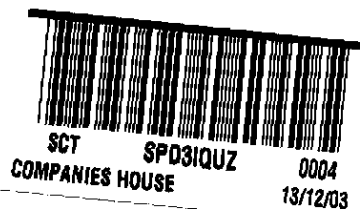


The Scottish Drugs Forum Limited

Report and Financial Statements

For the Year Ended

31 March 2003



Company Registration Number

SC 106295

The Scottish Drugs Forum Limited

**Report and Financial Statements
For the Year Ended 31 March 2003**

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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)	Angela Marshall
Gordon Armour (Treasurer)	Brian Muir
Kay Roberts (Vice Chair)	Mark O'Donnell
Stephen Birrell	Hilary Patrick
Jim Carroll	Andy Rome
Grahame Cronkshaw	Chris White
Max Cruikshank	George Wilson
Peter Anderson	Liam Wells

Former Directors:

Iona Colvin	Charles Lind
Justine Walker	

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 For the Year Ended 31 March 2003

The Directors are pleased to present their report and the financial statements for the year ended 31st March 2003.

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
Scottish Enterprise
Greater Glasgow Drug Action Team
Dumbarton Road SIP
Fife NHS Board
Lanarkshire NHS Board
British Aerosol Manufacturers' Association
Health Education Board for Scotland

Glasgow City Council
Greater Glasgow NHS Board
Drumchapel SIP
NHS Lothian
Tayside NHS Board
Argyll and Clyde NHS Board
Scottish Communities Against Drugs

Financial Review

The accounts show a net increase in funds of £94,573 comprising an increase of £83,715 in restricted funds and an increase of £10,858 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 9 on page 14. Details of grants receivable are shown in note 1 on page 9.

The financial position in 2002/2003 continued to show improvement on previous years. The prospects for 2003/2004 are much improved due to the more substantial core funding from the Scottish Executive and an increased range of local and national funding.

The Employability Services project work, funded through Scottish Enterprise, continues until August 2004.

The Scottish Drugs Forum Limited

Report of The Directors (Continued)

Financial Review (continued)

We have secured funds of £150,000 through Fife DAAT for a three year user involvement project starting in 2003/4. Community Engagement posts funded through Social Inclusion Partnership money remain active until March 2004 and we await confirmation of funding to continue this work for a further three years. In addition, a new Community Engagement post has been successfully funded through Cambuslang and Rutherglen SIP (New Leaf) and recruitment for this post will take place in 2003/4.

We have also successfully received three year funding through the New Opportunities Fund and Lanarkshire DAT for a User Involvement Post in Lanarkshire, starting in 2003/4.

Reserves Policy

The unrestricted general fund, accumulated from past operating results, represents the free resources of the charitable company. 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 general fund is held to receive income of the charitable company, which is availed for use by the Board, as they decide, in pursuance of the stated charitable aims, and which enables 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:

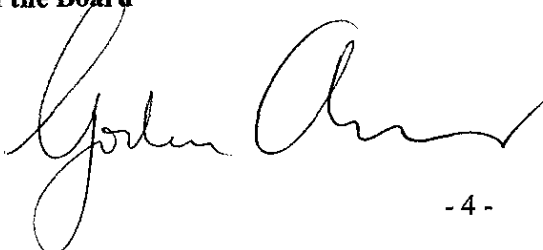
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 have instigated a formal process to review and monitor the major risks to which the charity is exposed.

By Order of the Board

Director



Date: 2 December 2003

Independent Auditors' Report To the Members of Scottish Drugs Forum Limited

We have audited the financial statements of Scottish Drugs Forum Limited for the year ended 31 March 2003 set out on pages 6 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and the Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of their responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the information contained in the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 charitable company as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, 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
The Courtyard
130 Constitution Street, Leith
Edinburgh EH6 6AJ

Date: 5 December 2003

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 June 2002) and the Statement of Recommended Practice, *Accounting by Reporting 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.

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

The company is recognised as a charity by the Inland Revenue and no provision for taxation is required on its present charitable activities.

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 2003

	Note	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Incoming Resources:					
Grants & donations	1	-	950,673	950,673	612,932
Members' subscriptions		11,878	-	11,878	10,602
Conferences & seminars		60,486	-	60,486	23,015
Fees & sales	2	32,285	-	32,285	7,861
Bank interest		4,701	-	4,701	2,791
Total incoming resources		<u>109,350</u>	<u>950,673</u>	<u>1,060,023</u>	<u>657,201</u>
Resources Expended					
Charitable expenditure:					
User & carer involvement		22,856	136,136	158,992	85,344
Community engagement		3,121	130,941	134,062	31,743
Employability services		-	195,070	195,070	120,967
Training & conferences		51,051	74,896	125,947	60,968
Information & communications		10,781	66,787	77,568	68,913
Regional team costs		4,227	116,800	121,027	112,515
Capacity Building for External Agenc		-	26,164	26,164	-
Other projects		-	20,017	20,017	26,452
Support costs		26,013	50,906	76,919	62,926
Management & administration		23,104	6,580	29,684	17,357
Total resources expended	3	<u>141,153</u>	<u>824,297</u>	<u>965,450</u>	<u>587,185</u>
Net incoming /(outgoing) resources					
- Net income/expenditure for year		(31,803)	126,376	94,573	70,016
Net transfers		<u>42,661</u>	<u>(42,661)</u>	<u>-</u>	<u>-</u>
Net movement in funds		10,858	83,715	94,573	70,016
Funds at 1 April 2002		<u>86,352</u>	<u>103,030</u>	<u>189,382</u>	<u>119,366</u>
Funds at 31 March 2003		<u>97,210</u>	<u>186,745</u>	<u>283,955</u>	<u>189,382</u>

Further details of restricted funds are shown in note 9.

The Scottish Drugs Forum Limited

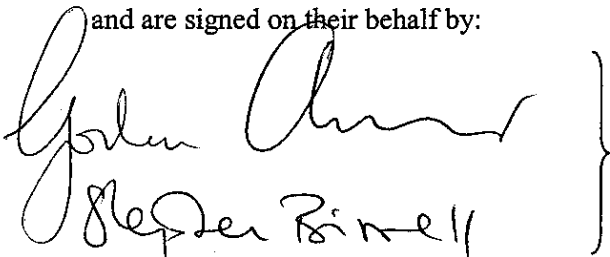
Balance Sheet at 31 March 2003

	Note	2003 £	2002 £
Fixed Assets			
Tangible assets	4	<u>54,253</u>	<u>37,690</u>
Current Assets			
Stock		2,000	700
Debtors	5	84,104	64,958
Cash at bank & in hand		<u>279,207</u>	<u>130,863</u>
		<u>365,311</u>	<u>196,521</u>
Creditors - Amounts falling due within one year	6	<u>134,200</u>	<u>42,614</u>
Net Current Assets		<u>231,111</u>	<u>153,907</u>
Total Assets Less Current Liabilities		<u>285,364</u>	<u>191,597</u>
Creditors - Amounts falling due in more than one year	7	<u>1,409</u>	<u>2,215</u>
Net Assets		<u><u>283,955</u></u>	<u><u>189,382</u></u>
Funds			
<i>Unrestricted funds:</i>			
Fixed asset fund	9	54,253	37,690
General fund	9	<u>42,957</u>	<u>48,662</u>
Total unrestricted funds		<u>97,210</u>	<u>86,352</u>
Restricted funds	9	<u>186,745</u>	<u>103,030</u>
Total Funds		<u><u>283,955</u></u>	<u><u>189,382</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 15 were approved by the Board of Directors on
and are signed on their behalf by:

2 December 2003



Directors

The Scottish Drugs Forum Limited

Notes to the Financial Statements For the Year Ended 31 March 2003

1. Grants & donations	2003	2002
	£	£
<i>Core grants:</i>		
Scottish Executive	321,531	187,351
NHS Lothian	28,532	26,892
Fife NHS Board	7,210	7,000
Argyll & Clyde NHS Board	3,000	3,000
Greater Glasgow NHS Board	15,076	7,354
Glasgow City Council	14,000	7,000
<i>Employability services projects:</i>		
Scottish Enterprise	197,466	204,515
<i>Training project:</i>		
Scottish Executive (Section 9)	35,926	35,926
<i>User involvement projects:</i>		
Greater Glasgow NHS Board	51,922	37,500
Grants for research	27,773	5,000
Tayside NHS Board	22,000	34,000
Lanarkshire NHS Board	-	9,975
<i>Community Engagement:</i>		
Social Inclusion Partnership funding	102,137	29,466
<i>Glasgow Street Intervention Group website:</i>		
Scottish Communities Against Drugs	14,200	-
Greater Glasgow NHS Board	-	10,000
<i>Capacity Building for External Agencies:</i>		
Greater Glasgow NHS Board	100,000	-
<i>Grants for Publications:</i>		
Health Education Board for Scotland	4,900	4,653
British Aerosol Manufacturers' Association	5,000	-
<i>Other grants & donations</i>	-	3,300
Total	950,673	612,932
2 Fees & sales	£	£
Fees for <i>User Involvement</i> research	19,628	-
Other consultancy & training fees	1,055	877
Publication sales	9,372	4,581
Bulletin advertising	2,074	1,240
Other income	156	1,163
Total	32,285	7,861

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

3 Resources Expended

	Staff costs £	Direct operating costs £	Admin cost allocation £	Total 2003 £	Total 2002 £
User & carer involvement	95,392	35,003	28,597	158,992	85,344
Community engagement	77,679	37,716	18,667	134,062	31,743
Employability services	153,118	22,578	19,374	195,070	120,967
Training & conferences	54,046	57,047	14,854	125,947	60,968
Information & communications	57,097	10,787	9,684	77,568	68,913
Regional team costs	97,442	6,280	17,305	121,027	112,515
Capacity Building for					
External Agencies	24,661	365	1,138	26,164	-
Other projects (see below)	10,719	7,442	1,856	20,017	26,452
Support costs	50,133	1,220	25,566	76,919	62,926
Management & administration	10,086	668	18,930	29,684	17,357
Total resources expended	630,373	179,106	155,971	965,450	587,185

Analysis of above expenditure:

Staff costs	630,373	-	-	630,373	402,286
Direct operating costs:					
Conferences and seminars	-	48,862	-	48,862	10,256
Publications and printing	-	25,727	-	25,727	9,573
Training & consultancy	-	56,312	-	56,312	23,976
Travel & subsistence	-	43,608	-	43,608	19,505
Other direct costs	-	4,597	-	4,597	3,978
Administrative costs:					
Rent & rates	-	-	41,601	41,601	37,503
Property services	-	-	19,341	19,341	15,013
Postage & telephone	-	-	21,765	21,765	17,781
Office supplies	-	-	17,577	17,577	13,165
Office equipment costs	-	-	14,822	14,822	19,395
Professional fees	-	-	8,202	8,202	3,701
Depreciation	-	-	26,098	26,098	21,546
Movement in VAT provision	-	-	-	-	(12,000)
Bad debt provision	-	-	3,600	3,600	(600)
Other expenditure	-	-	2,965	2,965	2,107
Total resources expended	630,373	179,106	155,971	965,450	587,185

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

3. Resources Expended (continued)

Other project costs:	2003	2002
	£	£
Glasgow Street Intervention Group: <i>website development</i>	12,225	6,318
Seminars & publications	4,900	8,100
Needle Exchange	1,200	-
Volatile substance user working group	992	1,008
Equal Opportunities	700	-
COSLA Handbook	-	3,004
Heroin Smoking Initiative	-	8,022
Total	20,017	26,452

	£	£
Auditors' remuneration (net of VAT):		
for audit and accounts	2,250	1,800
for other work	550	300
	2,800	2,100

Analysis of Staff costs

	£	£
Gross salaries	534,664	320,889
Social security costs	47,600	30,314
Pension costs	31,694	19,991
Recruitment	16,415	13,227
Staff secondment	-	14,145
Redundancy payment	-	3,720
Total	630,373	402,286

No emoluments were paid to any director during the year for management of the company's affairs. Travel expenses of £422 were reimbursed.

Related party transactions:

Fees of £4,594 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.

Fees of £1,600 + VAT for risk management consultancy were paid to Scott Moncrieff, Chartered Accountants, in which Gordon Armour, a member of the Board, is a partner.

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 2002	31,491	108,128	139,619
Additions	-	42,661	42,661
(Less): Disposals	-	-	-
At 31 March 2003	<u>31,491</u>	<u>150,789</u>	<u>182,280</u>
<i>Depreciation</i>			
At 1 April 2002	18,894	83,035	101,929
Charge for year	3,149	22,949	26,098
(Less): on disposals	-	-	-
At 31 March 2003	<u>22,043</u>	<u>105,984</u>	<u>128,027</u>
<i>Net Book Value</i>			
At 31 March 2003	<u>9,448</u>	<u>44,805</u>	<u>54,253</u>
At 31 March 2002	<u>12,597</u>	<u>25,093</u>	<u>37,690</u>

The net book value of tangible fixed assets at 31st March 2003 includes an amount of £1,680 in respect of assets held under finance leases.

5. Debtors	2003	2002
<i>Amounts falling due within one year:</i>	<i>£</i>	<i>£</i>
Invoiced sales	15,491	13,585
Accrued income	51,272	45,748
Prepayments	10,314	4,453
Other debtors	<u>7,027</u>	<u>1,172</u>
	<u>84,104</u>	<u>64,958</u>

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

6. Creditors	2003	2002
<i>Amounts falling due within one year:</i>	£	£
Prepaid income	-	125
Obligations under finance leases	806	806
Taxation and Social Security	16,060	11,290
Accruals	57,232	26,452
Other creditors (see below)	60,102	3,941
	<u>134,200</u>	<u>42,614</u>
<i>Other creditors:</i>		
Funds held for Hep C Level (see note below)	48,129	-
Funds held for other groups	3,766	3,941
Overpayment of grant refundable	8,207	-
	<u>60,102</u>	<u>3,941</u>

Hep C Level is a separate Scottish charity for which certain grants are received and expenditure payments made by The Scottish Drugs Forum.

7. Creditors	2003	2002
<i>Amounts falling due in more than one year:</i>	£	£
Obligations under finance leases	<u>1,409</u>	<u>2,215</u>

8. 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)		32,312	-	32,312
Edinburgh office	(a)	6,463	6,463	-
Dundee office	(a)	3,672	3,672	-
Office equipment		<u>1,073</u>	<u>-</u>	<u>1,073</u>
		<u>43,520</u>	<u>10,135</u>	<u>33,385</u>

Note:

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

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

9. Movement on Funds

	At 1/4/02 £	Movement in Resources		Transfers	At 31/3/03 £
<i>Restricted Funds:</i>		Incoming £	Outgoing £	£	
<i>Core funds:</i>					
National	-	290,000	(288,518)	(1,482)	-
Regional funds	-	67,818	(64,899)	(2,919)	-
Capital costs (National)	-	31,531		(31,531)	-
Dundee Office (Capital)	6,600	-	-	(6,600)	-
Equal opportunities	700	-	(700)	-	-
Total core funds	7,300	389,349	(354,117)	(42,532)	-
<i>Project funds:</i>					
User Involvement	9,975	101,695	(91,566)	(129)	19,975
Employability services -					
Scottish Enterprise	79,881	197,466	(195,070)	-	82,277
Training (Section 9)	-	35,926	(35,926)	-	-
Community Engagement					
Social Inclusion Partners	-	102,137	(102,137)	-	-
Capacity Building					
for External Agencies	-	100,000	(26,164)	-	73,836
Glas. Street Intervention Gr	3,682	14,200	(12,225)	-	5,657
Other project funds	2,192	9,900	(7,092)	-	5,000
Total project funds	95,730	561,324	(470,180)	(129)	186,745
Total Restricted Funds	103,030	950,673	(824,297)	(42,661)	186,745
<i>Unrestricted Funds:</i>					
Designated Fixed Asset fun	37,690	-	(26,098)	42,661	54,253
General fund	48,662	109,350	(115,055)	-	42,957
Total unrestricted	86,352	109,350	(141,153)	42,661	97,210
Total Funds	189,382	1,060,023	(965,450)	-	283,955

Core funds represent grants received less expenditure for staff, office and capital costs, as detailed 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 assets acquired is transferred into the fund in the year of purchase and annual depreciation is charged to the fund.

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

10. Analysis of Net Assets Between Funds

	Restricted Funds £	Fixed Asset Fund £	General Fund £	Total Funds £
Tangible fixed assets	-	54,253	-	54,253
Stock	-	-	2,000	2,000
Debtors	65,272	-	18,832	84,104
Bank & cash	213,937	-	65,270	279,207
Creditors due in one year	(92,464)	-	(41,736)	(134,200)
Creditors due in over one year	-	-	(1,409)	(1,409)
Total funds at 31 March 2003	<u>186,745</u>	<u>54,253</u>	<u>42,957</u>	<u>283,955</u>