

The Scottish Drugs Forum Limited

Report and Financial Statements

For the Year Ended

31 March 2002



Company Registration Number

SC 106295

The Scottish Drugs Forum Limited

Report and Financial Statements For the Year Ended 31 March 2002

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The Scottish Drugs Forum Limited

Legal and Administrative Information

Principal Address:

Scottish Drugs Forum
Shaftesbury House
5 Waterloo Street
Glasgow
G2 6AY

Company Registration:

SC 106295

Scottish Charity Number:

SC 008075

Directors:

The following are present directors of the company or have served as directors in the year.

Present Directors

Anne Thomson (Chair)
Gordon Armour (Treasurer)
Iona Colvin
Justine Walker
Stephen Birrell

George Wilson
Brian Muir (reappointed Oct 2001)
Angela Marshall (Appointed Nov. 2001)
Mark O'Donnell (Appointed Nov. 2001)

Kay Roberts (Vice Chair)
Grahame Cronkshaw
Max Cruikshank
Andy Rome
Jim Carroll
Chris White
Charles Lind
Hilary Patrick (Appointed Nov. 2001)

Former Directors

Kay Springham (resigned Oct 2001)
Stuart Robertson (resigned May 2001)
Alan Mackay (resigned Oct 2001)
John Taylor (resigned Sept 2001)

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
The Courtyard
130 Constitution Street
Edinburgh
EH6 6AJ

Bankers:

Clydesdale Bank plc
14 Bothwell Street
Glasgow
G2 6QY

The Scottish Drugs Forum Limited

Report of the Directors

The Directors present their report and the financial statements for the year ended 31st March 2002.

Status of Company

The Scottish Drugs Forum (SDF) is a company limited by guarantee and not having a share capital. The liability of members is limited to £1 each.

The company is recognised as a Scottish Charity (reference no. SC 008075)

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
Scottish Enterprise
Lothian Health
Fife Health Board
Lanarkshire Health Board

Financial Review

The accounts show a net increase in funds of £70,016 comprising an increase of £49,157 in restricted funds and an increase of £20,859 in unrestricted funds. The analysis between restricted and unrestricted funds is shown in the statement of financial activities on page 7 and further details of the movements in funds are shown in note 8 on page 14. Details of grants receivable are shown in note 1 on page 9.

The financial position in 2001/2002 was similar to the previous year, following a number of more difficult financial years. The prospects for 2002/2003 are much improved due to an increase in core funding from the Scottish Executive and a range of local and national funding.

Social Work Services Group Section 9 funding is also continuing with the current funding round concluding in March 2003. A further grant application has been made for 2003 - 2006.

The Scottish Drugs Forum Limited

Report of The Directors (Continued)

Financial Review (continued)

Scottish Enterprise New Futures funding will continue in 2002/2003 for project work, looking at barriers to education, training and employment for drug users. This work will bring in grants of £197,466 in the next year and the project runs until September 2004.

We have also secured funding from Greater Glasgow Drug Action Team for user involvement work, which will bring in £50,000 in the year 2002/2003.

Other funds secured include a further user involvement post in Fife and community engagement posts funded by Social Inclusion partnerships.

Reserves Policy

Unrestricted funds, accumulated from past operating results, represent the free resources of the Charity. The Board are satisfied that unrestricted funds held in liquid funds are sufficient to cover one year of operating expenditure, additional to that covered by restricted funds, at current levels. The unrestricted funds are held to receive income of the Charity availed for use by the Board as they decide, in pursuance of the stated aims of the Charity, and to enable settlement of costs incurred in pursuance of those aims.

Statement of Directors' Responsibilities

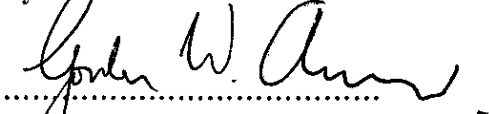
Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its income less expenditure for that period. In preparing these financial statements the Directors are required to:

- 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.

The Directors are instigating a formal process to review the major risks to which the charity is exposed.

By Order of the Board


.....
Director

Date: 25 October 2002

Report of the Auditors to the Members of The Scottish Drugs Forum Limited

We have audited the financial statements on pages 6 to 14 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 31 March 2002 and of its net incoming resources and application of 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: *30 October 2002*

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 and the Statement of Recommended Practice, *Accounting by Reporting by Charities* issued in October 2000.

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.

Resources Expended

All expenditure is accounted for on an accruals basis. As far as possible costs are attributed directly to the various categories of charitable expenditure. Staff costs are allocated on the basis of time spent on each activity by employees and other overheads in proportion to estimated staff usage of facilities.

Support costs comprise the administrative staff, occupancy and office costs which are ancillary to the charitable activities. Management and administration costs are those associated with the running of the charitable company.

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

**Statement of Financial Activities (including Income and Expenditure Account)
For the Year Ended 31 March 2002**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Incoming Resources:					
Grants & donations	1	-	612,932	612,932	418,633
Members' subscriptions		10,602	-	10,602	9,967
Conferences & seminars		23,015	-	23,015	51,985
Sales & fees	2	7,861	-	7,861	19,290
Bank interest		2,791	-	2,791	3,701
Total incoming resources		<u>44,269</u>	<u>612,932</u>	<u>657,201</u>	<u>503,576</u>
Resources Expended					
Charitable expenditure:					
User & carer involvement		-	85,344	85,344	40,903
Community engagement		-	31,743	31,743	-
Employability services		-	120,967	120,967	-
Training & conferences		9,708	51,260	60,968	90,205
Information & communications		4,890	64,023	68,913	74,586
Regional team costs		-	112,515	112,515	126,759
Under 16's project		-	-	-	57,936
Other projects		-	26,452	26,452	18,304
Support costs		20,941	41,985	62,926	62,930
Management & administration		13,656	3,701	17,357	15,611
Total resources expended	3	<u>49,195</u>	<u>537,990</u>	<u>587,185</u>	<u>487,234</u>
Net incoming /(outgoing) resources					
- Net income/expenditure for year		(4,926)	74,942	70,016	16,342
Net transfers		<u>25,785</u>	<u>(25,785)</u>	<u>-</u>	<u>-</u>
Net movement in funds		20,859	49,157	70,016	16,342
Funds at 1 April 2001		<u>65,493</u>	<u>53,873</u>	<u>119,366</u>	<u>103,024</u>
Funds at 31 March 2002		<u>86,352</u>	<u>103,030</u>	<u>189,382</u>	<u>119,366</u>

Further details of restricted funds are shown in note 8.

The Scottish Drugs Forum Limited

Balance Sheet at 31 March 2002

	Note	2002 £	2001 £
Fixed Assets			
Tangible assets	4	<u>37,690</u>	<u>33,451</u>
Current Assets			
Stock		700	1,400
Debtors	5	64,958	37,545
Cash at bank & in hand		<u>130,863</u>	<u>99,464</u>
		<u>196,521</u>	<u>138,409</u>
Creditors - Amounts falling due within one year	6	<u>42,614</u>	<u>49,473</u>
Net Current Assets		<u>153,907</u>	<u>88,936</u>
Total Assets Less Current Liabilities		<u>191,597</u>	<u>122,387</u>
Creditors - Amounts falling due in more than one year	6	<u>2,215</u>	<u>3,021</u>
Net Assets		<u><u>189,382</u></u>	<u><u>119,366</u></u>
Funds			
<i>Unrestricted funds:</i>			
Fixed asset fund	8	37,690	33,451
General fund	8	<u>48,662</u>	<u>32,042</u>
Total unrestricted funds		86,352	65,493
Restricted funds	8	<u>103,030</u>	<u>53,873</u>
Total Funds		<u><u>189,382</u></u>	<u><u>119,366</u></u>

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

The accounts on pages 6 to 13 were approved by the Board of Directors on 25 October 2002 and are signed on their behalf by:

Stephen Binnell

Gordon W. Angus

Directors

The Scottish Drugs Forum Limited

Notes to the Financial Statements

For the Year Ended 31 March 2002

1. Grants & donations

	2002 £	2001 £
<i>Core grants:</i>		
Scottish Executive	187,351	176,594
Tayside Health Board	34,000	36,000
Lothian Health	33,892	26,236
Argyll & Clyde Health Board	3,000	6,000
Greater Glasgow Health Board	7,354	14,000
Glasgow City Council	7,000	14,000
Fife Health Board	-	7,000
West Lothian Council	-	3,000
<i>Employability services projects:</i>		
Scottish Enterprise New Futures Fund	204,515	-
<i>Training project:</i>		
Scottish Executive (Section 9)	35,926	35,926
<i>User involvement projects:</i>		
Greater Glasgow Health Board (GGHB)	37,500	7,680
Scottish Executive for research	5,000	-
Lanarkshire Health Board	9,975	-
Fife Health Board	-	35,000
<i>Drumchapel project:</i>		
Social Inclusion Partnership Fund	29,466	-
<i>Other projects:</i>		
Health Education Board for Scotland: Publication	4,653	4,653
GGHB: Glasgow Street Intervention Group website	10,000	-
Comic Relief: Under 16's	-	11,631
The Esmee Fairbairn Foundation: Under 16's	-	23,263
Other grants & donations	3,300	17,650
Total	612,932	418,633

2 Sales & Fees

	£	£
Publication sales	4,581	6,442
Consultancy & training fees	877	7,271
Bulletin advertising	1,240	1,450
Rental income	-	3,324
Other income	1,163	803
Total	7,861	19,290

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

3 Resources Expended

	Staff costs £	Direct operating costs £	Admin cost allocation £	Total 2002 £	Total 2001 £
User & carer involvement	53,753	14,692	16,899	85,344	40,903
Community engagement	23,884	4,565	3,294	31,743	-
Employability services	97,715	12,075	11,177	120,967	-
Training & conferences	33,480	11,239	16,249	60,968	90,205
Information & communications	42,858	5,254	20,801	68,913	74,586
Regional team costs	85,653	7,056	19,806	112,515	126,759
Under 16's project	-	-	-	-	57,936
Other projects (see below)	17,022	9,430	-	26,452	18,304
Support costs	39,359	2,038	21,529	62,926	62,930
Management & administration	8,562	939	7,856	17,357	15,611
Total resources expended	402,286	67,288	117,611	587,185	487,234

Analysis of above expenditure:

<i>Staff costs</i>	402,286	-	-	402,286	300,109
<i>Direct operating costs:</i>					
Conferences and seminars	-	10,256	-	10,256	36,845
Publications and printing	-	9,573	-	9,573	11,856
Training & consultancy	-	23,976	-	23,976	22,052
Travel & subsistence	-	19,505	-	19,505	12,102
Other direct costs	-	3,978	-	3,978	3,516
<i>Administrative costs:</i>					
Rent & rates	-	-	37,503	37,503	29,508
Property services	-	-	15,013	15,013	13,702
Postage & telephone	-	-	17,781	17,781	16,941
Office supplies	-	-	13,165	13,165	7,294
Office equipment costs	-	-	19,395	19,395	5,003
Professional fees	-	-	3,701	3,701	2,732
Depreciation	-	-	21,546	21,546	14,578
Movement in VAT provision	-	-	(12,000)	(12,000)	6,000
Bad debt provision	-	-	(600)	(600)	2,900
Other expenditure	-	-	2,107	2,107	2,096
Total resources expended	402,286	67,288	117,611	587,185	487,234

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

3. Resources Expended (continued)

<i>Other project costs:</i>	2002	2001
	£	£
Heroin Smoking Initiative	8,022	12,000
Directory: <i>Women & Outreach</i>	4,500	2,000
COSLA Handbook	3,004	-
Glasgow Street Intervention Group: <i>website development</i>	6,318	-
Volatile substance user working group	1,008	-
Critical Incidents	-	3,004
Seminars & publications	3,600	1,300
Total	26,452	18,304

	£	£
<i>Auditors' remuneration (net of VAT):</i>		
for audit and accounts	1,800	1,600
for other work	300	300
	2,100	1,900

<i>Analysis of Staff costs</i>	£	£
Salaries	320,889	247,025
Social security costs	30,314	23,632
Pension costs	19,991	14,815
Staff secondment	14,145	11,673
Redundancy payment	3,720	-
Recruitment	13,227	2,964
Total	402,286	300,109

No emoluments were paid to any director during the year for management of the company's affairs. Travel expenses of £391 were reimbursed.

Related party transaction:

Fees of £3,104 were paid to Brian Muir, a member of the Board, for consultancy work carried out for the Glasgow Street Intervention Group, which is included as a restricted fund in the accounts of the Scottish Drugs Forum.

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

4. Tangible Fixed Assets	Leasehold Improvements £	Furniture & equipment £	Total £
<i>Cost or Valuation</i>			
At 1 April 2001	31,491	87,468	118,959
Additions	-	25,785	25,785
(Less): Disposals	-	(5,125)	(5,125)
At 31 March 2002	<u>31,491</u>	<u>108,128</u>	<u>139,619</u>
<i>Depreciation</i>			
At 1 April 2001	15,745	69,763	85,508
Charge for year	3,149	18,397	21,546
(Less): on disposals	-	(5,125)	(5,125)
At 31 March 2002	<u>18,894</u>	<u>83,035</u>	<u>101,929</u>
<i>Net Book Value</i>			
At 31 March 2002	<u>12,597</u>	<u>25,093</u>	<u>37,690</u>
At 31 March 2001	<u>15,746</u>	<u>17,705</u>	<u>33,451</u>

The net book value of tangible fixed assets at 31st March 2002 includes an amount of £3,021 in respect of assets held under finance leases.

5. Debtors	2002	2001
<i>Amounts falling due within one year:</i>	<i>£</i>	<i>£</i>
Invoiced sales	13,585	19,097
Accrued income	45,748	15,268
Prepayments	4,453	3,180
Other debtors	<u>1,172</u>	<u>-</u>
	<u>64,958</u>	<u>37,545</u>

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

6. Creditors	2002	2001
Amounts falling due within one year:	£	£
Prepaid income	125	5,353
Obligations under finance leases	806	806
Taxation and Social Security	11,290	16,207
Accruals	26,452	24,603
Other creditors	3,941	2,504
	<u>42,614</u>	<u>49,473</u>
Amounts falling due in more than one year:		
Obligations under finance leases	<u>2,215</u>	<u>3,021</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)	29,375	-	29,375
Edinburgh office	(b)	3,404	3,404	-
Dundee office	(b)	3,672	3,672	-
Office equipment		1,073	-	1,073
		<u>37,524</u>	<u>7,076</u>	<u>30,448</u>

Notes:

(a) The annual rent for the Glasgow office increases to £32,312 from 15/3/2003.

(b) Leases for Edinburgh and Dundee are renewable annually.

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

8. Movement on Funds

<i>Restricted Funds:</i>	At 1/4/01 £	Movement in Resources		Transfers	At 31/3/02 £
		Incoming £	Outgoing £	£	
<i>Core funds:</i>					
National	-	167,197	(167,197)	-	-
Regional funds	-	85,246	(85,246)	-	-
Capital costs (National)	8,184	23,454	(11,345)	(20,293)	-
Dundee Office (Capital)	6,600				6,600
Equal opportunities	700				700
Total core funds	15,484	275,897	(263,788)	(20,293)	7,300
<i>Project funds:</i>					
User Involvement	16,063	52,475	(58,563)	-	9,975
Employability services -					
New Futures fund	-	204,515	(120,967)	(3,667)	79,881
Training (Section 9)	-	35,926	(35,011)	(915)	-
Drumchapel project -					
Social Inclusion Partnership	-	29,466	(28,556)	(910)	-
COSLA Handbook	3,004	-	(3,004)	-	-
Heroin Smoking Initiative	8,022	-	(8,022)	-	-
Directory: Women & Outreach	4,500	-	(4,500)	-	-
Glas. Street Intervention Group	-	10,000	(6,318)	-	3,682
Other project funds	6,800	4,653	(9,261)	-	2,192
Total project funds	38,389	337,035	(274,202)	(5,492)	95,730
Total Restricted Funds	53,873	612,932	(537,990)	(25,785)	103,030
<i>Unrestricted Funds:</i>					
Designated Fixed Asset fund	33,451	-	(21,546)	25,785	37,690
General fund	32,042	44,269	(27,649)	-	48,662
Total unrestricted	65,493	44,269	(49,195)	25,785	86,352
Total Funds	119,366	657,201	(587,185)	-	189,382

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. The fund has been reclassified as an unrestricted designated fund.