

THE SCOTTISH DRUGS FORUM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 1999

h



COMPANY REGISTRATION NUMBER

SC 106295

THE SCOTTISH DRUGS FORUM LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1999

<i>Contents</i>	<i>Pages</i>
Report of the Directors	2 - 3
Statement of Directors' responsibilities	4
Report of the Auditors	5
Accounting policies	6
Income and expenditure account	7
Balance sheet	8
Notes to the accounts	9 - 13

THE SCOTTISH DRUGS FORUM LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31st March 1999.

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 increase in funds of £11,940 (1998 – decrease of £33,764). 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. There was a net deficiency in unrestricted funds of £1,510 at 31st March 1999 but it is anticipated that this will be made up during the following year.

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 Executive and those health boards listed above, in addition to the funding from the trusts. A further funding application has been made to Social Work Services Group to continue training work in relation to voluntary sector drug services.

THE SCOTTISH DRUGS FORUM LIMITED

REPORT OF THE DIRECTORS (continued)

FINANCIAL REVIEW (continued)

The financial position in 1998/99 was more stable, following two particularly difficult financial years. The prospects for 1999/2000 are broadly similar to this financial year, however in the longer term we have identified a need to put our regional funding on a firmer financial footing.

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)	Justine Walker	John Davies
Gordon Armour (Treasurer)	Kay Springham	David Shewan
Max Cruikshank	Jim Carroll	Ji Mackie
John Taylor	Stuart Robertson	Lesley Walker
Charles Lind	Lindsey Potter	Natalie Morel
Liam McLaughlin	(since resigned)	
Jean McDonald		
Paul Mooney		
Douglas Ralph		
Kay Roberts		

Stephen Birrell and Alan Mackay have been appointed as Directors since the year-end.

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

24/11/99

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.

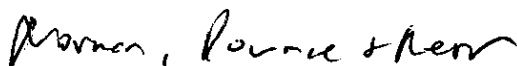
Basis of Opinion

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 1999 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
Chartered Accountants and Registered Auditors

130 Constitution Street
Leith
Edinburgh EH6 6AJ.

1/12/99

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 1999**

	Note	1999 £	1998 £
INCOME			
Grants & donations receivable	2	359,851	333,340
Conferences & seminars		46,022	46,383
Members' subscriptions		7,767	4,883
Publication sales & fees		15,737	13,916
Bank interest		5,273	6,200
Other income		4,187	782
		<u>438,837</u>	<u>405,504</u>
EXPENDITURE			
Staff costs	4	246,406	252,327
Conferences and seminars		32,471	28,985
Publications and project costs		46,622	49,756
Occupancy costs		53,034	55,853
Administration costs		39,021	40,809
Depreciation		9,343	11,538
		<u>426,897</u>	<u>439,268</u>
INCOME LESS EXPENDITURE FOR YEAR	3	<u>11,940</u>	<u>(33,764)</u>
NET INCREASE/(DECREASE) IN FUNDS		<u>11,940</u>	<u>(33,764)</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.

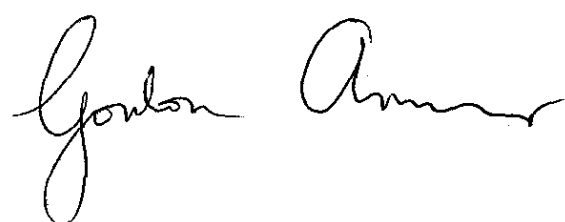
The income and expenditure account above contains all recognised gains and losses in each financial year and therefore no separate statement of total recognised gains and losses has been presented.

THE SCOTTISH DRUGS FORUM LTD.

BALANCE SHEET AT 31ST MARCH 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	5	<u>31,543</u>	<u>38,239</u>
CURRENT ASSETS			
Debtors	6	20,191	21,677
Cash at bank & in hand		<u>179,075</u>	<u>142,149</u>
		<u>199,266</u>	<u>163,826</u>
CREDITORS - Amounts falling due within one year	7	<u>179,179</u>	<u>162,375</u>
NET CURRENT ASSETS		<u>20,087</u>	<u>1,451</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>51,630</u>	<u>39,690</u>
NET ASSETS		<u>51,630</u>	<u>39,690</u>
FUNDS:			
Unrestricted funds	9	(1,510)	1,367
Restricted funds	9	<u>53,140</u>	<u>38,323</u>
TOTAL FUNDS		<u>51,630</u>	<u>39,690</u>

The accounts on pages 6 to 13 were approved by the Board of Directors on 24/11/99 and are signed on their behalf by:

)
)
) Directors
)

THE SCOTTISH DRUGS FORUM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999**

1. STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 1999 £	Total 1998 £
Incoming Resources:				
Grants & donations	160	359,691	359,851	333,340
Conferences & seminars	46,022	-	46,022	46,383
Members' subscriptions	7,767	-	7,767	4,883
Publication sales & fees	15,737	-	15,737	13,916
Bank interest	5,273	-	5,273	6,200
Other income	4,187	-	4,187	782
Total incoming resources	79,146	359,691	438,837	405,504
Direct charitable expenditure:				
Staff costs	12,613	180,426	193,039	184,036
Conferences & seminars	32,221	250	32,471	28,985
Publications & projects	8,835	27,875	36,710	49,756
Travel & other	1,250	8,662	9,912	10,679
	54,919	217,213	272,132	273,456
Other expenditure:				
Administrative staff	5,866	47,501	53,367	68,291
Occupancy costs	9,582	43,452	53,034	55,853
Office & admin costs	6,984	32,037	39,021	30,130
Depreciation	4,672	4,671	9,343	11,538
	27,104	127,661	154,765	165,812
Total resources expended	82,023	344,874	426,897	439,268
Net incoming/ (outgoing) resources	(2,877)	14,817	11,940	(33,764)
Net movement in funds	(2,877)	14,817	11,940	(33,764)
Balances b/f at 1/4/98	1,367	38,323	39,690	73,454
Balances c/f at 31/3/99	(1,510)	53,140	51,630	39,690

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

	1999 £	1998 £
Received in year	369,261	358,481
(Less): deferred in year	(40,749)	(31,339)
Deferred grants released	<u>31,339</u>	<u>6,198</u>
	<u>359,851</u>	<u>333,340</u>

3. EXPENDITURE

	£	£
Expenditure includes the following amounts charged:		
Auditors' remuneration (net of VAT):		
for audit work and accounts	1,300	1,250
for other services	<u>150</u>	<u>100</u>
	<u>1,450</u>	<u>1,350</u>

4. STAFF DETAILS

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

	Number	Number
Administrative & field staff	<u>12</u>	<u>13</u>

	1999 £	1998 £
Total staff costs for the above persons were:		
Salaries	211,744	217,260
Social security costs	21,112	20,930
Pension costs	<u>13,550</u>	<u>14,137</u>
	<u>246,406</u>	<u>252,327</u>

No emoluments were paid to Directors 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 1998	31,491	65,577	97,068
Additions	-	2,647	2,647
(Less): Disposals	-	(2,455)	(2,455)
At 31st March 1999	<u>31,491</u>	<u>65,769</u>	<u>97,260</u>
DEPRECIATION			
At 1st April 1998	6,298	52,531	58,829
Charge for year	3,149	6,194	9,343
(Less): on disposals	-	(2,455)	(2,455)
At 31st March 1999	<u>9,447</u>	<u>56,270</u>	<u>65,717</u>
NET BOOK VALUE			
At 31st March 1999	<u>22,044</u>	<u>9,499</u>	<u>31,543</u>
At 31st March 1998	<u>25,193</u>	<u>13,046</u>	<u>38,239</u>

6. DEBTORS

	1999	1998
	£	£
Amounts falling due within one year:		
Prepayments	5,429	12,295
Accrued income	5,754	775
Other debtors	9,008	8,607
	<u>20,191</u>	<u>21,677</u>

7. CREDITORS

	£	£
Amounts falling due within one year:		
Deferred grants	40,749	31,339
Taxation and Social Security	9,916	6,133
Accruals & prepaid income	10,990	44,879
Other creditors	117,524	80,024
	<u>179,179</u>	<u>162,375</u>

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. LEASE COMMITMENTS

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

	Note	Total £	Expiry Date	
			Within 2 - 5 years £	In over 5 years £
Glasgow (new office)	(a)	18,800	-	18,800
Glasgow (old office)	(b)	6,250	6,250	-
Edinburgh	(c)	4,250	4,250	-
Dundee	(d)	-	-	-
Office equipment		<u>1,073</u>	<u>-</u>	<u>1,073</u>
		<u>30,373</u>	<u>10,500</u>	<u>19,873</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 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 1998	1,367	38,323	39,690
Net (decrease)/increase in year	<u>(2,877)</u>	<u>14,817</u>	<u>11,940</u>
At 31st March 1999	<u>(1,510)</u>	<u>53,140</u>	<u>51,630</u>

There was a net deficiency of £1,510 in unrestricted funds at 31st March 1999. It is anticipated that this deficiency will be made up in the following year.

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 1/4/98 £	Movement in Resources		At 31/3/99 £
		Incoming £	Outgoing £	
Core funds:				
National	-	150,000	(150,000)	-
North of Scotland	-	42,000	(42,000)	-
East of Scotland	-	35,290	(35,290)	-
West of Scotland	-	10,000	(10,000)	-
Dundee Office (Capital)	6,600	-	-	6,600
Equal opportunities	700	-	-	700
	<u>7,300</u>	<u>237,290</u>	<u>(237,290)</u>	<u>7,300</u>
Total Core	<u>7,300</u>	<u>237,290</u>	<u>(237,290)</u>	<u>7,300</u>
Project funds:				
User Involvement	-	22,700	(19,204)	3,496
Critical Incidents	-	25,141	(17,637)	7,504
Under 16s	-	22,053	(8,555)	13,498
Training (S 9)	-	20,700	(20,700)	-
European Drug prevention week	-	29,807	(29,807)	-
Spike	1,933	-	(1,933)	-
Directory	4,087	-	(4,087)	-
Volatile substance use	-	2,000	(990)	1,010
	<u>6,020</u>	<u>122,401</u>	<u>(102,913)</u>	<u>25,508</u>
Total Projects	<u>6,020</u>	<u>122,401</u>	<u>(102,913)</u>	<u>25,508</u>
Other:				
Fixed Assets	<u>25,003</u>	<u>-</u>	<u>(4,671)</u>	<u>20,332</u>
Total Restricted Funds	<u><u>38,323</u></u>	<u><u>359,691</u></u>	<u><u>(344,874)</u></u>	<u><u>53,140</u></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.