity and independence to be able to make evidenced public statements in support of our vision and mission, which may be perceived as controversial or provocative by some audiences, by c2033

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

In 2015/16 we provided the following services to help people feel well, do well and be happy:

- substance misuse services
 - alcohol treatment and support
 - drug treatment and support
 - young person's support
- criminal justice services
 - arrest intervention and referral service
 - accredited programmes
- supporting people services
 - single people
 - offender
 - Independent Living Service (ILS)
 - sex and wellbeing
- other services
 - family and carer support
 - commissioner cost control support

Swanswell Charitable Trust

In 2015/16 we operated services in Birmingham, Leicestershire and Rutland, Sandwell, Coventry, Warwickshire, Staffordshire, West Midlands, Barnsley, Avon and Somerset, West Berkshire and Worcestershire.

'Swanswell helped me to understand my problems and how to cope with them. Life is looking brighter and I'm involved in Swanswell's volunteer group.'

Eamonn, service user

'I would like to say a big thank you to all staff at Swanswell for understanding my situation and helping me stay abstinent.'

Derek, service user

'I have lots of interests in life now – reading, music, juggling, arts and crafts, home baking and swimming. My children are so much happier now.'

Debra, service user

'Now, my finances are getting sorted, I'm not worrying about people coming to my door. It's better than it was.'

Mark, service user

Strategic Report

Achievements and performance

Last year, thousands of service users and their families were supported by Swanswell on their journey towards recovery, contributing to achieving our vision and mission.

Here are just some of the highlights from 2015/16.

Avon and Somerset Arrest Intervention Referral Service (AIRS)

- **13,246 contacts** with offenders in cells
- Completed **2,191 assessments and interventions**
- of the figure above, **406 individuals** were referred and engaged in community treatment; a **15.7%** increase on the previous year

Accredited Programmes

Our contract to deliver Substance Misuse Accredited Programmes, in partnership with Staffordshire and West Midlands and Warwickshire Community Rehabilitation Companies (CRCs), expired in September 2015 and was not retendered.

- This was a three year contract with a total value of £1,398,513, **30%** of which was subject to Payment by Results (PbR). The PbR was paid quarterly in arrears in respect of four specific outcome targets expressed as a percentage of the number of offenders commencing and completing programmes
- Part of the PbR target depended on a review of participants six months after they completed the programme. At the end of the contract term, there were still three quarterly PbR payments outstanding and reviews to be completed
- Despite the difficulty in contacting some offenders once their orders were complete, we managed to exceed our response target every quarter by as much as **28%**. Of those contacted, on average **88% had maintained the change** six months after completing our intervention; in several quarters this was above 90%, well in excess of the **76% target**

Birmingham supporting people services

Swanswell support offenders and single homeless to gain or retain their tenancies.

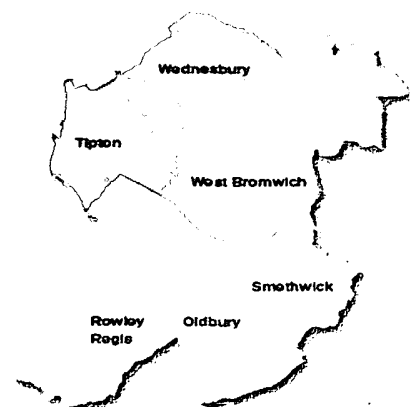
- **70%** of people established or maintained independent living through attending the service

Sandwell alcohol service

There is a 20% PbR attached to this contract across four key performance indicators. To date we have achieved all our PbR targets.

We have:

- provided interventions and supported 1,105 individuals (295 transferred with the service)
- increased the number of clients who successfully completed an alcohol treatment episode from 141 (29%) to **188**, which represented 35% of all numbers in structured alcohol treatment
- continued to increase the percentage of clients who successfully complete a tier three treatment episode to **41.8 %** at the end of July 2016, which is over 3% above the national average



We are part of the Alcohol Concern's Blue Light Project to develop an approach to engage treatment resistant drinkers.

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Barnsley carer support service

In our Barnsley carers service we supported **70 individuals** who were affected by someone else's drug and alcohol use.

Independence Living Service (ILS) Coventry and Warwickshire

The ILS Coventry and Warwickshire Service supported **751 clients** referred into the service seeking support for finance, housing, benefits and education. The service achieved **73.2% (747)** planned closures, whereby service users had felt the benefits of seeking further support.

Leicestershire and Rutland alcohol and drug service

The Leicestershire and Rutland services were retendered during 2015/16 with the new contract starting on the 1st July 2016. Swanswell was unsuccessful in the tendering process.

In 2015/16 we supported **2,970 individuals** across 58 different venues:

- **1,324** adults in drug treatment
- **1,527** adults for alcohol treatment
- **119 young people** for alcohol and drug treatment



48% of individuals who were in alcohol treatment left treatment having achieved their goals related to their use in the year. This was **3% above our target and 10% above the national target**.

All of the young people who successfully left the service in the year did not represent to service within six months **exceeding our target by 20%**.

West Berkshire alcohol and drug recovery service

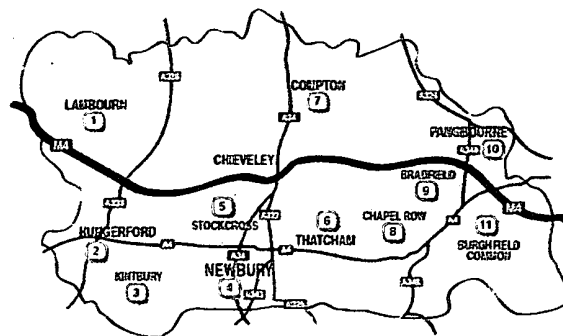
Swanswell became the new service provider for alcohol and drug recovery services in West Berkshire on 1 April 2015.

We supported **580 individuals** across the year and **increased the numbers of:**

- Opiate users accessing our service by **19%**
- Alcohol users accessing our service by **46%**

During the year, based on the previous provider's performance, we **increased the percentage of:**

- alcohol users successfully leaving treatment by **8.6%** from **38.0%** to **46.6%**
- alcohol and non-opiate users successfully leaving treatment by **25.3%** from **26.7%** to **52%**



Worcestershire alcohol and drug service

On 1 April 2015, Swanswell became the new providers for Worcestershire Recovery Service and created a single point of contact for the county. Within the first year of this contract we saw **3,066 individuals**.

We supported

- **1,819 adults** in drug treatment
- **1,139 adults** for alcohol treatment
- **108 young people** for alcohol and drug treatment

During the year, based on the previous provider's performance, we increased the numbers of:

- opiate users successfully leaving treatment by **0.7%**
- alcohol users successfully leaving treatment by **3.8%**
- offenders accessing support by **20.5%**

From April 2015 to March 2016, Worcestershire saw an increase of **25%** for the number of clients referred, this is **483 additional clients** since the contract commencement, exceeding the expected target for numbers in treatment.



Partnerships and performance

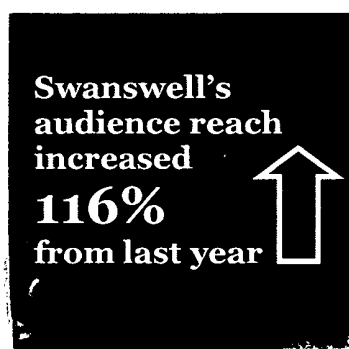
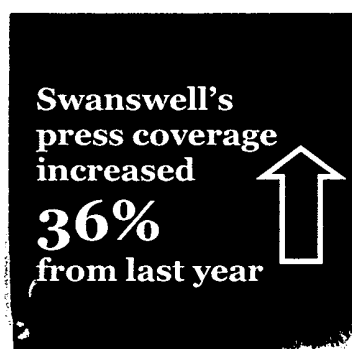
Swanswell is the organisation of choice for a wide range of commissioners. Our relationships with commissioners are based on mutually agreed contracts and service level agreements through which demanding targets are set and performance measured. We hold an impressive, demonstrable track record of achievement against these targets, and strive continuously to improve performance and service quality, while achieving competitive service costs. While performance targets are set locally, they reflect the targets which central government has set out for substance misuse services. We pride ourselves on delivering the best services possible to service users. We don't bid for every contract that is available – only those where we feel we can make a significant difference to the lives of the people using the service.

Swanswell Charitable Trust

Shouting about Swanswell's achievements during the year

Our aim was to encourage people to support our cause by influencing public policy, inspiring people to think again, and increasing awareness around problem alcohol and drug use. Shouting about Swanswell helped raise awareness of our vision and we're proud to have seen a greater engagement rate this year. During 2015/16, we've continued to raise the profile of Swanswell through communication within the political arena, media coverage and through other awareness raising activity. We've continued to increase our presence in the local and national media. Between April 2015 and March 2016, we:

- released **37** press releases
- achieved local, regional and national press coverage worth the equivalent of **£396,052**
- reached a potential audience of almost **310,108,818** people



Swanswell continued to be a go-to organisation for the media when debating national topics of interest. In 2015/16, we were approached by outlets such as the Independent, The Mail Online, BBC News and Free Radio.

Swanswell's public policy campaigning continued to develop, generating debate around our main campaigns including:

- **A bar too far? – alcohol in primary schools**
In England and Wales alcohol was served to adults at over **9,000** events in primary schools aimed at children last year. We've been campaigning for primary schools to set a better example to children by becoming alcohol free zones
- **Drink-driving – stop wasting lives and resources**
Drink-driving kills **260** people and injures **10,000** people every year in the UK ruining lives and wasting resources. We've been campaigning for a change in the law so that a mandatory drink and drug workshop is included in the driving theory test
- **Alcohol dementia – the preventable dementia**
One in ten people with dementia could actually be suffering from alcohol dementia – that's **80,000** people in the UK alone. We've been campaigning and raising awareness so people recognise the problem of alcohol dementia
- **Hidden harm of energy drinks**
Readily available to children, energy drinks contain high levels of caffeine. We've been working in partnership with The National Association of Schoolmasters Union of Women Teachers (NASUWT) to ask the government to commission independent research into energy drink use and the long-term effects on health

Social media presence:

- **1,608 people** followed Swanswell on twitter
- Almost **10,000 people** have viewed our YouTube channel
- Since launching our Facebook page, we've achieved **782 'likes'**

Plans for future periods

Swanswell wants to achieve a society free from problem alcohol and drug use.

We may be being ambitious but why can't we have a society free from problem alcohol and drug use? Our ambitions are bold and necessary if we are to fulfil our charitable objects in an increasingly competitive marketplace.

It wasn't long ago smoking in a restaurant was acceptable. Now it's unthinkable. We know the process of change will not be quick, it may be tortuously slow to start with, but it will gather speed, gain ground and develop momentum. It's our duty to prevent future generations bearing the economic, social and personal costs of problem alcohol and drug use.

The Trustees approved a Corporate Plan for the period 2015-18. The Corporate Plan sets out in detail the activities which our teams will carry out.

Towards service excellence

- Understanding our evidence base
- Right people doing the right things
- Strong clinical leadership
- Buy-in from team members
- Service users involved
- Evidenced quality of service

Towards financial freedom

- Build plan for growth
- Diversify funding
- Partner of choice for research and delivery

Towards a society free from problem alcohol and drug use

- Achieve clarity of message
- Move to prevention
- Provocative public messages
- Recognised as a popular cause
- A society free from problem alcohol and drug use

At Swanswell, we're 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 intention for the future will be achieved and Swanswell will continue to help people change their lives for the better so they can feel well, do well, be well and stay well.

Financial review

Our reserves policy

The Trustees have determined that unrestricted reserves held by the Charity should be held at a level that is both necessary and in the Charity's best interests. Minimum reserves that the Trustees believe are needed to manage the risk associated with a significant business downturn and failure to meet contractual targets are £320,000 (2015: £480,000).

The new business development designated fund was in part used and the balance released to unrestricted general funds as any investment in new business development will be funded within the year.

Swanswell Charitable Trust

Unrestricted reserves have increased to £956,468 (2015: £590,591), this consists of tangible fixed assets of £180,032 (2015: £132,682) leaving free reserves of £776,436 (£457,909) held as net current assets.

Trustees have noted the reduction in overall reserves and have taken action to address this, not only to reduce costs but also by ongoing review of strategic options, mindful of difficult operating conditions.

Our investment policy

Our Articles of Association enable Swanswell to invest monies not immediately required for the furtherance of our objects. We apply a cautious approach to the investment of surplus funds in order to protect us from the volatility in the banking market.

Interest received was £8,716 (2015: £8,503). This increase is due to increased cash balances.

Principal risks and uncertainties

Swanswell's Executive Team reviews corporate risk as a minimum each quarter for presentation to the Finance, Risk, Audit and Compliance Committee (FRAC). The risk register, together with any proposed adjustments, is reported to the FRAC. The FRAC review the risk register and will identify any significant new or changed risk that is then reported to the Board.

The regular review process is detailed below, however, more recently the Board have considered the risk that Swanswell will not continue to be successful bidding for new contracts that contribute to the financial security of the charity. We observe the pressure on commissioners to award contracts to lowest cost providers, or to reduce existing contract terms, increasing the risk that cost overruns lead to a depletion of charitable reserves. While our on-line alcohol reduction course was launched and has proven effective, sales are not projected to be significant.

We continue to bid for new contracts, although are very selective, since the competitive nature of the bidding process offers little certainty of success. Management are implementing a strategy to reduce costs, alongside investigations to consider alternative partnership models to ensure the continuation of service delivery.

We use the risk assessment model recommended by the Charity Commission in CC26 – Charities and Risk Management. Risks are rated according to their likelihood of happening and impact on the business if they do happen. All risks identified are subject to control measures to reduce either the likelihood or impact of the risk materialising. Further mitigating actions are also identified in order to further reduce the risk rating; these are usually included as an action within our Corporate Plan.

Swanswell's significant risks are identified as follows:

- increased external competition, reduced levels of funding and higher commissioner expectations leads to fewer successful tendering outcomes and reduced activity;
- reputational damage leads to a loss of contracts and funding;
- reduced national or local government funding for our services puts at risk our long-term financial security;
- not ensuring quality of leadership within the organisation to ensure clear direction, effective management of resources, high quality clinical practice and delivery of our stated objectives.

Going concern

The Trustees have taken steps since the year end to improve the financial position of the Charitable Company, in particular restructuring and effecting cost savings. The Trustees are also actively engaged in negotiations for a merger. These negotiations have not yet concluded and if the merger does not take place, the Trustees will consider other options and take appropriate steps to enable the Charitable Company to continue its operations. As negotiations for merger are ongoing and the Trustees expect other options and steps to be available, the Trustees consider that the going concern basis remains appropriate.

Business risk management

Swanswell has adopted rigorous risk management processes which ensure that Trustees, the Executive Team, 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 good employment practices and to ensuring that employment risk is minimised.

Clinical governance

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

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

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

Our quality standards

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

- ISO9001 for Quality Management
- ISO14001 for Environmental Assurance
- OHSAS18001 for Health and Safety
- Investors in Diversity – Leaders in Diversity
- Investors in People Bronze
- Stonewall Diversity Champion
- Positive about Disabled People

Swanswell Charitable Trust

Structure, management and governance

How we do it

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

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

- Clinical Reference Group - to review and scrutinise Swanswell's activity and performance in the domains of clinical quality assurance and clinical excellence; and stimulate thought leadership towards Swanswell's vision of a society free from problem alcohol and drug use
- Finance, Risk, Audit and Compliance Committee - to review and scrutinise Swanswell's activity and performance in the domains of finance, including employment and remuneration, risk management, audit and compliance

The Executive of the organisation comprises:

- Chief Executive Officer – Shān Nicholas, through whom the Board exercises its Governance
- Director of Western Region – David Lewis
- Director of Eastern Region – Anne Steele
- Medical Director – Dr Steve Brinksman
- Director of Finance and Business Resources – Janet Walker-Thompson

The Chief Executive Officer is responsible for strategic and operational management and is authorised to deploy resources, through the Executive Team, towards the achievement of business objectives.

Regular business meetings are held where performance is monitored, both operationally and financially, potential improvements are discussed and actions agreed. Front line 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.

Remuneration policy

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

This policy extends to all staff, including executive management. We ensure that we adhere to this policy by subscribing to and applying a job evaluation system and subscribing to sector pay surveys annually. Remuneration of the CEO and Executive team is determined by the Board.

Involving team members

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

Diversity

Swanswell is an equal opportunities employer. All of our team members, and all applicants for employment, are given equal opportunity in employment irrespective of their colour, race, nationality, ethnic or national origins, religion, sex, marital status, sexual orientation, disability or age.

We recognise the rights and responsibilities which are set out in the Equality Act (2010), and will support individuals who may need special assistance. Our recruitment procedure ensures that we comply with good practice and employment law. We are committed to making reasonable adjustments for team members who are disabled to ensure they are able to do their job effectively.

We are committed to preventing and discouraging discrimination, harassment and victimisation of any team member on any grounds and especially all 9 protected characteristics. We view any such actions as gross misconduct.

Involving our service users

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

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

Governance

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

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

Statement of responsibilities of the trustees

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

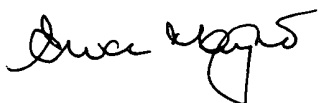
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

In so far as the Trustees are aware:

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 9 (2015: 8). The Trustees are members of the Charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.

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



Alice Maynard
Chair
22 November 2016

Report of the Auditors

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 31 March 2016, which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of responsibilities of trustees set out on pages thirteen and fourteen, 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 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 Strategic Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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.

Emphasis of matter – going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Trustees' annual report and note 1 to the financial statements concerning the going concern basis for the preparation of the financial statements. The charitable company incurred a deficit of £765,059 for the year ended 31 March 2016. As explained

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in accounting policy note 1 to the accounts, the Trustees consider that the going concern basis remains appropriate.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Trustees 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.



Judith Miller (senior statutory auditor)
for and on behalf of
Sayer Vincent LLP
Statutory auditors
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

23 November 2016

Swanswell Charitable Trust

Statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2016

	Note	Unrestricted Funds	Restricted Funds	Total Funds 31 March 2016	Total Funds 31 March 2015
		£	£	£	£
Income from:					
Donations	3	5,038	2,500	7,538	4,471
Charitable activities	4				
Substance Misuse Treatment services		9,083,091	24,585	9,107,676	7,409,135
Criminal Justice and Probation services		1,016,487	-	1,016,487	1,164,070
Supporting people services		1,030,029	-	1,030,029	773,258
Other charitable services		216,797	-	216,797	120,161
Other trading activities	5	883	-	883	-
Investments	6	8,716	-	8,716	8,053
Other		15,198	-	15,198	49,937
Total income		11,376,239	27,085	11,403,324	9,529,085
Expenditure on					
Charitable activities	7				
Substance Misuse Treatment services		9,925,286	830	9,926,116	7,350,566
Criminal Justice and Probation services		944,923	-	944,923	1,137,808
Supporting people services		1,071,442	-	1,071,442	755,278
Other charitable services		225,902	-	225,902	142,679
Total expenditure	8,9,10	12,167,553	830	12,168,383	9,386,331
Net movement in funds	20	(791,314)	26,255	(765,059)	142,754
Reconciliation of funds:					
Total funds brought forward		1,747,782	65,147	1,812,929	1,670,175
Total funds carried forward	20	956,468	91,402	1,047,870	1,812,929

All amounts relate to continuing activities

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

The notes on pages 20 to 33 form part of these financial statements, movements in funds are disclosed in note 20.

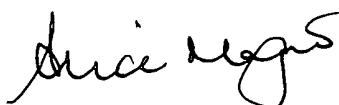
Swanswell Charitable Trust

Registered company number: 3692925

Balance sheet as at 31 March 2016

	Note	31 March 2016 £	31 March 2015 £
Fixed assets			
Tangible fixed assets	13	<u>180,032</u>	<u>132,682</u>
Current assets			
Stocks	14	13,411	17,433
Debtors	15	707,421	837,437
Cash at bank and in hand		<u>1,543,960</u>	<u>1,468,173</u>
		2,264,792	2,323,043
Liabilities			
Creditors amount falling due within one year	16,17	<u>1,396,954</u>	<u>642,796</u>
Net current assets		867,838	1,680,247
Total assets less current liabilities		<u>1,047,870</u>	<u>1,812,929</u>
Funds			
Restricted funds	20	91,402	65,147
Designated funds	20	-	1,157,191
Unrestricted funds	20	956,468	590,591
Total charity funds		<u>1,047,870</u>	<u>1,812,929</u>

The financial statements were approved by the Trustees on 22 November 2016 and signed on their behalf by:



Alice Maynard
Chair

Statement of cash flows for the year ended 31 March 2016

	Note	31 March 2016 £	31 March 2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	208,244	(400,703)
Cash flows from investing activities			
Interest received		8,716	8,053
Proceeds from sale of fixed assets		-	150
Purchases of fixed assets		(141,173)	(104,176)
Net cash provide by/(used in) investing activities		(132,457)	(95,973)
Change in cash and cash equivalents		75,787	(496,676)
Cash and cash equivalents at beginning of year		<u>1,468,173</u>	<u>1,964,849</u>
Cash and cash equivalents at end of year	22	<u>1,543,960</u>	<u>1,468,173</u>

Swanswell Charitable Trust

Notes to the financial statements
for the year ended 31 March 2016

1. Statement of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 August 2014) and the Companies Act 2006.

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

Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014 and no restatement was required.

Public benefit entity

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

Going concern

The Trustees have taken steps since the year end to improve the financial position of the Charitable Company, in particular restructuring and effecting cost savings. The Trustees are also actively engaged in negotiations for a merger. These negotiations have not yet concluded and if the merger does not take place, the Trustees will consider other options and take appropriate steps to enable the Charitable Company to continue its operations. As negotiations for merger are ongoing and the Trustees expect other options and steps to be available, the Trustees consider that the going concern basis remains appropriate.

Income

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

Income from donations is only deferred when:

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

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

All other income is accounted for on an accruals basis.

Notes to the financial statements
for the year ended 31 March 2016 (continued)

Expenditure and irrecoverable VAT

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

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

Other expenditure represents those items not falling into any other heading

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

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

Allocation of support costs and governance

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

Substance misuse services	79%
Criminal justice services	10%
Supporting people services	9%
Other	2%

Tangible fixed assets

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

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

Fund structure

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

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

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

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

Swanswell Charitable Trust

Notes to the financial statements
for the year ended 31 March 2016 (continued)

Operating leases

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

Pensions

Contributions to all schemes are charged as they become payable. The schemes are detailed in note 18 on page 30.

Stocks

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

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

Notes to the financial statements
for the year ended 31 March 2016 (continued)

2. Detailed comparatives for the statement of financial activities

	Unrestricted	Restricted	Total 31 March 2015
	£	£	£
Income from:			
Donations	4,471	-	4,471
Charitable activities			
Substance Misuse Treatment services	7,396,635	12,500	7,409,135
Criminal Justice and Probation services	1,164,070	-	1,164,070
Supporting people services	773,258	-	773,258
Other charitable services	120,161	-	120,161
Other trading activities		-	-
Investments	8,053	-	8,053
Other	49,937	-	49,937
Total income	9,516,585	12,500	9,529,085
Expenditure on			
Substance Misuse Treatment services	7,337,149	13,417	7,350,566
Criminal Justice and Probation services	1,137,808	-	1,137,808
Supporting people services	755,278	-	755,278
Other charitable services	142,679	-	142,679
Total expenditure	9,372,914	13,417	9,386,331
Net movement in funds	143,671	(917)	142,754
Reconciliation of funds:			
Total funds brought forward	1,604,111	66,064	1,670,175
Total funds carried forward	1,747,782	65,147	1,812,929

3. Income from donations

	Unrestricted	Restricted	Total 31 March 2016	Total 31 March 2015
	£	£	£	£
Donated gifts	5,038	2,500	7,538	4,471

Swanswell Charitable Trust

Notes to the financial statements
for the year ended 31 March 2016 (continued)

4. Income from charitable activities

	Unrestricted	Restricted	Total 31 March 2016	Total 31 March 2015
	£	£	£	£
By customer/activity:				
Local authority commissioners	9,083,091	20,000	9,103,091	7,351,427
Other	-	4,585	4,585	57,708
Substance misuse treatment services	9,083,091	24,585	9,107,676	7,409,135
Local authority commissioners	1,016,487	-	1,016,487	1,164,070
Criminal justice and probation services	1,016,487	-	1,016,487	1,164,070
Local authority commissioners	1,021,289	-	1,021,289	773,258
Other	8,740	-	8,740	
Supporting people services	1,030,029		1,030,029	773,258
Local authority commissioners	216,797	-	216,797	120,161
Other charitable services	216,797	-	216,797	120,161
	11,346,404	24,585	11,370,989	9,466,624

Substance misuse treatment services are services commissioned, primarily by local authorities, to reduce the harm from alcohol and or drug use. The services support individuals to change their alcohol and drug use. Swanswell offer a range of interventions, which includes psychological support, health checks, prescribing, and supported withdrawal from alcohol and drugs. The aim is to help service users reach their goals and achieve recovery. To improve accessibility Swanswell provides services in a variety of settings including GP practices, hospitals and community venues. All Swanswell's treatment services are registered with the Care Quality Commission (CQC) and comply with the CQC's regulations and standards. Swanswell supports the development of local recovery communities. During 2015/16 these services included Leicestershire and Rutland County Councils, Sandwell Metropolitan Borough Council, West Berkshire Council and Worcestershire County Council.

Criminal justice and probation services include the Arrest Intervention and Referral Service provided to Avon and Somerset County Council. Team members are based in the custody suites across the area and identify individuals who may be experiencing problems with alcohol and drugs, provide them with advice, support and an intervention including referral to local treatment services where necessary. Substance misuse accredited programmes are mandated by the courts as part of a community sentence and are delivered under contract to Staffordshire and West Midlands, and Warwickshire Community Rehabilitation Companies (previously National Probation Service).

Supporting people services are services commissioned to support individuals to retain their tenancy. Service users are supported to develop a variety of skills to enable them to manage their tenancy effectively, support may also extend to entering education or employment and obtaining debt advice. During 2015/16 we had a substance misuse related independent living service in Coventry and Warwickshire and in Birmingham there were two contracts providing services for single homeless people and offenders.

Notes to the financial statements
for the year ended 31 March 2016 (continued)

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

5. Income from other trading activities

	Unrestricted	Restricted	Total 31 March 2016	Total 31 March 2015
	£	£	£	£
On-line support courses	883	-	883	-

6. Income from investments

	Unrestricted	Restricted	Total 31 March 2016	Total 31 March 2015
	£	£	£	£
Interest on cash deposits	8,716	-	8,716	8,053

Swanswell Charitable Trust

Notes to the financial statements
for the year ended 31 March 2016 (continued)

7. Analysis of expenditure

	Substance misuse services £	Criminal justice and probation services £	Supporting people services £	Other charitable activities £	Support services £	Governance £	Total 2015/16 £	Total 2014/15 £
Staff costs (note 9)	4,843,884	675,504	692,931	77,060	1,274,677	70,536	7,634,592	6,962,949
Employment costs	469,335	22,306	36,288	3,130	218,796	-	749,855	307,045
Operational costs	2,107,794	4,844	8,614	101,173	44,893	-	2,267,318	804,407
Business systems	305,819	29,302	64,190	2,528	78,305	-	480,144	408,956
Facilities	543,660	2,377	56,998	3,931	131,416	-	738,382	655,668
Marketing	10,953	436	894	538	17,061	-	29,882	45,613
Finance	53,957	13,909	19,330	176	45,585	11,308	144,265	105,071
Depreciation	45,290	443	5,182	39	38,225	-	89,179	90,327
Board costs	-	-	-	-	-	34,766	34,766	6,295
Total costs	8,380,692	749,121	884,427	188,575	1,848,958	116,610	12,168,383	9,386,331
Support costs	1,452,075	185,355	176,429	35,099	(1,848,958)	-	-	-
Governance costs	93,349	10,447	10,586	2,228	-	(116,610)	-	-
Total costs	9,926,116	944,923	1,071,442	225,902	-	-	12,168,383	-
Total costs 2014/15	7,350,566	1,137,808	755,278	142,679	-	-	-	9,386,331

In 2015/16 Board costs not only included Trustee expenses and meeting costs but also recruitment costs and awayday/training costs. Of the total expenditure £12,167,553 was unrestricted (2015: £9,372,914) and £830 was restricted (2015: £13,417).

Notes to the financial statements
for the year ended 31 March 2016 (continued)

8 Net income/expenditure for the year

This is stated after charging:

	2016 £	2015 £
Depreciation	89,179	90,325
Loss on disposal of fixed assets	4,644	232
Auditor fees - audit	8,500	8,640
Auditor fees - other services	-	-
Operating lease rentals:		
property	286,022	118,579
other	31,874	30,850
	<u>31,874</u>	<u>30,850</u>

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

	2016 £	2015 £
Wages and salaries	6,646,060	6,007,342
Redundancy and termination costs	30,686	21,009
Social security costs	533,107	495,790
Employer's contribution to defined contribution pension schemes	362,916	364,621
Other forms of employee benefit	61,823	74,187
	<u>7,634,592</u>	<u>6,962,949</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2016 No.	2015 No.
£70,000-£79,999	0	1
£80,000-£89,999	2	1
£90,000-£99,999	1	0
£140,000-£149,999	1	0
	<u>1</u>	<u>0</u>

The total employee benefits including pension contributions of the key management personnel were £439,367 (2015: £259,062)

Redundancy and termination costs relate to 9 employees (2015: 14), whose employment contracts ended in the year, and were settled during the year.

The Charity Trustees were not paid or received any other benefits from employment with the Charity in the year (2015: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,842 (2015: £2,304) incurred by 6 (2015: 3) Trustees relating to attendance at meetings of the Trustees.

Swanswell Charitable Trust

Notes to the financial statements
for the year ended 31 March 2016 (continued)

10. Staff numbers

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

	2016 No.	2015 No.
Substance Misuse Treatment services	200	173
Criminal Justice and Probation services	40	44
Supporting people services	32	26
Other charitable services	1	2
Support	38	32
Governance	6	6
	<u>317</u>	<u>283</u>

11. Related party transactions

There are no related party transactions to disclose for 2016 (2015: nil).

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

12. Taxation

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

13. Tangible fixed assets

	Leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At the start of the year	68,402	301,164	857,540	1,227,106
Additions in year	39,738	20,251	81,184	141,173
Disposals in year	-	(167,935)	(54,198)	(222,133)
As the end of the year	<u>108,140</u>	<u>153,480</u>	<u>884,526</u>	<u>1,146,146</u>
Depreciation				
At the start of the year	59,197	271,786	763,441	1,094,424
Charge for the year	2,505	14,300	72,374	89,179
Disposals in year	-	(163,291)	(54,198)	(217,489)
As the end of the year	<u>61,702</u>	<u>122,795</u>	<u>781,617</u>	<u>966,114</u>
Net book value				
At the end of the year	<u>46,438</u>	<u>30,685</u>	<u>102,909</u>	<u>180,032</u>
At the start of the year	<u>9,205</u>	<u>29,378</u>	<u>94,099</u>	<u>132,682</u>

All of the above assets are used for charitable purposes.

Notes to the financial statements
for the year ended 31 March 2016 (continued)

14. Stock

	2016 £	2015 £
Finished goods	13,411	17,433

Finished goods are marketing materials for future use.

15. Debtors

	2016 £	2015 £
Trade debtors	101,069	613,522
Other debtors	2,106	2,162
Prepayments	222,866	127,263
Accrued income	381,380	94,490
	707,421	837,437

16. Creditors

	2016 £	2015 £
Trade creditors	484,207	157,684
Taxation and social security	156,426	109,701
Other creditors	321,919	82,246
Accruals	434,227	220,214
Deferred income (see note 17)	175	72,951
	1,396,954	642,796

17 Deferred income

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

	2016 £	2015 £
Balance at the beginning of the year	72,951	82,598
Amounts released to income in the year	(72,951)	(82,598)
Amounts deferred in the year	175	72,951
Balance at the end of the year	175	72,951

Swanswell Charitable Trust

Notes to the financial statements for the year ended 31 March 2016 (continued)

18. Pension schemes

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

For the defined contribution pension there are two providers, Aviva and Scottish Aegon. The majority of team members (2016: 252, 2015: 176) are members of the Aviva scheme as this includes auto-enrolment. The amount due to the pension scheme in respect of March contributions is £17,860 (2015: £17,033). Of the remaining team members (2016: 9, 2015: 9) are members of Scottish Aegon. The amount due to the pension scheme in respect of March contributions is £2,356 (2015: £2,161).

There are 16 team members (2015: 15) who are members of the NHS scheme. The amount due to the pension scheme in respect of March contributions is £9,676 (2015: £1,713). For these team members details of the benefits payable under these provisions can be found on the NHS pension's website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers and other bodies allowed under the Direction of the Secretary of State in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme: the cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date the scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. An outline of these is as follows:

Full actuarial (funding) valuation

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

Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2012 (published in 2014) is based on detailed membership data as at 31 March 2012 with summary global member and accounting data. The next actuarial valuation is due in March 2016. The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS pension scheme (England and Wales) resource account published each year. You can see these accounts on the NHS pension website, or get copies from The Stationery Office.

Notes to the financial statements
for the year ended 31 March 2016 (continued)

Scheme provisions

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

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

19. Analysis of net assets between funds

	Unrestricted	Restricted	Total 2016
	£	£	£
Tangible fixed assets	180,032	-	180,032
Net current assets	776,436	91,402	867,838
Net assets at the end of the year	956,468	91,402	1,047,870

Swanswell Charitable Trust

Notes to the financial statements
for the year ended 31 March 2016 (continued)

20 Movements in funds

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

Restricted funds

Evesham recovery community:

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

West Berkshire rehabilitation project

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

Sandwell NHS project

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

Young people funds:

Funds for the provision of services to young people.

Designated funds

Business development - funds set aside to complete business development strategies, which consists of the regional corporate strategies and the financial freedom strategy.

Transfers between funds

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

There were no transfers between restricted funds and unrestricted funds.

Notes to the financial statements
for the year ended 31 March 2016 (continued)

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	31 March 2016 £	31 March 2015 £
Net (expenditure)/income for the reporting period	(765,059)	142,754
Depreciation charges	89,179	90,325
Interest received	(8,716)	(8,053)
Loss on the disposal of fixed assets	4,644	232
Decrease/(increase) in debtors	130,016	(444,274)
Decrease/(increase) in stocks	4,022	(2,209)
Increase/(decrease) in creditors	754,158	(179,478)
Net cash provided by/(used in) operating activities	208,244	(400,703)

22. Analysis of cash and cash equivalents

	At start of year £	Cash flows £	At end of year £
Cash in hand	1,468,173	75,787	1,543,960
Total cash and cash equivalents	1,468,173	75,787	1,543,960

23. Operating lease commitments

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

	Property		Equipment	
	2016 £	2015 £	2016 £	2015 £
Within 1 year	334,153	106,937	31,874	31,874
One to five years	685,745	61,861	23,272	55,146
	<u>1,019,898</u>	<u>168,797</u>	<u>55,146</u>	<u>87,020</u>

24. Legal status of the Charity

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