

The Scottish Drugs Forum Limited
Report and Financial Statements
For the Year Ended
31 March 2006

Company Registration Number SC 106295

Scottish Charity Number: SC 008075



The Scottish Drugs Forum Limited

Report and Financial Statements For the Year Ended 31 March 2006

Contents	Pages
Reference & Administrative information	2
Report of the Directors	3 – 7
Independent Auditors' Report	8 – 9
Accounting policies	10
Statement of Financial Activities (including Income and expenditure account)	11
Balance sheet	12
Notes to the accounts	13 – 18

The Scottish Drugs Forum Limited

Reference and Administrative Information

Principal Address. Scottish Drugs Forum
91, Mitchell Street
Glasgow
G1 3LN

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	
George Wilson	(vice Chair)	Valerie Corbett	
Gordon Armour	(Treasurer)	Mary Hepburn	
Max Cruikshank		Sean McCollum	
George Allan		Dana O'Dwyer	
Peter Anderson		Angela Roberts	
Stephen Birrell		Liam Wells	
Lucy Cockayne		Mark Cresswell	(appointed 13/12/05)
		Thomas Munro	(appointed 13/12/05)

Former Directors

Hilary Patrick	(resigned 8/12/05)	Chris White	(resigned 25/7/05)
Mark O'Donnell	(resigned 25/7/05)		

Directors retire at the annual general meeting, after 3 years' service, and are eligible for re appointment

Senior Management Staff.

Dave Liddell	Director
Ken Butler	Head of Business, Finance & Administration

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 2006

The Directors are pleased to present their report and the financial statements for the year ended 31 March 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice, *Accounting and Reporting by Charities*, issued in March 2005.

Structure, governance, & management

The Scottish Drugs Forum (SDF) is a company limited by guarantee with the liability of members limited to £1 each. The company is governed under the terms of its Memorandum and Articles of Association and is a registered Scottish Charity.

Directors are appointed to the Board at the annual general meeting (AGM) and may also be co-opted at any time during the year, subject to appointment at the following AGM. Generally, directors retire after 3 years' service, at the AGM, and are eligible for re-appointment.

The Board meets regularly (at least quarterly) to direct the business of the charity and has also set up sub-committees for finance and for other purposes. Induction and relevant training are given as required. Responsibility for day to day operations is delegated to the senior management staff (see page 2).

The names of those who served on the Board of Directors during the year and other general information are listed on page 2.

Risk Management

The Directors have instigated a formal process to review and monitor the major risks to which the charity is exposed. They are aware of the major risks, financial and otherwise, affecting the charity and consider that appropriate procedures are in place to mitigate those risks.

Objectives, activities & achievements

The overall aims of SDF for 2005/6 were

- 1 To facilitate the development of a comprehensive range of services in response to all aspects of drug use in Scotland**
- 2 To support an improvement in the quality of all responses to drug use in Scotland**
- 3 To improve the general level of understanding and awareness of drug issues**
- 4 To act as a forum to develop and promote common responses to issues of concern and represent SDF Members**
- 5 To work in partnership with others in the field**
- 6 To develop SDF's capacity in line with existing and new demands**

These aims were achieved through the following objectives, a brief summary of our achievements is provided under each objective.

Objective 1a. To identify gaps in existing service provision / issues of concern

We effectively maintained regular contact with the field (users, service providers & policy makers) through a vast range of meetings and networks. User led surveys were conducted in Glasgow, Fife, Lanarkshire and Highland. There is evidence of impact in three of these areas. Nine Bulletins were sent to members, e-mailings to membership far exceeded 10, 5 membership consultations were posted on the website and meetings were held on Home Office proposals re changes to Misuse of Drugs Act.

The Scottish Drugs Forum Limited

Report of The Directors (Continued)

Objectives, activities & achievements (continued)

Objective 1b To promote service development / service changes to meet unmet needs

Detailed work was undertaken to support and develop 24 agencies. These agencies have been strengthened in various aspects of their work. An outline proposal for the National Lottery has been developed. A proposal to develop family focused adult services was developed and submitted to the Scottish Executive. Two further proposals for local services were also developed: a family focussed service – supported accommodation for mother/father/child and a mentoring service. There was reduced activity on employability due to the end of funding for the employability team. A range of national work has continued. A further two years funding of £3.1 million was secured, now transferred to Community Planning Partnerships. Regular meetings with SCSH and APEX have been held. Presentations on employability were made to Argyll and Clyde DAAT conference and to an Edinburgh Employability seminar. Methadone at Work booklet was completed. Funding was gained for a further two years (Jan 06-Mar 08). There were nine successful graduations, 7 currently employed in care field. The current course has 15 places. The national impact of user involvement has been in areas such as: drug related deaths (conference, AGM inputs), development of naloxone pilots, influencing operation of the Social Work Inspection Agencies future approach and influencing Quality Standards developments.

Objective 2a To support the empowerment of communities to respond to drug problems

Training of community groups and drug forums to build their capacity to be effective partners. Undertook 70 training events across Scotland reaching 800 individuals with positive feedback from participants. Delivered 51 training events on critical incidents for carer/users and others reaching just over 600 individuals and further training cascaded by other organisations with positive feedback from participants. Community engagement handbook has been produced and is due for publication shortly. A range of community groups and drug forums were supported. A survey of Greater Glasgow drug forums was completed.

Objective 2b To assist the development of high quality services

Delivered 25 training events with positive feedback from participants. SDF played a very active role as part of the development of National Quality Standards. Attended all the working group meetings. Undertook some initial consultation with service users prior to the formal consultation. Helped redraft the standards following this feedback. Undertook a Quality Standards pilot in Glasgow with five drug services.

Objective 2c To promote effective measurement of performance and outcome

Developed proposals to work specifically with the voluntary sector in order to ensure effective buy in from services. This will also help ensure that national proposals are grounded in the reality of where agencies are currently at.

Objective 3a To collect and analyse relevant information on drugs and drug related issues

Attended seminars/conferences to keep abreast of current issues. Represented at most major conferences in Scotland and provided presentations to many of these. A database of treatment and care services and of education, training and employment opportunities for drug users was maintained.

Objective 3b To disseminate information on drugs and drug related issues

Nine issues of the Bulletin were published. A readership survey was compiled for circulation in June 2006. Work on Scottish Needle Exchange Guidelines was undertaken and a draft developed but the final version is delayed by UK mapping study outcome. Worked with Scottish Executive on the production of a DVD on overdose aid. Responded to information and media requests. 15 proactive media briefings were undertaken plus 12 letters to the Editor supplied. The website was regularly updated.

Objective 3c To undertake research and audits which assists in improving the response to drug use

National Drug Related Deaths (DRD) Survey took place with a report written and presented. Proposals for follow up work were developed and funding secured from three DAATs, however work had to be shelved as the Scottish Executive decided to put this out to tender.

The Scottish Drugs Forum Limited

Report of The Directors (Continued)

Objectives, activities & achievements (continued)

Objective 4a To promote common responses to issues of concern

Held 5 conferences and a further conference with the Scottish Executive and an AGM Approximately 850 people attended in total

Objective 4b To develop SDF's membership base

5 consultations were undertaken and continued to support members' networks Monthly staff meetings were held to track membership Those not renewing in April 2005 were followed up A number of targeted mailings were undertaken to increase membership

Objective 4c To ensure that service providers and policymakers are fully aware of the interests and concerns of those affected by drug use

In addition to the detailed work on user involvement in Fife, Highland, Lanarkshire and Greater Glasgow, SDF have worked with a number of other DAAT's and Services to assist in the development of user involvement In Perth and Kinross a DAAT Strategy was produced and agreement reached on funding an SDF post (initially for one year) We have continued to support the Scottish Network of Families Affected by Drugs The SNFAD National Conference was held in May 2005 A range of other support work was undertaken 5 meetings of the Cross Party Drug and Alcohol Misuse Group were held The impact of the group was evident in Parliamentary debates

Objective 5a To work in partnership with those in the field

Continued membership of ERIT and SCVO Intermediations group European links proved useful for the conference/seminar speakers The SCVO group allows SDF to keep informed of wider Voluntary Sector agendas Regular meetings were undertaken with DAAT Association re joint work (e.g Poverty Conference) SDF, through ERIT, was also involved in the Beckley Foundations work on the International Drug Policy Consortium

Objective 5b To work in partnership with government and government agencies to promote a cohesive response among national agencies/organisations.

Close working with the Scottish Executive continued on a range of fronts including drug deaths, quality standards, hidden harm and crack/cocaine During the year SDF has played an active role on 11 national or UK working groups

Objective 6a To ensure effective ongoing strategic planning

A review of the 2005/6 work plan was undertaken A new strategic plan was finalised in terms of key outcomes A Lottery draft proposal was developed Perth and Kinross UI funding was secured An IT proposal is being developed

Objective 6b To ensure effective corporate governance

Financial management training was delivered to the SDF Board There was regular communication with the Board Effective monitoring of expenditure against income was undertaken

Objective 6c To ensure effective staff management and support

Supervision was provided and annual appraisals held

2006/07

In general terms the broad range of activities outlined above will continue in 2006/07

The Scottish Drugs Forum Limited

Report of The Directors (Continued)

Financial Review

The accounts show an increase in funds of £64,802 comprising an increase of £3,457 in restricted funds and an increase of £61,345 in unrestricted funds. An amount of £30,000 has been transferred from unrestricted funds to support the user involvement programme in Highland Region. The analysis between restricted and unrestricted funds is shown in the statement of financial activities on page 11 and further details of the movements in funds are shown in note 9 on page 17. Details of grants receivable are shown in note 1 on page 13.

During 2005/6 the company was able to generate a surplus on activities within its unrestricted general fund. These funds have replaced reserves which had been depleted by activity during recent years. We are grateful to the Scottish Executive for their funding during the year. A three year core funding plan for 2006-9 has been agreed with the Executive.

Funding for our Fife User Involvement Project ceased during the year. Additional funding was secured to allow the continuation of our Addiction Worker Training Program in Glasgow and to commence a User Involvement Project in Perth and Kinross.

Scottish Drugs Forum would like to thank the following organisations for their financial support:

Scottish Executive	NHS Fife Drug & Alcohol Action Team (DAAT) Highland DAAT
Big Lottery (formerly New Opportunities Fund)	Lanarkshire NHS Board DAAT Greater Glasgow Drug Action Team
NHS Lothian	<i>Community Regeneration Fund</i>
Greater Glasgow NHS Board	Drumchapel SIP
Fife NHS Board	Dumbarton Road SIP
NHS Highland	
Glasgow City Council	Lloyds TSB Foundation British Aerosol Manufacturers' Association Robertson Trust

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 present balance on the general fund is £88,668 which is equivalent to one month's annual expenditure.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for the financial period. In preparing those 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,

The Scottish Drugs Forum Limited

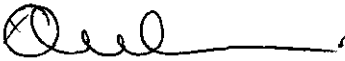
Report of The Directors (Continued)

Statement of Directors' Responsibilities (continued)

- 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 presume that the charitable company will continue in operation

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.

By Order of the Board



Director

Date

17/11/06

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 2006 set out on pages 10 to 18. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on pages 6-7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we also report to you if, in our opinion, the 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 other transactions is not disclosed.

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

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board (APB). 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including the APB Ethical Standard: Provisions Available for Small Entities. In common with the auditors of many charities of similar size, we have also assisted with preparation of the statutory financial statements.

[report continued on next page]

Independent Auditors' Report (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Norman, Downie & Kerr Ltd

Norman, Downie & Kerr Ltd
Chartered Accountants and Registered Auditors

Date: *28 November 2006*

The Courtyard,
130 Constitution Street
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 March 2005 (SORP 2005)

Some of the comparative figures in the Statement of Financial Activities on page 11 have been restated as a consequence of the adoption of the revised format required by SORP 2005

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 provided there are no external conditions affecting entitlement.

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.

Governance 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. 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.

Funds

Unrestricted general funds can be used in accordance with any of the charitable objects of the charity at the discretion of the Directors.

Designated funds are set aside by the Directors out of unrestricted general funds for specific future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Scottish Drugs Forum Limited

**Statement of Financial Activities (including Income and Expenditure Account)
For the Year Ended 31 March 2006**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Incoming resources from					
charitable activities:	1				
National & Regional core grants			495,923	495,923	468,275
Conferences & Seminars		52,562		52,562	54,991
Regional services			189,901	189,901	142,372
Customer services			117,835	117,835	76,661
User involvement & research			180,072	180,072	179,377
Community engagement			122,800	122,800	129,472
Fees & sales		26,489		26,489	36,367
Incoming resources from generated funds:					
<i>Voluntary income</i>					
Members' subscriptions		11,723		11,723	18,625
Grants & donations	2		5,000	5,000	25,045
<i>Investment income</i> Bank interest		1,942		1,942	3,510
Other incoming resources	3	<u>17,339</u>		17,339	
Total incoming resources		<u>110,055</u>	<u>1,111,531</u>	1,221,586	<u>1,134,695</u>
Resources Expended:					
Charitable activities:					
National & Regional support		19,912	461,402	481,314	541,096
Regional services			179,019	179,019	122,104
Customer services			118,052	118,052	101,654
User involvement & research			203,035	203,035	185,805
Community engagement			137,378	137,378	131,957
Employability services				-	53,595
Other projects			2,500	2,500	30,741
Governance costs		18,147		18,147	17,292
Other resources expended		<u>17,339</u>		17,339	
Total resources expended	4	<u>55,398</u>	<u>1,101,386</u>	1,156,784	<u>1,184,244</u>
Net incoming /(outgoing) resources					
- Net income/expenditure for year		54,657	10,145	64,802	(49,549)
Net transfers		<u>6,688</u>	<u>(6,688)</u>		
Net movement in funds		61,345	3,457	64,802	(49,549)
Funds brought forward		<u>30,594</u>	<u>85,088</u>	115,682	<u>165,231</u>
Funds carried forward		<u>91,939</u>	<u>88,545</u>	<u>180,484</u>	<u>115,682</u>

The notes on pages 13 to 18 and the accounting policies on page 10 form part of these financial statements

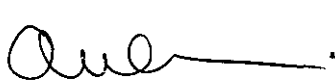
The Scottish Drugs Forum Limited

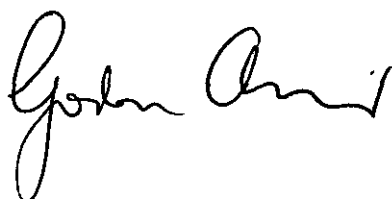
Balance Sheet at 31 March 2006

	Note	2006 £	2005 £
Fixed Assets			
Tangible assets	5	<u>3,271</u>	<u>11,068</u>
Current Assets			
Stock		1,500	3,000
Debtors	6	108,389	66,157
Cash at bank & in hand		<u>145,691</u>	<u>86,374</u>
		<u>255,580</u>	<u>155,531</u>
Creditors Amounts falling due within one year	7	<u>78,367</u>	<u>50,917</u>
Net Current Assets		<u>177,213</u>	<u>104,614</u>
Total Assets Less Current Liabilities		<u>180,484</u>	<u>115,682</u>
Net Assets		<u><u>180,484</u></u>	<u><u>115,682</u></u>
Funds			
<i>Unrestricted funds</i>			
Designated funds	9	3,271	11,068
General fund	9	<u>88,668</u>	<u>19,526</u>
Total unrestricted funds		91,939	30,594
Restricted funds	9	<u>88,545</u>	<u>85,088</u>
Total Funds		<u><u>180,484</u></u>	<u><u>115,682</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 10 to 18 were approved by the Board of Directors on 20/9/06 and are signed on their behalf by





Directors

Date:

17/11/06

The notes on pages 13 to 18 and the accounting policies on page 10 form part of these financial statements

The Scottish Drugs Forum Limited

Notes to the Financial Statements For the Year Ended 31 March 2006

1 Incoming resources from charitable activities*	2006	2005
<i>National & Regional Core grants*</i>	£	£
Scottish Executive <i>for National expenditure</i>	309,000	302,375
Scottish Executive <i>additional grant</i>	120,000	100,000
NHS Lothian <i>East of Scotland</i>	30,278	29,685
Fife NHS Board <i>East of Scotland</i>	7,865	7,865
Greater Glasgow NHS Board <i>West of Scotland</i>	14,780	14,350
Glasgow City Council <i>West of Scotland</i>	14,000	14,000
	495,923	468,275
<i>Regional Services.</i>		
Glasgow City Council <i>Capacity Building for External Agencies</i>	68,540	62,088
Addiction Workers' Training Programme		
Big Lottery	72,119	50,824
Robertson Trust	20,000	18,400
Greater Glasgow NHS Board	20,000	
Scottish Enterprise	9,200	9,200
Glasgow City Council	-	1,860
Other income	42	
	189,901	142,372
<i>Customer Services:</i>		
Scottish Executive <i>S9 Training</i>	52,718	50,936
Scottish Executive <i>Critical Incidents</i>	59,521	25,725
Greater Glasgow NHS Board <i>Needle exchange</i>	5,123	
Other income	473	
	117,835	76,661
<i>User involvement</i>		
Greater Glasgow NHS Board	56,084	54,450
NHS Fife Drug & Alcohol Action Team	50,000	50,000
Big Lottery (formerly New Opportunities Fund) <i>for Lanarkshire</i>	50,117	15,846
Lanarkshire NHS Board Drug & Alcohol Action Team	10,000	10,000
Big Lottery (formerly New Opportunities Fund) <i>for Highland</i>	13,841	24,081
NHS Highland		22,000
Highland Drug & Alcohol Action Team		3,000
Other income	30	
	180,072	179,377
<i>Community Engagement*</i>		
Community Regeneration fund <i>Drumchapel</i>	61,349	65,105
Community Regeneration fund <i>Dumbarton Road</i>	59,777	58,642
Other grants <i>for Addiction week</i>		5,725
Other income	1,674	
	122,800	129,472
2 Voluntary income Grants & donations		
British Aerosol Manufacturers' Association <i>for publication</i>	5,000	5,000
Grants for Summer University		16,500
Lloyds TSB Foundation <i>Management consultancy</i>		3,545
	5,000	25,045
3 Other incoming resources		
Staff secondment	17,339	
	17,339	

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

4 Resources Expended

	Staff costs £	Direct operating costs £	Admin cost allocation £	Total 2006 £	Total 2005 £
National & Regional support	358,856	33,666	88,792	481,314	541,096
<i>Regional services</i>					
Capacity Building for external agencies	61,971	2,663	2,788	67,422	63,206
Addiction workers' training programme	36,596	70,198	4,803	111,597	58,898
Customer services (training)	96,829	11,751	9,472	118,052	101,654
User involvement & research	150,700	28,190	24,145	203,035	185,805
Community engagement	89,368	38,716	9,294	137,378	131,957
Employability services					53,595
Other projects	2,314	186		2,500	30,741
Governance costs	7,733		10,414	18,147	17,292
Other resources expended	17,339			17,339	
Total resources expended	821,706	185,370	149,708	1,156,784	1,184,244

Analysis of above expenditure:

Staff costs	821,706			821,706	812,360
Direct operating costs:					
Conferences and seminars		10,801		10,801	39,552
Publications and printing		11,179		11,179	26,613
Training & consultancy		3,666		3,666	13,094
Travel & subsistence		30,130		30,130	33,261
Addiction project trainee costs		39,815		39,815	35,546
Subscriptions		1,439		1,439	2,445
Other project costs		88,340		88,340	43,327
Administrative costs:					
Rent & rates			49,343	49,343	48,168
Property services			22,453	22,453	19,202
Postage & telephone			18,717	18,717	23,698
Office supplies			16,106	16,106	20,240
Office equipment costs			21,030	21,030	30,312
Professional fees			7,267	7,267	9,579
Depreciation			10,520	10,520	25,534
Bad debt provision			2,476	2,476	168
Other expenditure			1,796	1,796	1,145
Total resources expended	821,706	185,370	149,708	1,156,784	1,184,244

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

4. Resources Expended (continued)	2006	2005
<i>Auditors' remuneration:</i>	£	£
for audit and accounts	3,500	3,231
for other work & expenses		246
	<u>3,500</u>	<u>3,477</u>
 <i>Analysis of Staff costs</i>	 £	 £
Gross salaries	697,774	681,155
Social security costs	72,935	70,386
Pension costs (net of refund)	37,208	44,349
Redundancy payments	12,825	
Recruitment	964	10,721
Compromise agreement		5,749
Total	<u>821,706</u>	<u>812,360</u>

No emoluments were paid to directors during the year

5. Tangible Fixed Assets	Leasehold Improvements	Furniture & equipment	Total
	£	£	£
<i>Cost or Valuation</i>			
At 1 April 2005	31,491	159,334	190,825
Additions		2,723	2,723
(Less) Disposals	<u>(31,491)</u>	<u>(40,866)</u>	<u>(72,357)</u>
At 31 March 2006	<u>-</u>	<u>121,191</u>	<u>121,191</u>
 <i>Depreciation</i>			
At 1 April 2005	28,341	151,416	179,757
Charge for year	3,150	7,370	10,520
(Less) on disposals	<u>(31,491)</u>	<u>(40,866)</u>	<u>(72,357)</u>
At 31 March 2006	<u>-</u>	<u>117,920</u>	<u>117,920</u>
 <i>Net Book Value</i>			
At 31 March 2006	<u>-</u>	<u>3,271</u>	<u>3,271</u>
At 31 March 2005	<u>3,150</u>	<u>7,918</u>	<u>11,068</u>

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

6. Debtors	2006	2005
Amounts falling due within one year	£	£
Invoiced sales	31,453	3,382
Accrued income	67,038	45,553
Prepayments	9,369	15,652
Other debtors	529	1,570
	<u>108,389</u>	<u>66,157</u>

7. Creditors	£	£
Amounts falling due within one year:		
Deferred income	3,000	
Obligations under finance leases	-	604
Taxation and Social Security	19,878	17,906
Accruals & other creditors	46,129	32,407
Funds held for ERIT (see note below)	9,360	
	<u>78,367</u>	<u>50,917</u>

Note: Funds of £9,360 are held on behalf of the Federation of European Professional Associations Working in the Field of Drug Abuse (ERIT)

8. Lease Commitments

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

	Note	Total £	Expiry Date	
			Within 1 year £	Over 5 years £
National office (Glasgow)		35,150		35,150
Edinburgh office	(a)	<u>6,000</u>	<u>6,000</u>	<u></u>
		<u>41,150</u>	<u>6,000</u>	<u>35,150</u>

Notes:

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

(b) The company also leases an office in Inverness at an annual rent of £6,000 with one month's notice of termination

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

9 Movement on Funds	At 1/4/05 £	Movement in Resources		Transfers £	At 31/3/06 £
Restricted Funds:		Incoming £	Outgoing £		
Core funds:					
National		429,000	(377,761)	(51,239)	-
Regional funds		66,923	(83,641)	16,718	
Total core funds		495,923	(461,402)	(34,521)	
Project funds.					
<i>Regional services</i>					
Capacity Building	(1,118)	68,540	(67,422)		-
Addiction Workers' Training	21,386	121,361	(111,597)		31,150
<i>Customer services</i>					
S 9 Training		53,191	(53,191)		
Critical Incidents	3,219	59,521	(59,557)		3,183
Needle exchange		5,123	(5,304)	181	-
<i>User Involvement</i>					
Glasgow UI		56,114	(56,114)		
Fife UI		50,000	(50,000)		-
Lanarkshire UI	5,526	60,117	(49,511)	(1,174)	14,958
Highland UI	38,417	13,841	(47,410)	28,826	33,674
Employability services					-
<i>Community Engagement</i>					
Drumchapel SIP (note 10)		61,349	(61,349)		
Dumbarton Road SIP (note 10)		61,451	(59,777)		1,674
Addiction week	6,818		(6,818)		
Cambuslang New Leaf funding	9,434		(9,434)		-
<i>Other project funds</i>					
VS Focus newsletter		5,000	(2,500)		2,500
Lloyds TSB consultancy	1,406				1,406
Total project funds	85,088	615,608	(639,984)	27,833	88,545
Total Restricted Funds	85,088	1,111,531	(1,101,386)	(6,688)	88,545
Unrestricted Funds:					
Designated funds:					
Fixed Asset fund	11,068		(10,520)	2,723	3,271
Total designated funds	11,068		(10,520)	2,723	3,271
General fund	19,526	110,055	(44,878)	3,965	88,668
Total Unrestricted Funds	30,594	110,055	(55,398)	6,688	91,939
Total Funds	115,682	1,221,586	(1,156,784)		180,484

(see Notes on Funds on next page)

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

9. Movement on Funds (continued)

Notes on Funds

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 designated 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

10. Community Regeneration Fund (Social Inclusion Partnership areas)	Grant Receivable £	Expenditure £	Net Balance £
Project:			
Substance use in Drumchapel	61,349	(61,349)	
Dumbarton Road Tackling drugs misuse monies	59,777	(59,777)	
Totals	121,126	(121,126)	

11. Analysis of Net Assets Between Funds

	Restricted Funds £	Designated Funds £	General Fund £	Total Funds £
Tangible fixed assets		3,271		3,271
Stock			1,500	1,500
Debtors	80,763		27,626	108,389
Bank & cash	39,216		106,475	145,691
Creditors due in one year	(31,434)		(46,933)	(78,367)
Total funds at 31 March 2006	88,545	3,271	88,668	180,484