

**get well**

**feel well**

**do well**

**be well**

**swanswell**

Swanswell Annual Report 2019

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Reference and administrative details

<b>Registered name:</b>	Swanswell Charitable Trust
<b>Also known as:</b>	Swanswell
<b>Registered company:</b>	03692925 (England and Wales)
<b>Registered charity:</b>	1074891 (England and Wales)
<b>Principal/Registered office:</b>	Thames Mews, Portsmouth Road Esher Surrey KT10 9AD
<b>Trustees:</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:  Mr R Pertwee                      Chair Mr T Rutherford Mr A Furlong
<b>Independent Auditor:</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>Bankers:</b>	NatWest Bank 4 <sup>th</sup> Floor 1 St Philip Place Birmingham B3 2PP

## Report of the trustees

### Introduction

The trustees present their report and the audited financial statements for the year ended 31 March 2019.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

In December 2016, Swanswell Charitable Trust became a wholly-owned subsidiary of Cranstoun, a company registered in England no. 03306337, charity number 1061582. The change of control was undertaken to enable Cranstoun and Swanswell to work more closely together as a group of companies.

### Structure, management and governance

#### How we do it

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

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

- Quality, Governance & Safety Committee - to review and scrutinise Cranstoun Group's activity and performance in the domains of clinical quality assurance and clinical excellence.
- Cranstoun Group Finance and Audit Committee - to review and scrutinise activity and performance in the domains of finance, audit and compliance.

The Executive of the Cranstoun Group comprises:

Medical Director	Dr Steve Brinksman
Executive Director of Human Resources	Kim Coles
Executive Director of Finance	Martin Holly FCA
Executive Director of Operations	Peter Glass
Director of Operations	Niamh Donnelly
Director of Clinical Services	Jeff Madzura
Director of Development and Innovation	Clare Maryan
Director of Operations	Annie Steele
Director of Operations	Wendy Taylor
Director of Care, Quality and Governance	Jason Warriner

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

#### Remuneration policy

Swanswell has 125 team members. Swanswell's remuneration policy is based on an ambition to recruit and retain skilled staff who are remunerated fairly but who are primarily motivated to work with us because of our vision. To that end we aim to pay staff at rates that are comparable to the median rate in the charity sector for similar jobs in the local employment market, subject to considerations of affordability for the organisation.

We ensure that we adhere to this policy by subscribing to and applying a job evaluation system and subscribing to annual sector pay surveys.

## 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 with the trustees being appointed by Cranstoun; the sole member. They oversee the Charity's performance ensuring that, through robust governance arrangements, it works to further its charitable objects in accordance with its policies and best practice. Trustees are recruited and inducted in line with policies and procedures, which have been written specifically for this purpose, including the assessment of fit and proper persons in line with CQC requirements.

## Statement of responsibilities of the trustees

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

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

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

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

In so far as the trustees are aware:

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

Cranstoun is the sole member of the Charity and guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 1 (2018: 1). The Trustees are no longer members of the Charity and have no beneficial interest in the Charity.

### Objectives and activities

Swanswell's trustees are dedicated to leading a charity that achieves its charitable purpose and believe everyone should have the opportunity to live healthy, safe and happy lives. The objects of the charity are:

- to promote education and training, relieve sickness and old age, preserve and protect good-health and to provide facilities in the interest of social welfare for recreation and other leisure-time occupation with the object of improving the conditions of life of the public living or working in England and Wales).
- in particular, but not exclusively, to provide for those who are suffering from, or who have suffered from alcohol or drug abuse of any sort.
- to advance the education of such persons, their relatives and carers, persons working in the fields of alcohol and drug abuse mental health and the general public by the provision of advice, counselling and training.
- to assist persons suffering from disability of any form to achieve a full and settled way of life in the community within the Area of Benefit and where appropriate to assist such persons to obtain employment.

The trustees, with due regard to the public benefit guidance issued by the Charity Commission, consider Swanswell's activities to be of public benefit as they empower and support people to make positive changes and contribute positively to their local community and society.

### About us

Swanswell is part of the Cranstoun Group and has been making a difference since 1968, by combining our expertise with innovative approaches. Our work has changed and evolved over the last 50 years, however our values and belief in putting people at the heart of what we do has remained.

At Swanswell, we're good at what we do and are proud of the partnerships and relationships we have developed to deliver effective solutions. We have an enviable reputation for delivering what we promise and consistently achieve results at or above our targets.

### Activities

Our skilled and compassionate teams work with service users, families and communities, helping them to make positive changes.

We offer a range of services to help people reach their full potential including:

- community-based outreach
- alcohol and drug treatment, detox and recovery support
- supporting people (single people, offender, mental health support, HIV/TB support, tenancy-related support)
- young people, families and carer support

In 2018/19, we operated services in Birmingham, West Berkshire and Worcestershire.

In addition to the positive outcomes we achieve working with individual service users, we deliver wider social value for the communities in which our services operate. This includes the financial and non-financial impact that our programmes have as we seek to proactively enhance the wellbeing of individuals, communities and the environment.

We are working hard to empower and support as many people as possible to make positive changes.

## Strategic Report

### Introduction

This strategic report presents Swanswell's achievement and performance highlights for 2018/19.

### Vision, mission and values

**Our Vision:** We believe everyone should have the opportunity to live **healthy**, **safe** and **happy** lives.

**Our Mission:** To **empower** and **support** people to make **positive** changes.

Our vision is the society we strive for and the reason we exist.

Our mission describes how we achieve our vision and the society we strive for. The key words 'empower' and 'support' talk to our organisational ethos of working *with* the service user.

### Our Values:

Our values describe how we, as an organisation, behave and feel. Our values across the Group are:

- **Ambition:** we are ambitious for our service users, our staff and the organisation. We strive to achieve service excellence
- **Compassion:** we act with care and compassion at all times
- **Innovation:** we encourage new ideas and respond intelligently to local needs
- **Integrity:** we act with integrity. We are honest, open and accountable
- **Inclusive:** we treat everyone fairly, with respect and dignity. We strive to reach out to all members of the community

The vision, mission and values provide the Cranstoun Group with a clear purpose, which supports all areas of focus (substance misuse, young people and families, mental health, housing and domestic abuse).

### Our plan for the next three years

The Cranstoun Group's new three-year strategic plan (2018-2021) encompasses six strategic domains, which are the key areas where the group will focus its development:

1. Growth & Sustainability
2. Performance
3. Care Quality
4. Our People
5. Co-Production
6. Marketing & Communications

During this period the Cranstoun Group intends to transform its business and achieve its business objectives through incorporating digital systems, products and processes across the organisations.

## Service users

Thousands of service users and their families were supported by Swanswell in 2018/19 to live healthy, safe and happy lives.



## Involving our service users

While our statistics are important, people and their inspiring stories are at the heart of everything that we do.

We want people to have a positive experience with us and we have the following opportunities to give service users the chance to get involved:

- service user groups
- networking at events
- recovery presentations at GP surgeries, schools and community venues
- media interviews, so service users can tell their story
- volunteering opportunities

## What our service users say...

*“Through my darkest days of addiction it is really comfy to feel Swanswell staff are there to help with a friendly, non-judgemental ear that is really helpful. So my appreciation goes out to all the staff that makes Swanswell what it is.”*

## Performance and quality

Here are some of Swanswell's services achievements and highlights from 2018/19.

### Birmingham supporting people services

Swanswell delivers part of the supporting people service for offenders, single people and people requiring support with mental health issues in Birmingham. We also support people living with HIV and TB. These services offer practical help to service users for housing, budgeting, debt management, benefits, volunteering, training and to gain employment. We support people to develop their skills enabling them to live an independent life.

In 2018/19:

- We received **1152** referrals
- We exceeded our Payment by Outcome 'successful outcomes' target of 95% across all three supporting people services (mental health **96.2%**, offenders **95.2%** and single homeless **96%**)
- We reduced homelessness and the risk of eviction for **328** people, meeting our contract requirements
- We helped **32** people achieve employment or gain access to education



### West Berkshire alcohol and drug recovery service

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

In 2018/19, we received **504** referrals and we supported **778** people (structured and unstructured treatment).

- **8.5%** of opiate users successfully left treatment, which is above the national average of 6.0% and in the top quartile
- **48.7%** of non-opiate users successfully left treatment, which is higher than the national average of 37.7%
- **53.5%** of alcohol and non-opiate users successfully left treatment, which is above the national average of 34.0% and in the top quartile
- **45.0%** of alcohol users successfully left treatment, which is above the national average of 39.1%



## Swanswell Charitable Trust

### Worcestershire alcohol and drug recovery service

Swanswell delivers support for people affected by problem alcohol and drug use in Worcestershire. It also includes a young people's service and a family service.

In 2018/19, we received **2462** referrals and we supported **3505** people (structured and unstructured treatment).

- **7.5%** of opiate users successfully left treatment, which is above the national average of 6.0%
- **38.3%** of non-opiate users successfully left treatment, which is higher than the national average of 37.7%
- **36.6%** of alcohol and non-opiate users successfully left treatment, which is above the national average of 34.0%
- **44.2%** of alcohol users successfully left treatment, which is above the national average of 39.1%
- **95% more** young people (13 to 21 years) with substance misuses issues attended their assessment appointment and engaged with treatment in 2018/19 than in 2017/18 (78 vs 152).
- **90%** of people accessing our family service had a positive outcome.



## Financial review

In 2018/19 the financial performance produced an overall increase in funds of £175k (2018: £127k reduction).

In the prior year, an exceptional item of £253k was charged to create an onerous lease provision. This related to two leases of Swanswell's former head office at Hilton House, Rugby which was vacated in December 2017 as all operations are serviced from Cranstoun's central office in Esher. As the leases had no demonstrable future economic benefit they were classified, for accounting purposes, as an onerous lease and consequently all future lease payments were provided at 31<sup>st</sup> March 2018. A major factor in the current year's financial performance was the release of £46k from this provision following an agreement in May 2019 to surrender one of the leases with the landlord agreeing a new lease with a third party. The provision for future rents is now reduced to £113k at 31 March 2019 and this will reverse over the remainder of the lease term.

Without the movement on the provision, the charity produced an underlying surplus of £25k (2018: £126k surplus) which is the result of steps taken to improve the financial position of the charity by restructuring, effecting costs savings and realising economies of scale by combining central functions and working ever more closely with Cranstoun. The section on risk below also explains the trustees' approach and mitigations to managing the challenges to funding and cashflow management. Given the steps taken and planned, together with the approach to risk management, the trustees consider that the going concern basis remains appropriate.

### Our reserves policy

At 31<sup>st</sup> March 2019 unrestricted reserves and free reserves were £313k (2018: £138k) held as net current assets. The increase reflects the surplus for the year.

The trustees have determined that unrestricted reserves held by the Charity should be at a level that will enable the Charity to meet its financial obligations if current contracts are not retained. This level, at 31<sup>st</sup> March 2019, is considered to be £111k (2018: £285k). The trustees have noted the ongoing improvement in the overall level of reserves and that the level of free reserves is now above the stated requirement at the end of the financial year. The cost saving and restructuring measures noted above have ensured that the Charity is operating sustainably and without the onerous lease provision free reserves would be further improved to £426k.

### Our investment policy

Our Articles of Association enable Swanswell to invest monies not immediately required for the furtherance of our objects. Interest received was £4k (2018: £1k). This increase is due to proactive management of cash balances during the year.

## Principal risks and uncertainties

### Organisational Risk Management

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

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

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

- The possible loss of contract income due to the highly competitive operational environment and low levels of reserves. This risk is mitigated by continual monitoring of service quality and performance and by maintaining a competitive cost base with strong financial management and controls.
- The possibility of reduced or changed funding as a result of changes in Government policy. This risk is managed by monitoring, on a group basis government strategy and any legal and regulatory changes, membership of service provider bodies representing the sector and engaging with policy makers and commissioners.
- The possibility of inadequate cashflow. This risk is mitigated by the implementation of a strict financial management regime based on budgets and regular management reporting and reviews together with cashflow monitoring and reporting. The relationship with Cranstoun also provides some further mitigation through the possibility of short term support if, exceptionally, this were required.

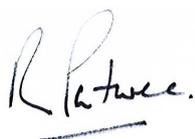
### **Quality Governance**

Our Quality Governance Framework is central to ensuring that the services we deliver are safe, effective and in line with evidence-based best practice. This framework ensures that robust lines of accountability for governance run from the Board to our frontline services. The framework is underpinned by the following key principles:

- local and organisational clinical audit plans to monitor the effectiveness of services and foster continuous improvement
- Provision of training and access to clear, evidence based policies, procedures and guidelines
- Robust risk assessment and management
- Incident reporting requirements, including the reporting of near misses and fulfilment of Duty of Candour
- Feedback of lessons learnt at a local and organisational level
- An open and transparent approach to complaints

During the year, the Quality Governance Team, led by the Director of Care, Quality and Governance, have been responsible for finalising the longstanding project of aligning the governance systems across the Group. This project has involved the alignment of policies, procedures, guidelines and controlled documents, resulting in a more consistent delivery of clinical services within the Group. This has also ensured that the Cranstoun Group continues to comply with all requirements of regulated activity as stipulated by the CQC as well as emerging guidance from Department of Health, Public Health England and NICE.

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



**Richard Pertwee**  
**Chair**  
**25 September 2019**

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

### Opinion

We have audited the financial statements of Swanswell Charitable Trust for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, 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.

### Basis for opinion

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

### Responsibilities of trustees for the financial statements

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

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

**Use of our report**

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



Adam Halsey (Senior Statutory Auditor)  
for and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 26 September 2019

10 Queen Street Place  
London  
EC4R 1AG

## Statement of Financial Activities

For the year ended 31 March 2019

	Note	2019			2018		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
<b>Income from:</b>							
Donations and legacies		3	-	3	4	-	4
<b>Charitable activities:</b>							
Community services	2	6,042	-	6,042	7,181	-	7,181
Investments		4	-	4	1	-	1
<b>Total income</b>		<b>6,049</b>	<b>0</b>	<b>6,049</b>	<b>7,186</b>	<b>0</b>	<b>7,186</b>
<b>Expenditure on:</b>							
<b>Charitable activities:</b>							
Community services	3	5,920	-	5,920	7,043	17	7,060
<b>Exceptional Items</b>							
Onerous Lease	5	(46)	-	(46)	253	-	253
<b>Total expenditure</b>		<b>5,874</b>	<b>-</b>	<b>5,874</b>	<b>7,296</b>	<b>17</b>	<b>7,313</b>
<b>Net surplus/(expenditure) and net movement in funds</b>		<b>175</b>	<b>-</b>	<b>175</b>	<b>(110)</b>	<b>(17)</b>	<b>(127)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		138	-	138	248	17	265
<b>Total funds carried forward</b>	15	<b>313</b>	<b>-</b>	<b>313</b>	<b>138</b>	<b>-</b>	<b>138</b>

The organisation has no recognised gains or losses other than those dealt with above.  
All the Charity's activities derived from continuing operations during the above two financial periods.

# Swanswell Charitable Trust

## Balance Sheet

As at 31 March 2019

Company No: 03692925

	Note	2019 £'000	2018 £'000
<b>Fixed Assets</b>			
Tangible Assets	10	<u>-</u>	<u>-</u>
		-	-
<b>Current assets</b>			
Debtors	11	1,431	530
Cash at bank and in hand		<u>680</u>	<u>856</u>
		2,111	1,386
<b>Current liabilities</b>			
Creditors falling due within one year	12	(1,594)	(916)
		<u>517</u>	<u>470</u>
<b>Net current assets</b>			
		<u>517</u>	<u>470</u>
<b>Total assets less current liabilities</b>			
		<u>517</u>	<u>470</u>
Creditors falling due after more than one year	12	(91)	(79)
Provisions for liabilities	13	<u>(113)</u>	<u>(253)</u>
<b>Net assets</b>		<u><b>313</b></u>	<u><b>138</b></u>
<b>Represented by:</b>			
<b>Unrestricted funds</b>			
General funds	15	<u>313</u>	<u>138</u>
<b>Total unrestricted funds</b>		<u>313</u>	<u>138</u>
<b>Total funds</b>		<u><b>313</b></u>	<u><b>138</b></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 25 September 2019 and signed on their behalf by:

Richard Pertwee  
Chair

## Statement of Cash Flows

For the Year Ended 31 March 2019

	Note	2019 £'000	2018 £'000
<b>Net cash (used in)/provided by operating activities</b>	21	<b>(180)</b>	<b>529</b>
<b>Cash flows from investing activities</b>			
Investment income & interest receivable		4	1
		<hr/>	<hr/>
<b>Net cash provided by investing activities</b>		<b>4</b>	<b>1</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(176)</b>	<b>530</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>856</b>	<b>326</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>680</u></b>	<b><u>856</u></b>

## Notes to the Financial Statements

For the Year Ended 31 March 2019

### 1. ACCOUNTING POLICIES

#### a) General Information

Swanswell Charitable Trust, charitable company limited by guarantee incorporated in England and Wales (company no. 03692925) and registered with the Charity Commission (charity registration no. 107489). The charitable company's registered office address is Thames Mews, Portsmouth Road, Esher, Surrey KT10 9AD.

#### b) Accounting Convention and Basis of Preparation

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments to market value. They are prepared in accordance with Statement of Recommended Practice for Charities (SORP 2015), applicable accounting standards (FRS 102) and the Companies Act 2006. Swanswell Charitable Trust is a public benefit entity as set out in section 3 of FRS 102.

#### c) Going concern

The Trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

#### d) Income

Income is recognised in the period in which the charitable company has entitlement to the funds and it is probable that the income will be received and the amount can be measured reliably. Income is deferred when the charity has to fulfil conditions before becoming entitled or where the donor or contracting party has specified the income be expended in a future period.

Grants from government and other agencies amounting to a contract for services are included as income as the charity earns the right to the consideration by its delivery of those services.

#### e) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

The cost of charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs relate to the cost of central functions and include governance costs. These are allocated to the charitable expenditure categories on a per capita basis which is designed to reflect the use of the resource.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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

#### f) Tangible Fixed Assets And Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Assets costing more than £5000 and leasehold improvements costing more than £5000 are capitalised. The cost of tangible fixed assets is written off by equal annual instalments over their useful lives as follows:

Leasehold improvements	The shorter of the remaining length of the lease or the remaining duration of the associated service contract.
Fixtures & fittings,	20%
Computer Equipment	33%

#### g) Financial instruments - assets and liabilities

##### Debtors

Debtors are recognised at the settlement amount due.

##### Cash and cash equivalents

Cash at bank and cash in hand includes cash held in 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.

##### 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.

#### h) Fund Accounting

Unrestricted general funds are held by the charity to be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or contracting party or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is given in the notes to the accounts.

#### i) Leasing

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

#### j) Pensions

The charity operates a defined contribution pension scheme. Contributions to all schemes are charged at they become payable. The schemes are detailed in Note 14.

## Notes to the Financial Statements

For the Year Ended 31 March 2019

### 2. INCOME FROM CHARITABLE ACTIVITIES

	General Funds £'000	Restricted Funds £'000	Total 2019 £'000
<b>Community services</b>			
Local authorities	6,025	-	6,025
Other income	17	-	17
	<u>6,042</u>	<u>-</u>	<u>6,042</u>

### INCOME FROM CHARITABLE ACTIVITIES PRIOR YEAR

	General Funds £'000	Restricted Funds £'000	Total 2018 £'000
<b>Community services</b>			
Local authorities	7,148	-	7,148
Other income	33	-	33
	<u>7,181</u>	<u>-</u>	<u>7,181</u>

### 3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 4) £'000	Total 2019 £'000	Total 2018 £'000
<b>Cost of charitable activities</b>					
Community services	3,285	2,068	567	5,920	7,060
	<u>3,285</u>	<u>2,068</u>	<u>567</u>	<u>5,920</u>	<u>7,060</u>
<b>2018 Total</b>	<u>4,017</u>	<u>2,170</u>	<u>873</u>	<u>7,060</u>	

### 4. ANALYSIS OF SUPPORT COSTS

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2019 £'000
<b>Cost of charitable activities</b>					
Community services	151	272	94	50	567
	<u>151</u>	<u>272</u>	<u>94</u>	<u>50</u>	<u>567</u>
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

### ANALYSIS OF SUPPORT COSTS - PRIOR YEAR

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2018 £'000
<b>Cost of charitable activities</b>					
Community services	115	484	221	53	873
	<u>115</u>	<u>484</u>	<u>221</u>	<u>53</u>	<u>873</u>
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

### 5. EXCEPTIONAL ITEM - RECOGNITION OF ONEROUS LEASE PROVISION

The charity vacated its former head office at Hilton House, Rugby in December 2017 as all operations are now serviced from Cranstoun's central office in Esher. At that point the leases had no future economic benefit and were therefore classified as onerous leases and all future lease payments were provided at the balance sheet date. During the year to 31st March 2019 the provision required was reduced by £140k to £113k. This was as a result of rents paid during the year and an agreement, in May 2019, to surrender one of the leases with the landlord entering a new lease with a third party.

### 6. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year for acting as a trustee. In 2018, no reimbursements were made for travel expenses incurred in the course of the charity business.

## Notes to the Financial Statements

For the Year Ended 31 March 2019

## 7. NET (EXPENDITURE) / INCOME FOR THE YEAR

This is stated after charging:

	2019 £'000	2018 £'000
Auditor's remuneration	5	12
Depreciation	-	85
Operating lease rentals	<u>276</u>	<u>327</u>

## 8. EMPLOYEES

	2019 £'000	2018 £'000
Wages and salaries	2,629	3,439
Social security	217	292
Pension costs	85	101
Redundancy and Termination payments	-	33
	<u>2,931</u>	<u>3,865</u>

The monthly average head count was 125 staff (2018: 163 staff).

No employees received employee benefits excluding pension costs of more than £60,000.

Total key management personnel compensation was £267,140 (2018: £297,672).

## 9. TAXATION

The Charity's activities are exempt from corporation tax.

## 10. TANGIBLE FIXED ASSETS

	Furniture & Fittings £'000	Computer Equipment £'000	Leasehold Property £'000	Total £'000
<b>Cost</b>				
At 1 April 2018	153	885	108	1,146
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2019	<u>153</u>	<u>885</u>	<u>108</u>	<u>1,146</u>
<b>Accumulated depreciation</b>				
At 1 April 2018	153	885	108	1,146
Charge for the year	-	-	-	-
Disposals	-	-	-	-
At 31 March 2019	<u>153</u>	<u>885</u>	<u>108</u>	<u>1,146</u>
Net book values at 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book values at 1 April 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 11. DEBTORS

	2019 £'000	2018 £'000
Trade debtors	1,107	154
Prepayments and accrued income	324	374
Other debtors	-	2
	<u>1,431</u>	<u>530</u>

## 12. CREDITORS

	2019 £'000	2018 £'000
<b>Amounts Falling Due Within One Year</b>		
Trade creditors	274	357
Accruals	214	282
Deferred income:	985	135
Social Security & other taxes	53	70
Pension contributions	14	12
Other creditors	54	60
	<u>1,594</u>	<u>916</u>
<b>Amounts Falling Due After More Than One Year</b>		
Accruals	<u>91</u>	<u>79</u>

Deferred Income represents funding received in advance of the provision of the related service. All deferred income held at the end of the previous financial year has been recognised in the current financial year.

## Notes to the Financial Statements

For the Year Ended 31 March 2019

### 13 PROVISION FOR LIABILITIES

Where leasehold properties become vacant, the charitable company provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of disposal or sublease. As explained in Note 5, the charitable company vacated its former head office property in Rugby in December 2017. The provision is expected to be utilised over the remaining life of the lease which is due to end in March 2021. The movement in the onerous lease provision during the year was as follows:

	£'000
Provision at 31st March 2018	253
Utilised in the year	(94)
Reversal of provision	(46)
Provision at 31st March 2019	<u>113</u>

### 14. PENSION COSTS

The charity operates defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds and there are two providers, Aviva and Scottish Ageon. The pension costs charged in the year were £85,130 (2018: £101,263). Swanswell also contributes to individual defined contribution schemes and is a Directional Employer, enabling former NHS employees to remain members of the NHS Pension Scheme. As at 31 March 2019 the number of Swanswell's employees who were members of the NHS Pension Scheme was six.

#### NHS Pension Scheme

For those employees who are members of NHS Pension Scheme details of the benefits payable and rules of the Scheme can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The scheme is an unfunded defined benefit scheme that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health 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 scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that 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 by a formal actuarial valuation, every four years, with approximate assessments in intervening years. An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate has increased to 20.6% of pensionable pay from this date. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 the government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

### 15. STATEMENT OF FUNDS

	Balance at 01-Apr-18 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	Balance at 31-Mar-19 £'000
<b>General Funds</b>	138	6,049	(5,874)	-	313
<b>Total Unrestricted Funds</b>	138	6,049	(5,874)	-	313
<b>Total Funds</b>	<u>138</u>	<u>6,049</u>	<u>(5,874)</u>	<u>-</u>	<u>313</u>

#### STATEMENT OF FUNDS PRIOR YEAR

	Balance at 01-Apr-17 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	Balance at 31-Mar-18 £'000
<b>Restricted Funds</b>					
Community services	17	-	(17)	-	-
<b>Total Restricted Funds</b>	17	-	(17)	-	-
<b>General Funds</b>	248	7,186	(7,296)	-	138
<b>Total Unrestricted Funds</b>	248	7,186	(7,296)	-	138
<b>Total Funds</b>	<u>265</u>	<u>7,186</u>	<u>(7,313)</u>	<u>-</u>	<u>138</u>

The Restricted funds brought forward were made up of funds for Evesham recovery Community, Sandwell Community Award and West Berkshire Rehabilitation Award. These funds were spent in the year.

## Notes to the Financial Statements

For the Year Ended 31 March 2019

### 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £'000	Current Assets £'000	Liabilities £'000	Total £'000
General funds	-	2,111	(1,798)	313
<b>Total Funds</b>	<u>-</u>	<u>2,111</u>	<u>(1,798)</u>	<u>313</u>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS Prior Year

General Funds	-	1,385	(1,247)	138
<b>Total funds</b>	<u>-</u>	<u>1,385</u>	<u>(1,247)</u>	<u>138</u>

### 17. STATUS

The company is limited by guarantee with no share capital and is a registered charity. In the event of the company being wound up, the Trustees' liability is limited to £1 each.

### 18. LEASE COMMITMENTS

At 31 March 2019, the charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019 Property £'000	2018 Property £'000
<b>Payments due in:</b>		
Not later than 1 year	261	263
Later than 1 year and not later than 5 years	<u>127</u>	<u>515</u>
	<u>388</u>	<u>778</u>

### 19. CAPITAL COMMITMENTS

There are no capital commitments.

### 20. CONTINGENT LIABILITIES

There are no contingent liabilities.

### 21. RECONCILIATION OF NET SURPLUS/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £'000	2018 £'000
Net surplus/(expenditure) for the year	175	(127)
Depreciation charges	-	85
Dividends, interest and rents from investments	(4)	(1)
Decrease in Stocks	-	1
Decrease in debtors	(901)	114
Increase/(decrease) in creditors	690	204
Decrease in Onerous lease provision	<u>(140)</u>	<u>253</u>
<b>Net Cash (used in) /provided by operating activities</b>	<u>(180)</u>	<u>529</u>

### 22. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Cranstoun's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows:

#### Provisions for dilapidation works to leased properties

Provision is made for potential dilapidations in respect of properties where the lease includes an obligation to restore the premises to the condition at the commencement of the lease. Management review such provisions on an annual basis and update them in accordance with historical experience and events that might materially impact on the potential costs to the charity. At the balance sheet date the total amount included in creditors was £90,968 (2018: £79,336).

# Swanswell Charitable Trust

## Notes to the Financial Statements

For the Year Ended 31 March 2019

### **23. PARENT AND CONTROLLING UNDERTAKING**

The charitable company is deemed to be controlled by Cranstoun, a charitable company incorporated in England and Wales (Company no. 03306337) and a registered charity (no. 1061582) by virtue of being the sole member of Swanswell Charitable Trust. Since 1969 Cranstoun has been making life better for those affected by alcohol and drugs. Its principle activities include providing the following services : Critical Care and Residential Pharmaco - Treatment Services: Residential and Community Treatment and Recovery Services: Copies of the consolidated accounts of the group may be obtained from the registered office address of Cranstoun being Thames Mews, Portsmouth Road, Esher, Surrey, KT10 9AD.

### **24. RELATED PARTY TRANSACTIONS**

During the year the charitable company was recharged costs totalling £586,321 (2018: £391,834) by Cranstoun, its parent undertaking. At the balance sheet date a balance of £46,168 (2018: £50,153 ) was owed to Cranstoun.

The Charitable company was invoiced £77,742 (2018 £117,831) from Ridgacre Medical Centres for services provided by Dr Stephen Brinksman, a member of Swanswell's key management personnel.