

THE SCOTTISH DRUGS FORUM LIMITED

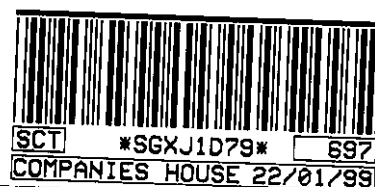
REPORT AND FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31ST MARCH 1998

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COMPANY REGISTRATION NUMBER

SC 106295

THE SCOTTISH DRUGS FORUM LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998

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THE SCOTTISH DRUGS FORUM LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31st March 1998.

REVIEW OF ACTIVITIES

The following were the company's key aims as outlined in its 1997-2000 Strategic Plan.

1. To facilitate the development of a comprehensive range of services to meet the needs of drug users and their families in Scotland.
2. To work towards improving the quality of services to drug users.
3. To provide opportunities to develop and promote common responses to issues of concern.
4. To facilitate the co-ordination of services concerned with problem drug use.
5. To collect and disseminate drugs information of relevance to those concerned with drug problems in Scotland.
6. To represent the interests of those directly affected by drug use at local, regional and national levels.

A full range of activities continued to be undertaken during the year in relation to co-ordination, information collection and dissemination and policy development.

Scottish Drugs Forum would like to thank the following organisations for their continued financial support:

Scottish Office Department of Health for core funding
Social Work Services Group
Greater Glasgow Health Board
Tayside Health Board
Lothian Health Board
Fife Health Board
Argyll and Clyde Health Board

In 1998/99 we have also received financial support from Comic Relief, the Tudor Trust and the Pilgrim Trust for under 16's and User Involvement Work, and would like to acknowledge with thanks their help and support.

FINANCIAL REVIEW

The accounts show a net decrease in funds of £33,764 (1997 – decrease of £30,225). The allocation between restricted and unrestricted funds is shown in the statement of financial activities on page 9 and further details of the movements in restricted funds are shown on page 13.

Scottish Drugs Forum is dependent on grants and donations for its future funding. It is anticipated that continued funding will be available from the Scottish Office and those health boards listed above, which in addition to the funding from the trusts should ensure a healthier financial picture. Social Work Services Group funding is scheduled to continue until March 2,000.

THE SCOTTISH DRUGS FORUM LIMITED

REPORT OF THE DIRECTORS (continued)

FINANCIAL REVIEW (continued)

The two financial years 1996/7 and 1997/8 were difficult for Scottish Drugs Forum, in that there was a significant reduction in our income with a consequent limitation on some aspects of national development work. The financial picture for 1998/9 is healthier primarily through additional trust funding, and through the leasing of our former office premises in Oswald Street, Glasgow, which will bring in some rental income. We also have a bid in to the National Lottery under the heading of Community Development and are hopeful of success.

MEMBERSHIP AND DIVIDENDS

There are no shareholdings in the company, which is limited by guarantee. The liability of members is limited to £1 each. No dividends are paid.

DIRECTORS

The following were Directors during the year:

Directors throughout the year	Appointed during the year	Resigned during the year
Anne Thomson (Chair from Nov. '97) Gordon Armour (Treasurer) Max Cruikshank John Taylor Ji Mackie William Colclough Charles Lind Liam McLaughlin John Davies Jean McDonald Paul Mooney	Kay Roberts David Shewan Douglas Ralph Lesley Walker Natalie Morel (resigned Aug. '98)	Val Morrison (Chair to Nov. '97) Rusty Murray Eileen McDonald Alex Meikle

In accordance with Clause 50 of the Company's Articles one third of the Directors will retire by rotation at the forthcoming annual general meeting and will be eligible for re-appointment.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Norman, Downie & Kerr as auditors to the company will be put to the Annual General Meeting.

By Order of the Management Committee

Yvonne Alexis
YVONNE ALEXIS
Company Secretary

26/11/98

THE SCOTTISH DRUGS FORUM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its income less expenditure for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE SCOTTISH DRUGS FORUM LIMITED

We have audited the financial statements on pages 6 to 13 which have been prepared under the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 4, the company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1998 and of its income less expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Norman, Downie & Kerr

NORMAN, DOWNIE & KERR
Chartered Accountants and Registered Auditors

130 Constitution Street
Leith
Edinburgh EH6 6AJ.

21st January 1999

THE SCOTTISH DRUGS FORUM LIMITED

ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice No. 2 "Accounting by Charities".

Cash Flow Statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

Grants and Donations

Income from annual grants is recognised in the period to which the grant relates. Any annual grants received in advance are included as deferred grants in creditors. Income from other grants and donations is recognised on receipt.

Where a grant or donation is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation on furniture & equipment is charged by the straight line method at rates varying from 10% to 25% of cost per annum depending on the estimated useful life of each asset. Depreciation on leasehold improvements is charged over the period of the lease (currently 10 years).

Pension Costs

Pension costs represent defined contributions payable for the accounting period.

Taxation

No provision for taxation is required since the company is recognised as a charity by the Inland Revenue.

The company is not registered for VAT and expenditure includes the cost of VAT where relevant.

THE SCOTTISH DRUGS FORUM LIMITED

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1998

	Note	1998 £	1997 £
INCOME			
Grants & donations receivable	2	333,340	442,787
Conferences & seminars		46,383	12,057
Subscriptions & adverts		5,665	5,465
Publication sales & fees		13,916	18,908
Bank interest		6,200	2,527
		<u>405,504</u>	<u>481,744</u>
EXPENDITURE			
Staff costs	4	252,327	330,732
Conferences and seminars		28,985	14,586
Publications and project costs		49,756	37,376
Occupancy costs		55,853	50,596
Administration costs		40,809	66,033
Depreciation		11,538	12,646
		<u>439,268</u>	<u>511,969</u>
INCOME LESS EXPENDITURE FOR YEAR	3	<u>439,268</u>	<u>511,969</u>
NET (DECREASE) IN FUNDS		<u>(33,764)</u>	<u>(30,225)</u>

Further analysis of income & expenditure is shown in the statement of financial activities on page 9 (note 1).

The above results are attributable to continuing operations in both financial years.

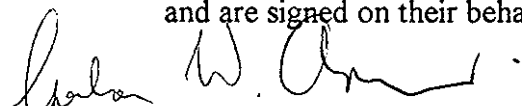
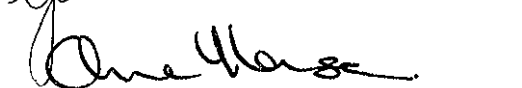
The income and expenditure account above contains all recognised gains and losses in each financial year and therefore no separate statement of total recognised gains and losses has been presented.

THE SCOTTISH DRUGS FORUM LTD.

BALANCE SHEET AT 31ST MARCH 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	5	<u>38,239</u>	<u>48,642</u>
CURRENT ASSETS			
Debtors	6	21,677	18,598
Cash at bank & in hand		<u>142,149</u>	<u>116,735</u>
		<u>163,826</u>	<u>135,333</u>
CREDITORS - Amounts falling due within one year	7	<u>162,375</u>	<u>110,541</u>
NET CURRENT ASSETS		<u>1,451</u>	<u>24,792</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,690</u>	<u>73,434</u>
NET ASSETS		<u><u>39,690</u></u>	<u><u>73,454</u></u>
FUNDS:			
Unrestricted funds	9	1,367	8,304
Restricted funds	9	<u>38,323</u>	<u>65,150</u>
		<u><u>39,690</u></u>	<u><u>73,454</u></u>

The accounts on pages 6 to 13 were approved by the Board of Directors on 26/11/98 and are signed on their behalf by:

)
)
) Directors
)
)

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998

1. STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 1998 £	Total 1997 £
Incoming Resources:				
Grants & donations	-	333,340	333,340	442,787
Conferences & seminars	46,383	-	46,383	12,057
Subscriptions & adverts	5,665	-	5,665	5,465
Publication sales & fees	13,916	-	13,916	18,908
Bank interest	6,200	-	6,200	2,527
Total incoming resources	72,164	333,340	405,504	481,744
Direct charitable expenditure:				
Staff costs	9,343	174,693	184,036	246,707
Conferences & seminars	28,413	572	28,985	14,586
Publications & projects	12,114	37,642	49,756	37,376
Travel & other	694	9,985	10,679	18,924
	50,564	222,892	273,456	317,593
Other expenditure:				
Administrative staff	3,883	64,408	68,291	84,025
Occupancy costs	-	55,853	55,853	50,596
Office & admin costs	-	30,130	30,130	47,109
Depreciation	6,869	4,669	11,538	12,646
	10,752	155,060	165,812	194,376
Total resources expended	61,316	377,952	439,268	511,969
Net incoming/ (outgoing) resources	10,848	(44,612)	(33,764)	(30,225)
Net transfers	(17,785)	17,785	-	-
Net movement in funds	(6,937)	(26,827)	(33,764)	(30,225)
Balances b/f at 1/4/97	8,304	65,150	73,454	103,679
Balances c/f at 31/3/98	1,367	38,323	39,690	73,454

Further details of restricted funds are shown in note 10.

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. GRANTS AND DONATIONS RECEIVED

	1998 £	1997 £
Received in year	355,481	490,787
(Less): deferred in year	(31,339)	(81,198)
Deferred grants released	<u>6,198</u>	<u>33,198</u>
	<u>330,340</u>	<u>442,787</u>

3. EXPENDITURE

	£	£
Expenditure includes the following amounts charged:		
Auditors' remuneration (net of VAT):		
for audit work and accounts	1,250	1,200
for other services	<u>100</u>	<u>-</u>
	<u>1,350</u>	<u>1,200</u>

4. STAFF DETAILS

The average number of persons employed by the company during the year was:

	Number	Number
Administrative & field staff	<u>13</u>	<u>19</u>

	1998 £	1997 £
Total staff costs for the above persons were:		
Salaries	217,260	284,352
Social security costs	20,930	27,538
Pension costs	<u>14,137</u>	<u>18,842</u>
	<u>252,327</u>	<u>330,732</u>

No emoluments were paid to any Director during the year.

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Furniture & equipment £	Total £
COST OR VALUATION			
At 1st April 1997	31,491	64,442	95,933
Additions	-	1,135	1,135
(Less): Disposals	-	-	-
	<u>31,491</u>	<u>65,577</u>	<u>97,068</u>
At 31st March 1998			
	<u>31,491</u>	<u>65,577</u>	<u>97,068</u>
DEPRECIATION			
At 1st April 1997	3,149	44,142	47,291
Charge for year	3,149	8,389	11,538
(Less): on disposals	-	-	-
	<u>6,298</u>	<u>52,531</u>	<u>58,829</u>
At 31st March 1998			
	<u>6,298</u>	<u>52,531</u>	<u>58,829</u>
NET BOOK VALUE			
At 31st March 1998	<u>25,193</u>	<u>13,046</u>	<u>38,239</u>
At 31st March 1997	<u>28,342</u>	<u>20,300</u>	<u>48,642</u>

6. DEBTORS

	1998 £	1997 £
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
Prepayments	12,295	7,801
Accrued income	775	3,700
Other debtors	8,607	7,097
	<u>21,677</u>	<u>18,598</u>

7. CREDITORS

	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
Deferred grants	31,339	81,198
Taxation and Social Security	6,133	6,184
Accruals & prepaid income	44,879	16,051
Other creditors	80,024	7,108
	<u>162,375</u>	<u>110,541</u>

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. LEASE COMMITMENTS

The company has lease commitments on its various office premises as follows:

Rent due	Note	Within one year £	Within 2 - 5 years £	In over 5 years £
Glasgow (new office)	(a)	18,800	75,200	56,400
Glasgow (old office)	(b)	6,250	7,552	-
Edinburgh	(c)	4,820	6,021	-
Dundee	(d)	-	-	-
		<u>29,870</u>	<u>88,773</u>	<u>56,400</u>

(a) The lease for Glasgow (new office) has a break option and rent review at 15/3/2001.

(b) A sub-tenant has been obtained for the old Glasgow office and costs should be recovered from November 1998

(c) The lease for Edinburgh has a break option at 30/9/99.

(d) No lease has been signed for Dundee pending negotiation.

9. MOVEMENT ON FUNDS

	Unrestricted General Fund £	Restricted £	Total £
At 1st April 1997	8,304	65,150	73,454
Income	72,164	333,340	405,504
(Less): Expenditure	(61,316)	(377,952)	(439,268)
Net transfers	<u>(17,785)</u>	<u>17,785</u>	<u>-</u>
At 31st March 1998	<u>1,367</u>	<u>38,323</u>	<u>39,690</u>

Further details of restricted funds are shown in note 10 below.

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued)

10. RESTRICTED FUNDS

	At 1/4/97 £	Movement in Resources		Net Transfers £	At 31/3/98 £
		Incoming £	Outgoing £		
Core funds:					
National	-	150,000	(150,000)	-	-
North of Scotland	-	42,000	(46,055)	4,055	-
East of Scotland	-	31,792	(37,956)	6,164	-
West of Scotland	-	10,000	(10,000)	-	-
Dundee Office (Capital)	-	6,600	-	-	6,600
Equal opportunities	700	-	-	-	700
Total core	<u>700</u>	<u>240,392</u>	<u>(244,011)</u>	<u>10,219</u>	<u>7,300</u>
Project funds:					
Recreational Drugs Use	1,494	500	(9,560)	7,566	-
Ethnic Minorities	-	1,000	(1,000)	-	-
Prisons (S10)	-	46,000	(46,000)	-	-
Pre-Release material	-	23,160	(23,160)	-	-
Training (S 9)	-	20,700	(20,700)	-	-
ERIT (Capital)	-	1,588	(532)	(1,056)	-
Survivor Guide	2,977	-	(2,977)	-	-
Spike	10,031	-	(8,098)	-	1,933
Directory	9,332	-	(5,245)	-	4,087
Other publications	2,000	-	(2,000)	-	-
Lothian Information Resource	10,000	-	(10,000)	-	-
Total projects	<u>35,834</u>	<u>92,948</u>	<u>(129,272)</u>	<u>6,510</u>	<u>6,020</u>
Other:					
Fixed Assets	28616	-	(4,669)	1,056	25,003
Total	<u>65,150</u>	<u>333,340</u>	<u>(377,952)</u>	<u>17,785</u>	<u>38,323</u>

Core funds represent grants received less expenditure for staff and office costs at the various locations detailed above.

Project funds are for various specific projects as detailed above.

The fixed asset fund represents the net book value of fixed assets purchased from restricted grants. The cost of the asset is transferred to the fund in the year of purchase and annual depreciation charged in the fund each year.