

Company Registration number 5708345
Charity Registration number 1113952

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
Company limited by guarantee

Directors' report and financial statements

for the year ended 31 March 2021

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
Company limited by guarantee

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Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Company information

Directors	Dr A Hussain - Chairman P Egan S Barbrook T Wallbank J Hard J Lenaghan S Murphy (resigned 17 June) M Phinnemore (resigned 26 January) S Gwyn (appointed 30 March)
Secretary	J Champney-Smith
CEO	Carol Daly
Company number	5708345
Charity number	1113952
Registered office	Brynawel House Llanharry Road Llanharan Pontyclun CF72 9RN
Auditors	RH Jeffs and Rowe 27/28 Gelliwastad Road Pontypridd CF37 2BW
Business address	Brynawel House Llanharry Road Llanharan Pontyclun CF72 9RN
Bankers	Lloyds Bank 18 Wyndham Street Bridgend CF31 1EQ
Solicitors	Geldards Dumfries House Dumfries Place Cardiff CF10 3ZF

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
Trustees' Annual Report
for the year ended 31 March 2021

Introduction

The Trustees present their report together with the financial statements of the Charity for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 21 - 23 and comply with the Charity's Memorandum and Articles of Association and Statement of Recommended Practice - Accounting and Reporting by Charities.

The Annual report serves the purposes of a trustee's report and a director's report under company law. The trustees confirm that the annual report and financial statements comply with the current statutory requirements of the charitable companies governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) (effective 1 January 2015) as amended by update bulletin 1 (effective January 2015).

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

Trustees

The Trustees who served the charity during the year 2020/2021 were:

Dr. A Hussain (Chairman)
Mr. J Champney-Smith (Secretary)
Miss S Barbrook
Mr. J Lenaghan
Mr. P Egan (Treasurer)
Ms. M Phinnemore (resigned 26 January 2021)
Ms. T Wallbank
Ms. S Murphy (resigned 27 July 2020)
Ms. S Gwyn (appointed 30 March 2021)

All trustee induction and training is conducted in house and provided by other trustees and the management team. The trustees take full advantage of the guidance provided by the Charity Commission.

The Board of Trustees is responsible for the administration of Brynawel. The Board meets formally on a bi-monthly basis, with other committee and informal contacts and meetings as appropriate. The Charity's Chief Executive is responsible for strategic direction and, aided by the Registered Manager, operational management, attends the Board meetings for most agenda items.

The Board has reviewed the committee structure that undertakes work on behalf of the Board and reports back findings and recommendations: The constituent committees of the Board are Policy Review, Human Resources, Finance and Risk, Health and Safety and Governance. The membership and powers of each committee have been set down and approved by the Board.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Chairman's Statement

It gives me great pleasure to report on the charity's work undertaken in this, the 44th year of Brynawel's existence and to highlight the many achievements which have helped individuals to live a life free from dependency.

This year has been particularly challenging in the context of the Covid 19 pandemic. Brynawel has continued to offer rehabilitation services throughout the pandemic and the commitment of the staff, who maintained services throughout, was an inspiration. Brynawel was delighted to welcome a new patron, Huw Irranca Davies, Member of the Senedd.

During the past year we were grateful to receive a grant from the Lloyd's Bank Foundation, which has enabled us to start a resettlement service, for those people leaving Brynawel after completing the rehabilitation programme. This funding enables us to work with people for up to one year after they leave Brynawel. The funding will also enable our therapy team to network with further education providers to offer placements for therapists in training.

Our highly skilled Board of Trustees have also, throughout the year, supported Brynawel with all the due diligence required under charity commission governance and it would be fitting to sincerely thank them. During the year Trustees Sarah Murphy, Melys Phinnemore and Jeff Champney Smith, resigned. We thank them for their contribution.

As always, I acknowledge the remarkable work done by the staff team in Brynawel. They have worked tirelessly during the past year, under unique and difficult circumstances, to ensure we continue to deliver a gold standard rehabilitation service to users of our service and offer hope to those that seek recovery.

Dr Altaf Hussain

Chairman

Date: 5th December 2021

Brynewel House Alcohol and Drug Rehabilitation Centre Ltd
Trustees' Annual Report
for the year ended 31 March 2021

Purpose of the Charity

The objectives and activities of Brynewel House Alcohol and Drug Rehabilitation Ltd fully reflect the purposes that the charity was set up to further. Throughout the process of determining these activities, the trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by Brynewel House Alcohol and Drug Rehabilitation Ltd in determining the activities undertaken by the charity.

Objectives and Activities

The charities mission is to:

- Offer opportunities to clients to reduce the harmful behaviour associated with problematic use of alcohol and other drugs;
- To support clients who have chosen to achieve recovery over dependence on alcohol or drugs;
- Develop individual resilience through aftercare support
- To encourage engagement in meaningful activity: employment, voluntary work or education as a client focus.

The objects of the Charity are to protect, preserve and improve the health of the public by the care, relief and rehabilitation of persons challenged by alcohol and other drug dependency, the provision of guidance and support for the families, dependents and carers of persons supporting people with alcohol and other drug dependency.

Developments supporting the objectives

Residential rehabilitation

Brynewel House Alcohol and Drug Rehabilitation Centre is a secular twenty bed residential rehabilitation centre whose aim is the treatment and rehabilitation of people with dependencies.

Brynewel House Alcohol & Drug Rehabilitation Centre is one of Wales longest established addictions treatment centres. The service was reconfigured in 2006 to provide a secular approach and Social Learning Model.

Brynewel provides:

- a 16-week therapy programme, informed by Cognitive Behaviour Therapy (CBT) and Dialectical Behaviour Therapy (DBT). The service also offers Eye Movement Desensitization and Reprocessing Therapy (EMDR), a treatment for Post-Traumatic Stress Disorder (PTSD). Essentially Brynewel can treat people with complex needs; co-existing mental health problems and complex trauma. Whilst CBT has an evidence base of some 60 years standing, DBT has emerged in recent years as a gold standard treatment for adults with emotionally unstable personality disorder. Provision of DBT is disparate across health services and individuals themselves have found Brynewel through research and search engines, wishing to access our DBT skills programme.
- specialist rehabilitation for people with Alcohol Related Brain Damage (ARBD)

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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for the year ended 31 March 2021

Overview

This has been a challenging year for Brynawel due to the global pandemic. Due to the nature of our work, staff were unable to work from home. At periods of low occupancy some staff were furloughed for brief periods. Our average occupancy prior to the pandemic exceeded 80%. However, during 2020/21 we have experienced greater void numbers as there were fewer referrals from Local Authorities as many community services were minimal due to COVID restrictions. We have been grateful for the support from the Welsh Government hardship fund, who provided financial support during periods when our average monthly occupancy fell below 75%.

The main achievements of the year were

- Further development of a Board structure with constituent committees that ensured robust governance and oversight of the charity.
- The development of a clear quality assurance framework for the organisation
- The recruitment of additional Trustees to broaden the experience and skills of the Board.
- The development of a robust strategic plan
- The establishment of an independent Chair to develop a service user reference group
- The wellbeing of all clients was maintained during the pandemic

Future Plans

The charity's focus is to ensure that Brynawel continues to be at the forefront of originations delivering high quality and effective rehabilitation.

The charity aims to further develop the quality and evidence base of the ARBD program.

The business plan for 2021-2026 includes five strategic objectives to support the growth and development plans for Brynawel.

- To continue to develop our core therapeutic program, whilst exploring opportunities for taking treatment on line, including prehab provision
- The development of on-site detoxification facilities
- To increase our capacity for treating clients with Alcohol Related Brain Damage; this includes the development of a wider multi-disciplinary staff team
- To offer structured levels of support for clients following discharge, including outpatient therapy, structure resettlement and routes to accommodation
- To expand the opportunity for clinical placement in Brynawel for Nurses, Allied Health Professionals and psychologists in training.

Performance

Brynawel treated 93 people during the year. As previously highlighted, our occupancy reduced to below 55% at one point, due to the global effect of the Covid pandemic.

The main challenges Brynawel faced were a reduction in referrals. Many clients who required detoxification prior to admission to rehabilitation were unable to obtain this intervention. Many community services reduced their service provision, including home detoxification services and admitting people to residential rehabilitation facilities.

Primary substance

Brynawel House continues to receive most referrals for people who are primary alcohol users, with 55% of referrals for alcohol compared to 45% of referrals for primary drug use, the majority being opiates and/or cocaine.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Gender

54% of people self-identifying as male and 46% self-identifying as female.

The age ranges of admissions are as follows:

4% of clients were aged 18-24, 16% were aged 25-34, 33% were aged 35-44, 31% were aged 45-54 and 16% were aged 55-64.

Referral routes

The highest number of admissions, 73%, came through Local Authority funded pathways, with private, self-funded routes at 27% of admissions. 76% of local authority referrals were from Wales.

Our main activities and who we benefit are described below. All our charitable activities have been focused on the treatment of alcohol and other drug misuse and the prevention of alcohol and other drug misuse and are undertaken to further our charitable purposes for the public benefit.

Organisational Structure

CEO/RM

- Strategy & Planning
- Minimum Standards
- Governance
- Quality Assurance

Head of Therapies

- Supervision of Therapists
- Supervision of Trainees
- Development of Treatment Programme
- Development of Links with Universities
- After Care Treatment
- Training Programme for Staff

Recovery Manager

- Staff Supervision
- Clinical Systems
- HR Function (Capability, RTW etc.)
- Lead Coordination of Training
- Quality Assurance

Facilities & Estates

- Health & Safety
- Catering
- Estates Work and Schedule
- IT
- Staff Roster

Client Flow

- Enquiries
- Assessment
- Demand

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- Capacity MGT
- Occupancy Reporting
- Ensuring Clients Arrive with Meds etc.

Finance & Business Administrator

- Recruitment
- Contacts
- Payroll
- Invoicing & Receipts
- Finance
- Volunteer Checks
- Providing Secretariat to Board

Financial Review

The total income of Brynawel House during 20/21 was £931,970 (prior year £755,531); total expenditure £830,371 (prior year £771,485), resulting in an overall surplus of £101,599 (prior year deficit £15,954). The surplus consists of an unrestricted surplus of £92,720 and a restricted surplus of £8,879. Please see Note 11 in the accounts for the movements in the restricted funds.

Fee income decreased over the previous year by £55,074 which represents a decrease of approximately 7% and this is understandable considering the issues we faced during the initial stages of the pandemic. However, we were supported by a grant for bed voids from the Welsh Government via RCT, of £80k, for which we are extremely grateful. Towards the end of the financial year, we had almost full occupancy and a waiting list. Total expenditure during this year increased by approximately 8% on the prior year, thus enabling the increased surplus.

Reserves Policy

Brynawel House has established a policy whereby the reserves should be between 3 and 6 months of annual budgeted expenditure. The reserves are required to meet working capital requirements and to cover emergency repairs to any of our five buildings. The Trustees are confident that at this level, it would be able to sustain its current activities and meet its contractual obligations to funders and beneficiaries for the short term in the event of a significant drop in income. In financial terms, the recent year's unrestricted expenditure of £804,250 would indicate a reserve figure of between £201,063 and £402,125. The reserve figure currently held is £512,384 and is therefore well above these parameters and provides Brynawel House with a solid foundation from which to deliver its aims and objectives. The cash flow forecast is monitored bi-monthly against the reserves target.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
Trustees' Annual Report
for the year ended 31 March 2021

Statement of Trustees' Responsibilities

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

Our Auditors are RH Jeffs and Rowe of 27/28 Gelliwastad Road, Pontypridd CF37 2BW. They conducted the audit for 2020-2021 through difficult COVID restrictions and we are extremely grateful for their professionalism during their work.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small entities.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
Trustees' Annual Report
for the year ended 31 March 2021

This report was approved by the Trustees on the 7 December 2021 and signed on its behalf by:



Dr Altaf Hussain

Chairman

**Independent auditors' report to Brynawel House Alcohol and Drug Rehabilitation Centre Ltd,
limited by guarantee, under Section 449 of the Companies Act 2006**

Opinion

We have audited the financial statements of Brynawel House Alcohol and Drug Rehabilitation Centre Ltd (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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.

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

We have nothing to report in this regard.

**Independent auditors' report to Brynawel House Alcohol and Drug Rehabilitation Centre Ltd,
limited by guarantee, under Section 449 of the Companies Act 2006**

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' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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' report.

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:

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

Responsibilities of trustees

As explained more fully in the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which our procedures can detect fraud are vast but not complete as it is not economical or practical to perform a 100% audit.

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

**Independent auditors' report to Brynawel House Alcohol and Drug Rehabilitation Centre Ltd,
limited by guarantee, under Section 449 of the Companies Act 2006**

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Thomas BSc FCA

Senior Statutory Auditor

**for and on behalf of RH Jeffs and Rowe,
Statutory Auditors & Chartered Accountants
27/28 Gelliwastad Road**

Pontypridd

CF37 2BW

17 December 2021

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
Company limited by guarantee

Statement of Financial Activities
for the year ended 31 March 2021

		£	£	£	£
		Unrestricted	Restricted	2021	2020
Income and Endowments					
Voluntary income:					
Donations and Grants	3	194,696	35,000	229,696	647
Investment income:					
Bank interest		88	-	88	125
Other income:	3	3,033	-	3,033	532
Charitable Activities:					
Fee Income		699,153	-	699,153	754,227
Total Incoming Resources		<u>896,970</u>	<u>35,000</u>	<u>931,970</u>	<u>755,531</u>
Expenditure					
Charitable activities	4	804,250	26,121	830,371	771,485
Total Resources Expended		<u>804,250</u>	<u>26,121</u>	<u>830,371</u>	<u>771,485</u>
Movement in total funds for the year:					
Net Incoming (Outgoing) resources	5	92,720	8,879	101,599	(15,954)
Total Funds brought forward		379,054	1,075,038	1,454,092	1,470,046
Total Funds carried forward		<u>471,774</u>	<u>1,083,917</u>	<u>1,555,691</u>	<u>1,454,092</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

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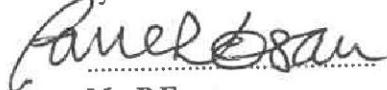
Balance sheet
as at 31 March 2021

		2021		2020	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		1,071,553		1,095,362
Current Assets					
Stocks		1,128		-	
Debtors	8	225,700		162,464	
Cash at bank and in hand		676,087		282,547	
		<u>902,915</u>		<u>445,011</u>	
Creditors: amounts falling due within one year	9	<u>(390,527)</u>		<u>(83,781)</u>	
Net Current assets			512,388		361,230
Net Assets			1,583,941		1,456,592
Creditors: amounts falling due after more than one year	9		(28,250)		(2,500)
			<u>1,555,691</u>		<u>1,454,092</u>
The Funds of the Charity					
Unrestricted Funds			421,774		329,054
Restricted Funds	11		1,083,917		1,075,038
Designated Funds	11		50,000		50,000
Total Charity Funds			<u>1,555,691</u>		<u>1,454,092</u>

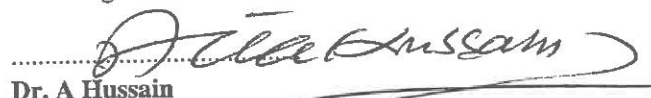
The notes on pages 15 - 23 form part of these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small entities.

The financial statements were approved by the Trustee Board on 7 December 2021 and signed on its behalf by :-



Mr. P Egan



Dr. A Hussain

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Cash flow statement
for the year ended 31 March 2021

Notes	2021 £	2020 £
Reconciliation of operating profit/(loss) to net cash inflow from operating activities		
Operating profit/(loss)	101,599	(15,954)
Depreciation	40,394	43,894
(Increase) in stocks	(1,128)	-
(Increase) in debtors	(63,234)	12,330
Increase in creditors	306,744	(61,701)
Net cash inflow from operating activities	<u>384,375</u>	<u>(21,431)</u>
Cash flow statement		
Net cash inflow from operating activities	384,375	(21,431)
Grant writedown	-	(2,500)
Capital expenditure	(16,585)	(17,304)
	<u>367,790</u>	<u>(41,235)</u>
Financing	25,750	-
Increase in cash in the year	<u>393,540</u>	<u>(41,235)</u>
Reconciliation of net cash flow to movement in net funds		
Increase / (Decrease) in cash in the year	<u>393,540</u>	<u>(41,235)</u>
Change in net funds resulting from cash flows	-	-
Net funds at 1 April 2020	<u>282,547</u>	<u>323,782</u>
Net funds at 31 March 2021	<u>676,087</u>	<u>282,547</u>

Brynewel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

Statutory Information

Brynewel House Alcohol and Drug Rehabilitation Centre Ltd is a charitable company in Wales in the United Kingdom. The registered office is Brynewel House, Llanharry Road, Llanharan, Pontyclun, CF72 9RN. The nature of the charities operations and principal activities is disclosed within the Trustees Report.

The financial statements are presented in Sterling (£), the charities functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1. Accounting policies

1.1. Basis of preparation and assessment of going concern.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees have considered the charity's finances for the coming year and have no concerns or material uncertainties over the going concern status of the charity.

1.2. Taxation

The Charity has no taxable activities.

1.3. Pensions

Employees of the charity are entitled to join a defined contribution "money purchase" scheme. The charity contribution is restricted to the contribution disclosed.

1.4. Deferred income

Grants for which the money has been spent on capital expenditure is deferred to go through the statement of financial activities at the same rate as the asset is expensed.

Client fees received in advance for the following accounting year has been deferred.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

..... continued

1.5. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade debtors and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

1.6. Incoming resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date.

Distribution Income is taken into account on the date paid into the charity's bank account.

1.7. Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Appeal centre and other fund raising expenditure comprises those costs incurred in attracting voluntary income, including the running of the Cardiff Appeals Centre.

Charitable activities expenditure 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.

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.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

..... continued

1.8. Fund Accounting

The unrestricted funds of the charity comprise those monies which are available to be used towards the meeting of the charitable objectives of the charity at the discretion of the Management Committee.

The restricted funds are monies raised or received for a specific purpose and accounted for in accordance with the donors imposed conditions.

1.9. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold Properties	-	2% Straight Line
Fixtures & Fittings	-	25% Straight Line
Motor Vehicles	-	25% Straight Line

2. Company limited by guarantee

Every member of the company undertakes to contribute to the assets of the company, in the event of the company being wound up, such amounts as may be required not exceeding £1.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
Company limited by guarantee

Notes to the financial statements
for the year ended 31 March 2021

..... continued

3. Incoming Resources	Total year to 31/03/21 £	Total year to 31/03/20 £
Included within Incoming Resources for the year are:		
Grants & Donations:		
Donations	1,309	647
Grants Received (see below for analysis)	228,387	-
	<u>229,696</u>	<u>647</u>
 Tuck Shop	 1,098	 500
Sundry Income	1,935	32
	<u>3,033</u>	<u>532</u>
 Grants Received:		
Big Lottery Fund	10,000	-
Council COVID Grants	23,205	-
HMRC Job Retention Scheme	14,440	-
Lloyds Bank Foundation	25,000	-
Moondance Foundation	11,756	-
Other	5,000	-
RCT Resilience Grants	80,486	-
WCVA	58,500	-
	<u>67,415</u>	<u>-</u>

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

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4. Total resources expended	Basis of Allocation	Voluntary Income	Charitable Activities	Governance	Total year to 31/03/21	Total year to 31/03/20
		£	£	£	£	£
Costs directly allocated to activities						
Wages and Salaries	Direct	-	399,386	-	399,386	355,593
Recruitment	Direct	-	710	-	710	1,158
Travel expenses	Direct	-	2,997	-	2,997	10,838
Resident expenses	Direct	-	63,906	-	63,906	82,803
Training	Direct	-	6,188	-	6,188	3,910
Cleaning	Direct	-	5,323	-	5,323	7,394
Subscriptions	Direct	-	3,126	-	3,126	2,591
		-	481,636	-	481,636	464,287
Support costs allocated to activities						
Salary Costs	Staff Time	2,757	107,522	27,570	137,849	125,746
Settlement costs	Direct	-	30,461	-	30,461	-
Audit & Accountancy	Direct	-	-	4,000	4,000	4,060
Legal & Professional	Direct	-	-	8,232	8,232	15,227
Premises	Floor	939	89,227	3,757	93,923	87,685
General Office Costs	Usage	326	30,978	1,304	32,608	29,626
Marketing	Usage	62	798	27	887	848
Bank Charges & Interest	Direct	-	381	-	381	112
Depreciation	Usage	808	38,374	1,212	40,394	43,894
		4,892	297,741	46,102	348,735	307,198
		4,892	779,377	46,102	830,371	771,485

Support costs are allocated on the following basis:

	Voluntary	Charitable	Governance
Premises	1%	95%	4%
General Office Costs	1%	95%	4%
Marketing	7%	90%	3%
Depreciation	2%	95%	3%
Salary Costs	2%	78%	20%

5. Net Incoming (Outgoing)/Resources

	Total year to 31/03/21	Total year to 31/03/20
This is stated after charging/(crediting):	£	£
Depreciation	40,394	43,894
Auditors Remuneration	4,000	4,060

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

..... continued

6. Staff Costs

	Total year to 31/03/21 £	Total year to 31/03/20 £
Staff costs during the year comprised of the following:		
Staff Salaries	498,454	433,588
Settlement Costs	30,461	-
Employers National Insurance	29,611	18,317
Employers Pension Costs	9,170	29,434
	<u>567,696</u>	<u>481,339</u>

The average number of full time and full time equivalent employees during the year amounted to 19 (2020 :17), and can be analysed as follows:

Senior Management	3	2
Administration	1	1
Support Workers	7	8
Kitchen	3	3
Therapy	4	3
Maintenance (included in different category last year)	1	-
	<u>19</u>	<u>17</u>

No employee was paid £60,000 or more during the year.(2020 :nil)

The trustees received no remuneration or benefits in connection with the performance of their duties

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

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7. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or Valuation				
At 1 April 2020	1,150,000	189,012	30,660	1,369,672
Additions	-	16,585	-	16,585
Disposals	-	(4,912)	-	(4,912)
At 31 March 2021	<u>1,150,000</u>	<u>200,685</u>	<u>30,660</u>	<u>1,381,345</u>
Depreciation				
At 1 April 2020	92,000	153,565	28,745	274,310
On disposals	-	(4,912)	-	(4,912)
Charge for the year	23,000	15,479	1,915	40,394
At 31 March 2021	<u>115,000</u>	<u>164,132</u>	<u>30,660</u>	<u>309,792</u>
Net book values				
At 31 March 2021	<u>1,035,000</u>	<u>36,553</u>	<u>-</u>	<u>1,071,553</u>
At 31 March 2020	<u>1,058,000</u>	<u>35,447</u>	<u>1,915</u>	<u>1,095,362</u>

The freehold property known as Brynawel House was revalued on 31st August 2016 by Herbert R. Thomas, Chartered Surveyors, on the basis of open market value, at £650,000 and is included in the accounts at valuation.

The historical cost of this freehold property was £1,108,365 and aggregated depreciation thereon would have been £280,109 had there been no revaluation.

The freehold property known as Pen Y Parc was revalued on 31st August 2017, also by Herbert R. Thomas, Chartered Surveyors, on the basis of open market value at £500,000 and is included in the accounts at valuation.

The historic cost of this freehold property was £755,121 and aggregated depreciation thereon would have been £102,461 had there been no revaluation.

The trustees are not aware of any material changes in the value of the property since the last valuation.

8. Debtors	2021 £	2020 £
Outstanding fees	224,370	160,368
Prepayments	1,330	2,096
	<u>225,700</u>	<u>162,464</u>

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

..... continued

9. Creditors: amounts falling due within one year	2021	2020
	£	£
Charitable activities	11,380	13,528
Other taxes and social security costs	10,478	9,940
Other creditors	35,512	7,017
Deferred income*	333,157	53,296
	<u>390,527</u>	<u>83,781</u>

*Local authorities may enter into a contract to pay Brynawel House up to the equivalent of 16 weeks treatment in advance. The money may be returned subject to specific conditions. Assuming residents will remain in Brynawel House for the full course of treatment, advanced rental income will be applied as above.

Creditors: amounts falling due after more than one year	2021	2020
	£	£
Lloyds Bank Loan	25,750	-
National Lottery Grant	2,500	2,500
	<u>28,250</u>	<u>2,500</u>

10. Analysis of Net Assets between Funds	Unrestricted	Restricted	Total
	£	£	2021
			£
Tangible Fixed Assets	272,031	799,522	1,071,553
Current Assets	199,743	312,645	512,388
Long Term Liabilities	-	(28,250)	(28,250)
	<u>471,774</u>	<u>1,083,917</u>	<u>1,555,691</u>

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Notes to the financial statements
for the year ended 31 March 2021

..... continued

11. Restricted Funds

	At 01/04/20	Incoming Resources	Outgoing Resources	At 31/03/21
	£	£	£	£
NAW property improvements	605,563	-	(7,712)	597,851
RCT/WAG Capital grant (1)	365,942	-	(7,840)	358,102
RCT/WAG Capital grant (2)	96,880	-	(2,160)	94,720
WAG Capital grant (2015)	-	-	-	-
WAG Capital grant (2017)	1,653	-	(1,653)	-
National Lottery Capital grant (2018)	5,000	-	(2,500)	2,500
Big Lottery Grant - Winter activities	-	10,000	(4,256)	5,744
Lloyds Foundation Grant (2021)	-	25,000	-	25,000
Total Restricted funds	1,075,038	35,000	(26,121)	1,083,917
Unrestricted funds	329,054	896,970	(804,250)	421,774
Designated funds*	50,000	-	-	50,000
Total funds	1,454,092	931,970	830,371	1,555,691

* Funds designated to be used for the development of an aftercare service

NAW property improvements - A capital grant of £842,744 was received from the National Assembly of Wales for the purpose of refurbishing Brynawel House in 2007. Further capital grants of £80,618 were received up to 2010 to construct a family therapy centre and tarmac the car park.

RCT/WAG Capital grant (1) - A capital grant of £600,000 was received from Welsh Assembly/Rhondda Cynon Taff County Council for the purpose of purchasing and improving a property known as Pen Y Parc farm in 2010.

RCT/WAG Capital grant (2) - A capital grant of £158,000 was received from WAG in March 2011 for further improvements at Pen Y Parc farm completed in March 2011.

Brynawel House Alcohol and Drug Rehabilitation Centre Ltd
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Statement of Financial Activities
for the year ended 31 March 2021

	2020		2019	
	£	£	£	£
Incoming Resources				
Fee Income		699,153		754,227
		<u>699,153</u>		<u>754,227</u>
Cost of Care				
Wages and Salaries (including settlement costs)	567,696		481,339	
Resident expenses	63,906		82,803	
Cleaning	5,323		7,394	
		<u>636,925</u>		<u>571,536</u>
		62,228		
Gross profit	18%	<u>62,228</u>	24%	<u>182,691</u>
Operating expenses				
Recruitment	710		1,158	
Travel expenses	2,997		10,838	
Audit & Accountancy	4,000		4,060	
Legal & Professional	8,232		15,227	
Training	6,188		3,910	
Subscriptions	3,126		2,591	
Bank charges	381		112	
Premises	93,923		87,685	
General Office Costs	32,608		29,626	
Marketing	887		848	
Depreciation	40,394		43,894	
		<u>193,446</u>		<u>199,949</u>
		(131,218)		(17,258)
Other operating income				
Grants Received	228,387		-	
Donations	1,309		647	
Tuck Shop	1,098		500	
Bank Interest Received	88		125	
Sundry Income	1,935		32	
		<u>232,817</u>		<u>1,304</u>
Operating profit/(loss)	16%	<u>101,599</u>	1%	<u>(15,954)</u>

