

The Scottish Drugs Forum Limited
Report and Financial Statements
For the Year Ended
31 March 2005



Company Registration Number

SC 106295

The Scottish Drugs Forum Limited

Report and Financial Statements For the Year Ended 31 March 2005

<i>Contents</i>	<i>Pages</i>
Legal & Administrative information	2
Report of the Directors	3 - 4
Independent Auditors' Report	5
Accounting policies	6
Statement of Financial Activities (including Income and expenditure account)	7
Balance sheet	8
Notes to the accounts	9 - 14

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)	Ellen Donnelly
Gordon Armour (Treasurer)	Mary Hepburn
Max Cruikshank	Sean McCollum
George Allan	Dana O'Dwyer
Peter Anderson	Hilary Patrick
Stephen Birrell	Angela Roberts
Lucy Cockayne	Liam Wells
Valerie Corbett	George Wilson

Former Directors:

Mark O'Donnell (former Vice Chair)	Andy Rome
Jim Carroll	Chris White
Grahame Cronkshaw	

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 2005

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
Big Lottery (formerly New Opportunities Fund)

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

Glasgow City Council

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

Social Inclusion Partnerships:
Drumchapel SIP
Dumbarton Road Corridor SIP

New Leaf - Cambuslang

Lloyds TSB Foundation
British Aerosol Manufacturers' Association
Robertson Trust

Financial Review

The accounts show a decrease in funds of £49,549 comprising a decrease of £14,265 in restricted funds and a decrease of £35,284 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)

During 2004/5 the company was able to generate a surplus on activities within its Unrestricted General Fund. These funds and some of our reserves were used to supplement grants received from the Scottish Executive, in support of our core National and Regional work. As a result our Unrestricted General Fund has decreased by £10,169 to £19,526. We are grateful to the Scottish Executive for the additional funding provided during the year for this work. Similar levels of funding are in place for 2005/6 and a three year support plan for 2006-9 is currently being discussed with the Executive.

Funding for our Employability Services Projects ceased during the year. Major new areas of activity included a Capacity Building project funded by Glasgow City Council, an Addiction Worker Training Program funded jointly by the Big Lottery, the Robertson Trust, Glasgow City Council and Scottish Enterprise, a Critical Incidents post funded by the Scottish Executive and User Involvement work in the Highland region.

Completion of our Strategic Plan Update has been delayed by one year in order that it will be concurrent with our three year funding cycle from the Scottish Executive.

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:

23/08/05

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 2005 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 2005 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: 21 September 2005

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*.

Some of the comparative figures in the statement of financial activities on page 7 have been altered in order to correspond to a revised classification of charitable activities in the current year.

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.

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 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Incoming Resources:					
Grants & donations	1	-	1,021,202	1,021,202	902,123
Members' subscriptions		18,625	-	18,625	16,718
Conferences & seminars		47,889	7,102	54,991	76,416
Fees & other income		35,274	1,093	36,367	46,156
Bank interest		3,510	-	3,510	4,212
Total incoming resources		105,298	1,029,397	1,134,695	1,045,625
Resources Expended					
Charitable expenditure:					
National & Regional support		21,464	519,632	541,096	416,654
Management & administration		-	17,292	17,292	15,133
Regional services		-	122,104	122,104	73,836
Customer services		28,212	73,442	101,654	105,738
User involvement & research		22,257	163,548	185,805	177,106
Employability services		-	53,595	53,595	232,133
Community engagement		-	131,957	131,957	128,144
Other projects		-	30,741	30,741	15,605
Total resources expended	2	71,933	1,112,311	1,184,244	1,164,349
Net incoming /(outgoing) resources					
- Net income/expenditure for year		33,365	(82,914)	(49,549)	(118,724)
Net transfers		(68,649)	68,649	-	-
Net movement in funds		(35,284)	(14,265)	(49,549)	(118,724)
Funds at 1 April 2004		65,878	99,353	165,231	283,955
Funds at 31 March 2005		30,594	85,088	115,682	165,231

Further details of restricted funds are shown in note 7.

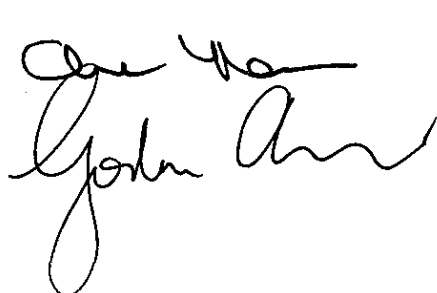
The Scottish Drugs Forum Limited

Balance Sheet at 31 March 2005

	Note	2005 £	2004 £
Fixed Assets			
Tangible assets	3	<u>11,068</u>	<u>36,183</u>
Current Assets			
Stock		3,000	3,000
Debtors	4	66,157	55,011
Cash at bank & in hand		<u>86,374</u>	<u>164,911</u>
		<u>155,531</u>	<u>222,922</u>
Creditors - Amounts falling due within one year	5	<u>50,917</u>	<u>93,270</u>
Net Current Assets		<u>104,614</u>	<u>129,652</u>
Total Assets Less Current Liabilities		<u>115,682</u>	<u>165,835</u>
Creditors - Amounts falling due in more than one year	5	<u>-</u>	<u>604</u>
Net Assets		<u><u>115,682</u></u>	<u><u>165,231</u></u>
Funds			
<i>Unrestricted funds:</i>			
Fixed asset fund	7	11,068	36,183
General fund	7	<u>19,526</u>	<u>29,695</u>
Total unrestricted funds		30,594	65,878
Restricted funds	7	<u>85,088</u>	<u>99,353</u>
Total Funds		<u><u>115,682</u></u>	<u><u>165,231</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 August 2005 and are signed on their behalf by:



Directors

Date:

23/8/05

The Scottish Drugs Forum Limited

Notes to the Financial Statements

For the Year Ended 31 March 2005

1. Grants & donations	2005 £	2004 £
<i>National & Regional Core grants:</i>		
Scottish Executive - <i>for National expenditure</i>	302,375	292,180
Scottish Executive - <i>additional grant</i>	100,000	-
NHS Lothian - <i>East of Scotland</i>	29,685	29,103
Fife NHS Board - <i>East of Scotland</i>	7,865	7,426
Greater Glasgow NHS Board - <i>West of Scotland</i>	14,350	12,924
Glasgow City Council - <i>West of Scotland</i>	14,000	7,000
<i>Regional Services:</i>		
<i>Capacity Building for External Agencies:</i>		
Glasgow City Council	62,088	-
<i>Addiction Workers' Training Programme:</i>		
Big Lottery	50,824	-
Robertson Trust	18,400	-
Scottish Enterprise	9,200	-
Glasgow City Council	1,860	-
<i>Customer Services:</i>		
Scottish Executive - <i>S9 Training</i>	50,936	48,538
Scottish Executive - <i>Critical Incidents</i>	25,725	-
<i>User involvement:</i>		
Greater Glasgow NHS Board	54,450	53,635
NHS Fife Drug & Alcohol Action Team	50,000	28,623
NHS Highland	22,000	-
Big Lottery (formerly New Opportunities Fund) - <i>for Highland</i>	24,081	-
Highland Drug & Alcohol Action Team	3,000	-
Big Lottery (formerly New Opportunities Fund) - <i>for Lanarkshire</i>	15,846	42,615
Lanarkshire NHS Board Drug & Alcohol Action Team	10,000	10,000
South Lanarkshire Council	-	10,000
Midlothian Drug & Alcohol Action Team		14,892
Tayside NHS Board (previous year adjusted)		(9,000)
<i>Community Engagement:</i>		
Social Inclusion Partnership funding (note 8)	123,747	117,547
New Leaf funding - <i>for Cambuslang</i>	-	28,241
Other grants - <i>for Addiction week</i>	5,725	-
<i>Employability services projects:</i>		
Scottish Enterprise	-	203,451
<i>Other Projects:</i>		
Grants for Summer University	16,500	-
Lloyds TSB Foundation - <i>Management consultancy</i>	3,545	-
British Aerosol Manufacturers' Association - <i>for publication</i>	5,000	-
Scottish Executive - <i>for exchange visit to netherlands</i>	-	4,948
Total Grants & Donations	1,021,202	902,123

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

2 Resources Expended

	Staff costs £	Direct operating costs £	Admin cost allocation £	Total 2005 £	Total 2004 £
National & Regional support	393,327	26,889	120,880	541,096	416,654
Management & administration	7,211	-	10,081	17,292	15,133
Regional services	76,507	41,178	4,419	122,104	73,836
Customer services	60,443	31,639	9,572	101,654	105,738
User involvement & research	142,161	25,010	18,634	185,805	177,106
Employability services	48,828	1,275	3,492	53,595	232,133
Community engagement	77,004	44,433	10,520	131,957	128,144
Other projects	6,879	23,414	448	30,741	15,605
Total resources expended	812,360	193,838	178,046	1,184,244	1,164,349

Analysis of above expenditure:

<i>Staff costs</i>	812,360	-	-	812,360	813,605
<i>Direct operating costs:</i>					
Conferences and seminars	-	39,552	-	39,552	61,100
Publications and printing	-	26,613	-	26,613	9,207
Training & consultancy	-	13,094	-	13,094	14,860
Travel & subsistence	-	33,261	-	33,261	36,641
Addiction project trainee costs	-	35,546	-	35,546	-
Subscriptions	-	2,445	-	2,445	2,732
Other project costs	-	43,327	-	43,327	44,837
<i>Administrative costs:</i>					
Rent & rates	-	-	48,168	48,168	48,447
Property services	-	-	19,202	19,202	19,276
Postage & telephone	-	-	23,698	23,698	22,244
Office supplies	-	-	20,240	20,240	22,262
Office equipment costs	-	-	30,312	30,312	34,466
Professional fees	-	-	9,579	9,579	4,455
Depreciation	-	-	25,534	25,534	29,544
Bad debt provision	-	-	168	168	(1,506)
Other expenditure	-	-	1,145	1,145	2,179
Total resources expended	812,360	193,838	178,046	1,184,244	1,164,349

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

2. Resources Expended (continued)	2005	2004
<i>Auditors' remuneration:</i>	£	£
for audit and accounts	3,231	3,114
for other work & expenses	246	411
	<u>3,477</u>	<u>3,525</u>
 <i>Analysis of Staff costs</i>	£	£
Gross salaries	681,155	677,799
Social security costs	70,386	83,284
Pension costs	44,349	42,719
Recruitment	10,721	9,803
Compromise agreement	5,749	-
Total	<u>812,360</u>	<u>813,605</u>

No emoluments were paid to directors during the year.

3. Tangible Fixed Assets	Leasehold Improvements £	Furniture & equipment £	Total £
<i>Cost or Valuation</i>			
At 1 April 2004	31,491	158,915	190,406
Additions	-	419	419
(Less): Disposals	-	-	-
At 31 March 2005	<u>31,491</u>	<u>159,334</u>	<u>190,825</u>
 <i>Depreciation</i>			
At 1 April 2004	25,192	129,031	154,223
Charge for year	3,149	22,385	25,534
(Less): on disposals	-	-	-
At 31 March 2005	<u>28,341</u>	<u>151,416</u>	<u>179,757</u>
 <i>Net Book Value</i>			
At 31 March 2005	<u>3,150</u>	<u>7,918</u>	<u>11,068</u>
At 31 March 2004	<u>6,299</u>	<u>29,884</u>	<u>36,183</u>

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

4. Debtors	2005	2004
Amounts falling due within one year:	£	£
Invoiced sales	3,382	38,788
Accrued income	45,553	-
Prepayments	15,652	15,154
Other debtors	1,570	1,069
	<u>66,157</u>	<u>55,011</u>
 5. Creditors		
Amounts falling due within one year:	£	£
Deferred grants (see note 1)	-	47,545
Obligations under finance leases	604	806
Taxation and Social Security	17,906	19,897
Accruals	28,978	11,451
Other creditors	3,429	13,571
	<u>50,917</u>	<u>93,270</u>
	£	£
Amounts falling due in more than one year:		
Obligations under finance leases	-	604

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)		32,313	32,313	-
Edinburgh office	(a)	6,463	6,463	-
Dundee office	(b)	1,727	1,727	-
		<u>40,503</u>	<u>40,503</u>	<u>-</u>

Note:

(a) The lease for Edinburgh is renewable annually in August.

(b) The Dundee office was vacated at the end of July 2005.

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

7. Movement on Funds

	At 1/4/04 £	Movement in Resources		Transfers £	At 31/3/05 £
		Incoming £	Outgoing £		
Restricted Funds:					
<i>Core funds:</i>					
National	-	402,375	(435,897)	33,522	-
Regional funds	-	65,900	(101,027)	35,127	-
Total core funds	-	468,275	(536,924)	68,649	-
<i>Project funds:</i>					
<i>Regional services:</i>					
Capacity Building	-	62,088	(63,206)	-	(1,118)
Addiction Workers' Training	-	80,284	(58,898)	-	21,386
<i>Customer services:</i>					
S.9 Training	-	50,936	(50,936)	-	-
Critical Incidents	-	25,725	(22,506)	-	3,219
<i>User Involvement:</i>					
Glasgow UI	-	54,450	(54,450)	-	-
Fife UI	-	50,000	(50,000)	-	-
Lanarkshire UI	28,114	25,846	(48,434)	-	5,526
Highland UI	-	49,081	(10,664)	-	38,417
Employability services	53,595	-	(53,595)	-	-
<i>Community Engagement:</i>					
Drumchapel SIP (note 8)	-	65,105	(65,105)	-	-
Dumbarton Road SIP (note 8)	-	58,642	(58,642)	-	-
Addiction week	-	6,818	-	-	6,818
Cambuslang New Leaf funding	17,644	-	(8,210)	-	9,434
<i>Other project funds:</i>					
Summer University	-	23,602	(23,602)	-	-
VS Focus newsletter	-	5,000	(5,000)	-	-
Lloyds TSB consultancy	-	3,545	(2,139)	-	1,406
Total project funds	99,353	561,122	(575,387)	-	85,088
Total Restricted Funds	99,353	1,029,397	(1,112,311)	68,649	85,088
<i>Unrestricted Funds:</i>					
Designated Fixed Asset fund	36,183	-	(25,534)	419	11,068
General fund	29,695	105,298	(46,399)	(69,068)	19,526
Total unrestricted	65,878	105,298	(71,933)	(68,649)	30,594
Total Funds	165,231	1,134,695	(1,184,244)	-	115,682

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. Social Inclusion Partnership funding

Project:	Grant Receivable	Expenditure	Net Balance
	£	£	£
Substance use in Drumchapel	63,880	(63,880)	-
Drumchapel: Evaluation of TDM allocation	1,225	(1,225)	-
Dumbarton Road: Tackling drugs misuse monies	58,642	(58,642)	-
Totals	123,747	(123,747)	-

9. Analysis of Net Assets Between Funds

	Restricted Funds	Fixed Asset Fund	General Fund	Total Funds
	£	£	£	£
Tangible fixed assets	-	11,068	-	11,068
Stock	-	-	3,000	3,000
Debtors	36,962	-	29,195	66,157
Bank & cash	58,221	-	28,153	86,374
Creditors due in one year	(10,095)	-	(40,822)	(50,917)
Total funds at 31 March 2005	85,088	11,068	19,526	115,682