

The Scottish Drugs Forum Limited

Report and Financial Statements

For the Year Ended

31 March 2004



Company Registration Number

SC 106295

The Scottish Drugs Forum Limited

Report and Financial Statements For the Year Ended 31 March 2004

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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)
Mark O'Donnell (Vice Chair)
Peter Anderson
Stephen Birrell
Jim Carroll
Grahame Cronkshaw
Max Cruikshank

Ellen Donnelly
Dana O'Dwyer
Hilary Patrick
Angela Roberts
Andy Rome
Liam Wells
Chris White
George Wilson

Former Directors:

Kay Roberts
Brian Muir

Angela Marshall
Euan Glen

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 2004

The Directors are pleased to present their report and the financial statements for the year ended 31st March 2004.

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 during the year:

Scottish Executive
Scottish Enterprise
New Opportunities Fund

NHS Lothian
Greater Glasgow NHS Board
Fife NHS Board
Lanarkshire NHS Board
Tayside NHS Board
NHS Highland

Glasgow City Council
South Lanarkshire Council

Fife Drug & Alcohol Action Team (DAAT)
Highland DAAT
Lanarkshire DAAT
Midlothian DAAT
Greater Glasgow Drug Action Team

Social Inclusion Partnerships:
Drumchapel SIP
Dumbarton Road Corridor SIP
Dundee SIP2
Cambuslang SIP

Lloyds TSB Foundation
British Aerosol Manufacturers' Association

Financial Review

The accounts show a decrease in funds of £118,724 comprising a decrease of £87,392 in restricted funds and a decrease of £31,332 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 7 on page 13. Details of grants receivable are shown in note 1 on page 9.

The Scottish Drugs Forum Limited

Report of The Directors (Continued)

Financial Review (continued)

The financial position in 2003/2004 was broadly similar to that in the previous two years but with some reduction in the core reserves due to funding a post in Tayside for six months without receiving the grant funding which had been anticipated. The prospects for 2004/2005 are generally good with the Scottish Executive core funding continuing at a similar level until March 2006, though the Scottish Enterprise funding for employability services ceases in August 2004.

During the year we received new funding for three developments in User Involvement, in Lanarkshire, Fife and Highlands, funded by a combination of Lottery (New Opportunities fund) and local Drug and Alcohol Action Teams. The Lanarkshire and Fife projects started in September 2003 and the Highland post will come on stream during 2004-5. In addition a number of short-term projects were funded by Drug and Alcohol Action Teams, in particular needs assessments and service reviews. Funding by Social Work Services Group Section 9 has been confirmed for a further two years till March 2006. Community Engagement posts in four areas, funded through local Social Inclusion Partnerships, have been extended to March 2005 and we are currently negotiating funding beyond that date. We have also secured Scottish Executive Funding over the next three years to deliver a critical incidents training programme.

Looking further ahead we are in the process of reviewing our current strategic plan and assessing what further developments might be possible in 2005-8.

Reserves Policy

The unrestricted general fund, accumulated from past operating results, represents the free reserves of the charitable company. The longer term aim of the Board is to build up these free reserves so that they 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:

8/12/04.

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 2004 set out on pages 6 to 14. 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 2004 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: 9 December 2004

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*.

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 2004

	Note	Unrestricted Funds £	Restricted Funds £	Total 2004 £	Total 2003 £
Incoming Resources:					
Grants & donations	1	-	937,777	937,777	970,301
Members' subscriptions		16,718	-	16,718	11,878
Conferences & seminars		76,416	-	76,416	60,486
Sales & other income		10,502	-	10,502	12,657
Bank interest		4,212	-	4,212	4,701
Total incoming resources		<u>107,848</u>	<u>937,777</u>	<u>1,045,625</u>	<u>1,060,023</u>
Resources Expended					
Charitable expenditure:					
User involvement & research		31,861	177,106	208,967	158,992
Community engagement		43,841	128,144	171,985	134,062
Employability services		-	232,133	232,133	195,070
Training & conferences		20,912	130,086	150,998	125,947
Information & communications		10,919	67,924	78,843	77,568
Regional team costs		14,928	92,862	107,790	121,027
Capacity Building for External Agencies		-	73,836	73,836	26,164
Other projects		-	10,605	10,605	20,017
Support costs		13,795	81,075	94,870	76,919
Management & administration		4,098	30,224	34,322	29,684
Total resources expended	2	<u>140,354</u>	<u>1,023,995</u>	<u>1,164,349</u>	<u>965,450</u>
Net incoming /(outgoing) resources					
- Net income/expenditure for year		(32,506)	(86,218)	(118,724)	94,573
Net transfers		<u>1,174</u>	<u>(1,174)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(31,332)	(87,392)	(118,724)	94,573
Funds at 1 April 2003		<u>97,210</u>	<u>186,745</u>	<u>283,955</u>	<u>189,382</u>
Funds at 31 March 2004		<u>65,878</u>	<u>99,353</u>	<u>165,231</u>	<u>283,955</u>

Further details of restricted funds are shown in note 7.

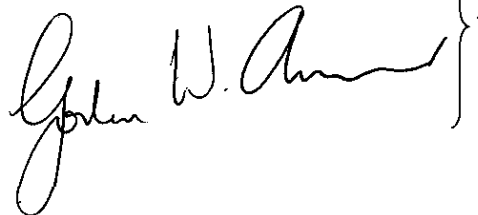
The Scottish Drugs Forum Limited

Balance Sheet at 31 March 2004

	Note	2004 £	2003 £
Fixed Assets			
Tangible assets	3	<u>36,183</u>	<u>54,253</u>
Current Assets			
Stock		3,000	2,000
Debtors	4	55,011	84,104
Cash at bank & in hand		<u>164,911</u>	<u>279,207</u>
		<u>222,922</u>	<u>365,311</u>
Creditors - Amounts falling due within one year	5	<u>93,270</u>	<u>134,200</u>
Net Current Assets		<u>129,652</u>	<u>231,111</u>
Total Assets Less Current Liabilities		<u>165,835</u>	<u>285,364</u>
Creditors - Amounts falling due in more than one year	5	<u>604</u>	<u>1,409</u>
Net Assets		<u><u>165,231</u></u>	<u><u>283,955</u></u>
Funds			
<i>Unrestricted funds:</i>			
Fixed asset fund	7	36,183	54,253
General fund	7	<u>29,695</u>	<u>42,957</u>
Total unrestricted funds		<u>65,878</u>	<u>97,210</u>
Restricted funds	7	<u>99,353</u>	<u>186,745</u>
Total Funds		<u><u>165,231</u></u>	<u><u>283,955</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 14 were approved by the Board of Directors on *17 November 2004* and are signed on their behalf by:

} Directors

The Scottish Drugs Forum Limited

Notes to the Financial Statements For the Year Ended 31 March 2004

1. Grants & donations	2004	2003
	£	£
<i>Core grants:</i>		
Scottish Executive	292,180	321,531
NHS Lothian	29,103	28,532
Fife NHS Board	7,426	7,210
Greater Glasgow NHS Board	12,924	15,076
Glasgow City Council	7,000	14,000
Argyll & Clyde NHS Board	-	3,000
<i>Employability services projects:</i>		
Scottish Enterprise	203,451	197,466
<i>Training project:</i>		
Scottish Executive (Section 9)	48,538	35,926
<i>User involvement projects:</i>		
Greater Glasgow NHS Board	53,635	51,922
Tayside NHS Board (previous year adjusted)	(9,000)	22,000
New Opportunities Fund (for Lanarkshire)	42,615	
South Lanarkshire Council	10,000	-
Lanarkshire NHS Board	10,000	
Midlothian Drug & Alcohol Action Team	14,892	-
Fife Drug & Alcohol Action Team	28,623	-
Other funding for research	35,654	47,401
<i>Community Engagement:</i>		
Social Inclusion Partnership funding	145,788	102,137
<i>Capacity Building for External Agencies:</i>		
Greater Glasgow NHS Board	-	100,000
<i>Glasgow Street Intervention Group website:</i>		
Scottish Communities Against Drugs	-	14,200
<i>Grants for Publications:</i>		
Health Education Board for Scotland	-	4,900
British Aerosol Manufacturers' Association (BAMA)	-	5,000
<i>Other grants & donations</i>	4,948	-
Total	937,777	970,301
<i>Grants deferred in year:</i>		
<i>Projects starting in following year:</i>	£	£
NHS Highland for User Involvement	22,000	-
Glasgow City Council for Capacity Building	12,000	-
BAMA for VS Focus publication in 2004/05	5,000	-
Greater Glasgow NHS Board for Summer conference	5,000	-
Lloyds TSB Foundation for management consultancy	3,545	-
Total grants deferred (note 5)	47,545	-

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

2 Resources Expended

	Staff costs £	Direct operating costs £	Admin cost allocation £	Total 2004 £	Total 2003 £
User & carer involvement	137,099	38,402	33,466	208,967	158,992
Community engagement	127,494	17,842	26,649	171,985	134,062
Employability services	186,917	15,782	29,434	232,133	195,070
Training & conferences	70,893	65,656	14,449	150,998	125,947
Information & communications	63,147	6,264	9,432	78,843	77,568
Regional team costs	91,319	2,991	13,480	107,790	121,027
Capacity Building for					
External Agencies	64,113	6,363	3,360	73,836	26,164
Other projects (see below)	-	10,605	-	10,605	20,017
Support costs	55,195	5,070	34,605	94,870	76,919
Management & administration	17,428	402	16,492	34,322	29,684
Total resources expended	813,605	169,377	181,367	1,164,349	965,450

Analysis of above expenditure:

<i>Staff costs</i>	813,605	-	-	813,605	630,373
<i>Direct operating costs:</i>					
Conferences and seminars	-	61,100	-	61,100	48,862
Publications and printing	-	9,207	-	9,207	25,727
Training & consultancy	-	14,860	-	14,860	56,312
Travel & subsistence	-	36,641	-	36,641	43,608
Other direct costs	-	47,569	-	47,569	4,597
<i>Administrative costs:</i>					
Rent & rates	-	-	48,447	48,447	41,601
Property services	-	-	19,276	19,276	19,341
Postage & telephone	-	-	22,244	22,244	21,765
Office supplies	-	-	22,262	22,262	17,577
Office equipment costs	-	-	34,466	34,466	14,822
Professional fees	-	-	4,455	4,455	8,202
Depreciation	-	-	29,544	29,544	26,098
Bad debt provision	-	-	(1,506)	(1,506)	3,600
Other expenditure	-	-	2,179	2,179	2,965
Total resources expended	813,605	169,377	181,367	1,164,349	965,450

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

2. Resources Expended (continued)	2004	2003
<i>Other project costs:</i>	£	£
Glasgow Intervention Group	5,657	12,225
Netherlands study visit	4,948	-
Seminars & publications	-	4,900
Other projects	-	2,892
Total	10,605	20,017
<i>Auditors' remuneration:</i>	£	£
for audit and accounts	3,114	2,996
for other work	411	294
	3,525	3,290
<i>Analysis of Staff costs</i>	£	£
Gross salaries	677,799	534,664
Social security costs	83,284	47,600
Pension costs	42,719	31,694
Recruitment	9,803	16,415
Total	813,605	630,373

No emoluments were paid to any director during the year for management of the company's affairs.

3. Tangible Fixed Assets	Leasehold Improvements	Furniture & equipment	Total
	£	£	£
<i>Cost or Valuation</i>			
At 1 April 2003	31,491	150,789	182,280
Additions	-	11,474	11,474
(Less): Disposals	-	(3,348)	(3,348)
At 31 March 2004	<u>31,491</u>	<u>158,915</u>	<u>190,406</u>
<i>Depreciation</i>			
At 1 April 2003	22,043	105,984	128,027
Charge for year	3,149	26,395	29,544
(Less): on disposals	-	(3,348)	(3,348)
At 31 March 2004	<u>25,192</u>	<u>129,031</u>	<u>154,223</u>
<i>Net Book Value</i>			
At 31 March 2004	<u>6,299</u>	<u>29,884</u>	<u>36,183</u>
At 31 March 2003	<u>9,448</u>	<u>44,805</u>	<u>54,253</u>

The net book value of tangible fixed assets at 31st March 2004 includes an amount of £339 in respect of assets held under finance leases.

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

4. Debtors	2004	2003
<i>Amounts falling due within one year:</i>	£	£
Invoiced sales	38,788	15,491
Accrued income	-	51,272
Prepayments	15,154	10,314
Other debtors	1,069	7,027
	<u>55,011</u>	<u>84,104</u>

5. Creditors	2004	2003
<i>Amounts falling due within one year:</i>	£	£
Deferred grants (see note 1)	47,545	-
Obligations under finance leases	806	806
Taxation and Social Security	19,897	16,060
Accruals	21,320	57,232
Funds held for Hep C Level	-	48,129
Other creditors	3,702	11,973
	<u>93,270</u>	<u>134,200</u>
	£	£
<i>Amounts falling due in more than one year:</i>		
Obligations under finance leases	<u>604</u>	<u>1,409</u>

6. Lease Commitments

The company has annual operating lease commitments on its various office premises 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)	5,029	5,029	-
		<u>43,804</u>	<u>11,492</u>	<u>32,312</u>

Note:

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

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

7. Movement on Funds

<i>Restricted Funds:</i>	At 1/4/03 £	Movement in Resources Incoming £	Outgoing £	Transfers £	At 31/3/04 £
<i>Core funds:</i>					
National	-	292,180	(292,180)	-	-
Regional funds	-	56,453	(56,453)	-	-
Total core funds	-	348,633	(348,633)	-	-
<i>Project funds:</i>					
User Involvement	19,975	186,419	(177,106)	(1,174)	28,114
Employability services - Scottish Enterprise	82,277	203,451	(232,133)	-	53,595
Training (Section 9)	-	48,538	(48,538)	-	-
Community Engagement Social Inclusion Partnership	-	145,788	(128,144)		17,644
Capacity Building for External Agencies	73,836	-	(73,836)	-	-
Other project funds	10,657	4,948	(15,605)	-	-
Total project funds	186,745	589,144	(675,362)	(1,174)	99,353
Total Restricted Funds	186,745	937,777	(1,023,995)	(1,174)	99,353
<i>Unrestricted Funds:</i>					
Designated Fixed Asset fund	54,253	-	(29,544)	11,474	36,183
General fund	42,957	107,848	(110,810)	(10,300)	29,695
Total unrestricted	97,210	107,848	(140,354)	1,174	65,878
Total Funds	283,955	1,045,625	(1,164,349)	-	165,231

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)

8. Analysis of Net Assets Between Funds

	Restricted Funds £	Fixed Asset Fund £	General Fund £	Total Funds £
Tangible fixed assets	-	36,183	-	36,183
Stock	-	-	3,000	3,000
Debtors	35,014	-	19,997	55,011
Bank & cash	115,586	-	49,325	164,911
Creditors due in one year	(51,247)	-	(42,023)	(93,270)
Creditors due in over one year	-	-	(604)	(604)
Total funds at 31 March 2004	<u>99,353</u>	<u>36,183</u>	<u>29,695</u>	<u>165,231</u>