

THE SCOTTISH DRUGS FORUM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2001

COMPANY REGISTRATION NUMBER

SC 106295



THE SCOTTISH DRUGS FORUM LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2001

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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 2001.

REVIEW OF ACTIVITIES

The following were the company's key aims during the year:

- to facilitate the development of a comprehensive range of services in response to all aspects of drug use in Scotland
- to support an improvement in the quality of all responses to drug use in Scotland
- to improve the general level of understanding and awareness of drug issues
- to act as a forum to develop and promote common responses to issues of concern and to represent members of the Scottish Drugs Forum (SDF)
- to develop SDF's capacity in line with existing and new demands

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 financial support:

Scottish Executive Department of Health for core funding
Social Work Services Group
Health Education Board for Scotland
Greater Glasgow Health Board
Tayside Health Board
Argyll and Clyde Health Board

Glasgow City Council
Esmee Fairbairn Foundation
Lothian Health
Fife Health Board
Comic Relief
West Lothian Council

FINANCIAL REVIEW

The accounts show a net increase in funds of £16,342 comprising a reduction of £7,024 in restricted funds and an increase of £23,366 in unrestricted funds. The analysis between restricted and unrestricted funds is shown in the statement of financial activities on page 9 and further details of the movements in funds are shown in note 8 on page 13.

The financial position in 2000/2001 was more stable, following two particularly difficult financial years. The prospects for 2001/2002 are broadly similar to this financial year.

Scottish Drugs Forum is dependent on grants and donations for its future funding. We anticipate funding from the Scottish Executive will continue, and we are currently seeking an increase to enable a consolidation of the core of the organisation and to take forward specific strategic priorities. Social Work Services Group Section 9 funding is also continuing.

Scottish Enterprise New Futures funding has been secured in 2001/2002 for project work, looking at barriers to education, training and employment for drug users. This work will bring in grants of £191,715 in the next year and the project runs until September 2004.

We have also secured funding from Greater Glasgow Drug Action Team for the next three years to take forward user involvement work, which will bring in £37,500 in the year 2001/2002.

Other funds secured include £25,216 from the Drumchapel Partnership to undertake Community Development work in Drumchapel.

THE SCOTTISH DRUGS FORUM LIMITED

REPORT OF THE DIRECTORS (continued)

MEMBERSHIP

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

DIRECTORS

The following are present directors of the company or have served as directors in the period since April 2000:

Present Directors

Anne Thomson (Chair)
Kay Roberts (Vice Chair)
Gordon Armour (Treasurer)
Grahame Cronkshaw
Iona Colvin
Max Cruikshank
Justine Walker
Andy Rome
Stephen Birrell
Jim Carroll
George Wilson
Chris White (appointed Nov 2000)
Brian Muir (appointed Oct 2001
also served Nov 2000 to Feb 2001)

Former Directors

Kay Springham (resigned Oct 2001)
Stuart Robertson (resigned May 2001)
Alan Mackay (resigned Oct 2001)
John Taylor (resigned Sept 2001)
Charles Lind (resigned Nov 2000)
Paul Mooney (resigned Nov 2000)

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

Norman, Downie & Kerr Ltd were appointed as auditors during the year and are willing to continue in office.

By Order of the Board

Yvonne Alexis

Yvonne Alexis
Company Secretary

Date: *27 November 2001*

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 in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and 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 affairs of the company as at 31st March 2001 and of its net incoming resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Norman, Downie & Kerr Ltd

NORMAN, DOWNIE & KERR LTD
Chartered Accountants and Registered Auditors

Date: 29th November 2001

The Courtyard
130 Constitution Street
Leith
Edinburgh EH6 6AJ.

THE SCOTTISH DRUGS FORUM LIMITED

ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and the Statement of Recommended Practice, 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 leasehold improvements is charged over the period of the lease (currently 10 years). Depreciation on furniture & equipment is charged by the straight line method over the estimated useful life of each asset as follows:

Furniture & fittings	10 years
Computer equipment	3 years
Other office equipment	4-5 years

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to expenditure on a straight-line basis over the lease term.

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

Stock

Stock comprises publications held for resale and is stated at the lower of cost and net realisable value.

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 2001

	Note	2001 £	2000 £
Incoming Resources			
Grants & donations receivable	2	418,633	420,745
Conferences & seminars		51,985	52,974
Members' subscriptions		9,967	5,769
Publication sales & fees		13,713	14,142
Bank interest		3,701	4,290
Other income		5,577	12,579
Total Incoming Resources		<u>503,576</u>	<u>510,499</u>
Resources Expended			
Staff costs		297,145	285,045
Conferences and seminars		36,845	38,400
Publications & printing		11,856	7,540
Direct project costs		14,956	5,447
Training & consultancy		9,550	2,589
Travel costs		10,268	7,761
Other direct costs		2,896	1,846
Occupancy costs		43,210	51,733
Administration costs		45,930	43,458
Depreciation		14,578	15,286
Total Resources Expended	3	<u>487,234</u>	<u>459,105</u>
Net Incoming Resources in Year		<u>16,342</u>	<u>51,394</u>

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

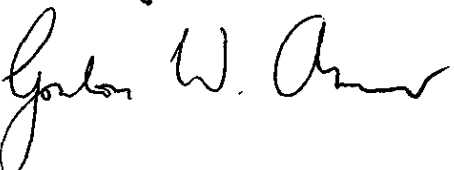
THE SCOTTISH DRUGS FORUM LTD.

BALANCE SHEET AT 31ST MARCH 2001

	Note	2001 £	2000 £
Fixed Assets			
Tangible assets	4	<u>33,451</u>	<u>43,481</u>
Current Assets			
Stock		1,400	5,200
Debtors	5	37,545	20,310
Cash at bank & in hand		<u>99,464</u>	<u>104,013</u>
		<u>138,409</u>	<u>129,523</u>
Creditors - Amounts falling due within one year	6	<u>49,473</u>	<u>69,980</u>
Net Current Assets		<u>88,936</u>	<u>59,543</u>
Total Assets Less Current Liabilities		<u>122,387</u>	<u>103,024</u>
Creditors - Amounts falling due in more than one year	6	<u>3,021</u>	<u>-</u>
Net Assets		<u>119,366</u>	<u>103,024</u>
Funds			
Unrestricted funds	8	32,042	8,676
Restricted funds	8	<u>87,324</u>	<u>94,348</u>
Total Funds		<u>119,366</u>	<u>103,024</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

The accounts on pages 6 to 13 were approved by the Board of Directors on 15 November 2001 and are signed on their behalf by:

Directors

THE SCOTTISH DRUGS FORUM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001**

1. STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2001 £	Total 2000 £
Incoming resources:				
Grants & donations	50	418,583	418,633	420,745
Conferences & seminars	51,985	-	51,985	52,974
Members' subscriptions	9,967	-	9,967	5,769
Publication sales & fees	10,055	3,658	13,713	14,142
Bank interest	3,701	-	3,701	4,290
Other income	5,572	5	5,577	12,579
Total incoming resources	81,330	422,246	503,576	510,499
Direct charitable expenditure				
Staff costs	-	259,281	259,281	249,711
Conferences & seminars	36,145	700	36,845	38,400
Publications & printing	5,470	6,386	11,856	7,540
Direct project costs	-	14,956	14,956	5,447
Other direct costs	-	22,714	22,714	12,196
	41,615	304,037	345,652	313,294
Other expenditure:				
Administrative staff	4,999	32,865	37,864	35,334
Occupancy costs	1,770	41,440	43,210	51,733
Office & admin costs	9,060	36,870	45,930	43,458
Depreciation	-	14,578	14,578	15,286
	15,829	125,753	141,582	145,811
Total resources expended	57,444	429,790	487,234	459,105
Net incoming resources	23,886	(7,544)	16,342	51,394
Net transfers	(520)	520	-	-
Net movement in funds	23,366	(7,024)	16,342	51,394
Balances at 1st April 2000	8,676	94,348	103,024	51,630
Balances at 31st March 2001	32,042	87,324	119,366	103,024

Further details of restricted funds are shown in note 8.

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. GRANTS AND DONATIONS RECEIVABLE

	Core Activities £	Projects Grants £	Total 2001 £	Total 2000 £
Scottish Executive	176,594	44,026	220,620	266,641
Tayside Health Board	36,000	-	36,000	42,000
Lothian Health	26,236	-	26,236	25,409
Argyll & Clyde Health Board	6,000	-	6,000	15,933
Greater Glasgow Health Board	14,000	7,680	21,680	7,000
Glasgow City Council	14,000	-	14,000	7,000
Fife Health Board	7,000	35,000	42,000	7,000
West Lothian Council	3,000	-	3,000	-
Comic Relief	-	11,631	11,631	33,685
The Esmee Fairbairn Foundation	-	23,263	23,263	-
Health Education Board for Scotland	-	4,653	4,653	4,767
Other	9,550	-	9,550	11,310
Total	292,380	126,253	418,633	420,745

3. RESOURCES EXPENDED

	2001 £	2000 £
Staff costs:		
Direct charitable activities:		
Core activities	148,656	161,391
Projects	110,625	88,320
Administrative support	37,864	35,334
Total staff costs	297,145	285,045

The above includes pension costs of £17,241 (2000 - £14,217).

No remuneration was paid to Directors during the year.

Other costs:	£	£
Auditors' remuneration (net of VAT):		
for audit and accounts	1,600	1,500
for other work	300	-
	1,900	1,500

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. TANGIBLE FIXED ASSETS	Leasehold Improvements	Furniture & equipment	Total
	£	£	£
Cost or Valuation			
At 1st April 2000	31,491	92,993	124,484
Additions	-	4,548	4,548
(Less): Disposals	-	(10,073)	(10,073)
At 31st March 2001	<u>31,491</u>	<u>87,468</u>	<u>118,959</u>
Depreciation			
At 1st April 2000	12,596	68,407	81,003
Charge for year	3,149	11,429	14,578
(Less): on disposals	-	(10,073)	(10,073)
At 31st March 2001	<u>15,745</u>	<u>69,763</u>	<u>85,508</u>
Net Book Value			
At 31st March 2001	<u>15,746</u>	<u>17,705</u>	<u>33,451</u>
At 31st March 2000	<u>18,895</u>	<u>24,586</u>	<u>43,481</u>

The net book value of tangible fixed assets at 31st March 2001 includes an amount of £3,827 in respect of assets held under finance leases.

5. DEBTORS	2001	2000
	£	£
Amounts falling due within one year:		
Invoiced sales	19,097	13,619
Accrued income	15,268	1,168
Prepayments	3,180	5,323
Other debtors	-	200
	<u>37,545</u>	<u>20,310</u>

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. CREDITORS	2001	2000
Amounts falling due within one year:	£	£
Deferred grants	-	35,000
Prepaid income	5,353	6,538
Obligations under finance leases	806	-
Taxation and Social Security	16,207	13,167
Accruals	24,603	12,820
Other creditors	2,504	2,455
	<u>49,473</u>	<u>69,980</u>
Amounts falling due in more than one year:		
Obligations under finance leases	<u>3,021</u>	<u>-</u>

7. LEASE COMMITMENTS

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

	Note	Total £	Expiry Date	
			Within 1 year £	Within 2 - 5 years £
National office (Glasgow)	(a)	25,000	-	25,000
Edinburgh office	(b)	2,986	2,986	-
Dundee office	(b)	3,562	3,562	-
Office equipment		<u>1,073</u>	<u>-</u>	<u>1,073</u>
		<u>32,621</u>	<u>6,548</u>	<u>26,073</u>

(a) The annual rent for Glasgow office increases to £27,500 from 15/3/2003.

(b) Leases for Edinburgh and Dundee are renewable annually and currently run to 31/8/02 and 30/9/02 respectively.

THE SCOTTISH DRUGS FORUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. MOVEMENT ON FUNDS

Restricted Funds:	At 1/4/00 £	Movement in Resources		Transfers	At 31/3/01 £
		Incoming £	Outgoing £	£	
Core funds:					
National	-	163,898	(163,898)	-	-
North of Scotland	-	36,000	(36,000)	-	-
East of Scotland	-	36,236	(36,236)	-	-
West of Scotland	-	47,158	(47,158)	-	-
Capital costs (National)	-	12,696	(484)	(4,028)	8,184
Dundee Office (Capital)	6,600	-	-	-	6,600
Equal opportunities	700	-	-	-	700
Total Core	7,300	295,988	(283,776)	(4,028)	15,484
Project funds:					
Critical Incidents	3,004	-	(3,004)	-	-
Under 16s	11,037	34,899	(45,936)	-	-
User Involvement	-	42,680	(26,617)	-	16,063
Training (Section 9)	-	35,926	(35,926)	-	-
COSLA Handbook	3,004	-	-	-	3,004
Heroin Smoking Initiative	20,022	-	(12,000)	-	8,022
Directory: Women & Outreach	6,500	-	(2,000)	-	4,500
Other project funds	-	12,753	(5,953)	-	6,800
Total Projects	43,567	126,258	(131,436)	-	38,389
Other:					
Fixed Asset fund	43,481	-	(14,578)	4,548	33,451
Total Restricted Funds	94,348	422,246	(429,790)	520	87,324
Unrestricted Funds:					
General fund	8,676	81,330	(57,444)	(520)	32,042
Total Funds	103,024	503,576	(487,234)	-	119,366

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

Project funds are for various specific projects as detailed above.

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