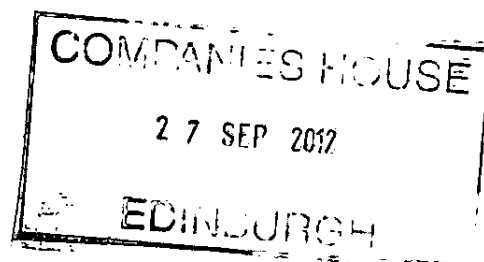


The Scottish Drugs Forum Limited

Report and Financial Statements

For the Year Ended

31 March 2012



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 2012**

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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:

George Allan	(Chair from 14/3/12)	Liam Wells	
Jim Stephen	(Vice-Chair) (app. 15/6/11)	Patrick McGowan	
John Preston	(Treasurer)	Alexandra Wallace	
Stephanie Morrison		Audrey Park	
Oliver Aldridge		Stephen Birrell	
Mary Hepburn		Peter Kelly	
Jennifer Adam		Ian Gall	
David Harvie	(appointed 29/11/11)	George Hunter	(appointed 29/11/11)
Hazel Robertson	(appointed 29/11/11)		

Former Directors

Maureen Woods	(resigned 29/11/11)
Jane Jay	(former Chair, resigned 14/3/12)

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

Company Secretary:

Ken Butler

Senior Management Staff:

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

Auditor: 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 2012

The Directors are pleased to present their report and the financial statements for the year ended 31 March 2012. The financial statements have been prepared in accordance with the Statement of Recommended Practice, *Accounting and Reporting by Charities* and the requirements of company law and Scottish charity law.

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. In appointing new Directors consideration is given to the existing make-up of the Board. Attempts are made to ensure that the Board maintains a balance of interest groups within the sector and contains the range of experience necessary for the management of the organisation.

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

Following work with Evaluation Support Scotland on outcomes and performance we have refined our outcomes as follows:

- increase in the number of problem drug users recovering;
- reduction in drug related harm to individuals;
- reduction in the number of new problem drug users.

Summary

This has been a very successful year for SDF in terms of our influence and reach. As an organisation we have been able to extend our influence in terms of our outcomes through additional funding for hepatitis, sexual and reproductive health, needle exchange service directory, Addiction Worker Training Project and a naloxone website and directory.

Our reach and influence during the year has been considerable:

- through all our programmes, Quality, Hepatitis Scotland, Naloxone and core, we have trained over 1,500 people;
- our conferences, seminars and workshops have been attended by over 700 people;
- we have involved 30 current and former drug users as volunteers;
- through our face-to-face interviews, surveys and focus groups we have ascertained the views of over 700 individuals;
- we have influenced and supported the Scottish Government in the roll out of Naloxone through supporting policy and practice developments;

The Scottish Drugs Forum Limited

Report of the Directors (continued)

Objectives, activities & achievements (continued)

- we have made five submissions to government consultations;
- we have influenced Scottish Government policy re emergency planning for infection outbreaks;
- we have supported a range of Parliamentary discussions;
- we have led the cocaine review for the ACMD;
- we have worked closely with a vast array of organisations and networks, including almost all of the Alcohol and Drug Partnerships;
- we have continued to grow and develop the Addiction Worker Training Project – with 11 successful graduations and additional funding secured;
- we have undertaken scoping work on SDF's potential role in improving the interface between addiction services and child welfare organisations;
- we have undertaken a complete overhaul of our website and corporate brand as recommended in the review;
- we have provided a range of information to the sector, including 10 bulletins and the development of e-newsletters;
- we have dealt with over 2,000 information requests from those in the sector, the public and the media.

The following provides more details:

Developing service quality

In total 65 services have been assessed on quality:

240 staff surveyed

509 service users surveyed

25 focus groups undertaken.

Training has been delivered to develop staff skills to 308 beneficiaries.

We received improved quality of service provision reports from 25 of 43 services receiving support and from 2 strategic areas to date – with 73 improvements in total.

User involvement

National

The National User Involvement Peer Research group was further developed.

Work was completed on the Customer Satisfaction Survey Evaluation of Injecting Equipment Provision Outlets in Greater Glasgow & Clyde with 60 service users interviewed.

A Life History survey study was carried out in conjunction with Glasgow Caledonian University - this comprised 58 interviews across Scotland, identifying causal factors leading to harmful drug use and pathways out of harmful drug use. The 2-3 hour interviews have been transcribed and a draft report will be available shortly, with a final report due in the Summer.

We provided service user input to Work Force Development sessions organised by the Scottish Government with ADPs.

Hepatitis C and Welfare Reform Events - our national peer-research volunteers participated in the data collection part of these events. They provided support and assistance in carrying out one-to-one questionnaires with participants at the events.

Local

Eleven focus groups were set up across three Lothian ADP areas to assist service development;

We carried out 6 focus group structured interviews for the East Dunbartonshire ADP.

The Fife ADP Development Worker has been shadowing the National Peer Researchers since February 2012. The primary aim of this has been to gain SUI experience and knowledge which can assist the development of user involvement by the Fife ADP.

Eight of the volunteers have been recruited and trained in survey and interview techniques, research methods and on wider issues around drug policy and treatment. The group conducted six service user consultation focus groups in East Ayrshire for the ADP.

The Scottish Drugs Forum Limited

Report of the Directors (continued)

Objectives, activities & achievements (continued)

Addiction Work Training Project

Eleven trainees were recruited for the 2011 course. All successfully completed in March 2012 and 100% are now in employment.

We secured funding to continue the Glasgow programme and develop an Edinburgh programme.

Events and training

Conferences organised and hosted during the period:

- Hepatitis (150 delegates);
- Person centred Care and Prescribing Options (110 delegates);
- Progress on Road to Recovery (110 delegates);
- National Naloxone Seminar (150 delegates);
- AGM debate and discussion (110 attendees).

Training

Naloxone:

- 39 Overdose Prevention and naloxone training the trainer sessions (400 beneficiaries);
- 50 other naloxone related training events.

Drug Awareness - twenty sessions (340 beneficiaries);
Legal Highs Awareness - ten sessions (170 beneficiaries);
Needle Exchange Training - four sessions (60 beneficiaries);
Harm Reduction Training - one session (10 beneficiaries);
Reinforcing Recovery Training (20 participants).

Information and communications

- we responded to approximately 2,000 enquiries through telephone and e-mail;
- the Drug Services Directory was updated quarterly - now featuring 236 services;
- we produced 10 copies of the SDF Bulletin featuring more than 200 stories on issues ranging from the naloxone programme to legal highs, latest statistics (e.g. drug deaths) and cross-cutting policy issues - e.g. Early Years, Hepatitis, Employability, Criminal Justice;
- hard copy mini directories are published for four SDF conferences;
- we successfully re-launched a new SDF website;
- we undertook a re-branding exercise to enhance the profile and identity of SDF activity;
- we regularly updated the SDF website with new information including news updates, new links and events
- we responded to approximately 100 media inquiries;
- we took part in the Scottish Government's press conference re the latest drug death figures;
- we wrote a Holyrood Magazine piece on helping parents with substance use problems.

Response to consultations

We responded to a number of consultations including the Women Offenders Commission. SDF organised member consultation events in Glasgow and Edinburgh with a total attendance of 65 people. A report was submitted to the Commission.

The Scottish Drugs Forum Limited

Report of the Directors (continued)

Objectives, activities & achievements (continued)

Hepatitis Scotland

- we held meetings with key stakeholders, managed care networks and voluntary sector services;
- we supported World Hepatitis Day events;
- we provided media briefings;
- we developed training proposals and delivered 36 training events on Hepatitis to a variety of audiences including specialist addiction services and services for vulnerable young people;
- we conducted focus groups for NHS Health Improvement Scotland;
- 5 focus groups were held on welfare benefits;
- research was conducted on welfare benefits issues for people with BBVs;
- we explored ideas re the peer research and identified potential volunteers;
- we implemented, updated and developed the Hepatitis Scotland website;
- we developed and delivered 10 electronic bulletins.

Funding

We developed and submitted a number of funding bids and were successful in securing funding for a Sexual Health post and further Big Lottery funding to support the Addiction Workers Training Project. Our bid to the early years funding stream, overseen by Inspiring Scotland, was unsuccessful. In line with much of the voluntary sector we are faced with a very challenging financial situation and have put in place a standing fundraising group to explore new areas of finance – in line with our strategic direction.

Financial Review

The Statement of Financial Activities, on page 11, shows an overall increase in funds of £126,605. This is made up of:

- An increase in the General Fund of £ 61,531
- A decrease in Designated Reserves of £ 10,576
- An increase in Restricted Reserves of £ 75,650

Details of grants receivable are shown in notes 2 and 4 on page 14.

The movement on funds over the year is shown in note 11 on page 18 with explanatory notes on each fund appended.

General Fund

General Fund income decreased by 9% compared to the previous year, mainly due to a reduction of £30,000 in the core grant. This was the third year of a three-year funding plan agreed with the Scottish Government. A new three-year funding plan has been agreed to run from April 2012. Whilst the amounts of the core grant will reduce year on year we are grateful to the Scottish Government for their continued support and the clarity which this agreement provides. Administrative overheads have reduced slightly by 1%. An amount of £12,307 has been transferred to Designated Funds to add to the redundancy provision.

At 31st March 2012 the balance of the General Fund stood at £212,113. This fund represents the free reserves of the charity, which are available for the immediate support of the organisation. These funds are held to protect the organisation against future financial risks, such as loss of funding, unexpected increases in expenditure or legal action against the organisation, in accordance with the reserves policy which is set out below.

The Board's long term financial objective is to secure the long term viability of the organisation by targeting annual contributions to General Fund of around £30,000.

The Scottish Drugs Forum Limited

Report of the Directors (continued)

Financial Review (continued)

Designated Funds

Designated funds of £171,174 include a redundancy provision of £72,807 (to ensure SDF can meet its legal obligations to staff when required) and £50,000 to be allocated as match funding in year 5 of the Quality Development Programme. An amount of £10,000, set aside for website development, was expended in 2011/12. The remaining £48,357 in designated funds represents the carrying value of tangible fixed assets.

Restricted Funds

Restricted Funds of £280,473 are carried forward including £15,000 for Naloxone website development and a directory, £4,000 for contact management development and £25,107 for national user involvement.

New projects this year include Hepatitis Scotland, Sexual Health and a directory of drug injecting equipment, all funded by the Scottish Government. Funding for our User Involvement project in Dumfries & Galloway has ceased but there was new funding for user involvement in East Dunbartonshire and East Ayrshire.

Investment Policy

The majority of funds managed by the Scottish Drugs Forum are either entrusted to SDF for restricted purposes or require to be readily available for the support of the organisation. Therefore all funds are held in interest bearing accounts where there is no risk to the capital sums. As all funds are being used and replenished within the short to medium term (0 to 6 months) no long term deposits are made.

Reserves Policy

The funds available for the immediate support of the organisation are regularly compared against the costs of the Scottish Drugs Forum's activity in order to assess the level of protection they afford. The Board's aim is that they should, broadly, equate to 3 months running costs for the whole organisation, as measured against the previous financial year. At 31st March 2012 this would suggest an appropriate level of available reserves to be around £ 328,000. As seen above our immediately available General Fund is currently below this level and the Board are seeking to address this over a number of years.

Funders

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

Scottish Government	NHS Lothian
	NHS Fife
Glasgow City Council	NHS Borders
Big Lottery Fund	East Dunbartonshire Council
Fairer Jobs Fund	East Ayrshire Council

Future plans

Given the overall financial situation within the public sector we recognise that our overall level of funding is likely to decrease next year. However we have undertaken a significant amount of work to further diversify our funding sources so that we are not overly reliant on one funding stream. For example we secured funding to develop a range of work in relation to Hepatitis and have further funding from the Big Lottery.

The Scottish Drugs Forum Limited

Report of the Directors (Continued)

Statement of Trustees' Responsibilities

The trustees (who are directors of The Scottish Drugs Forum Limited for the purposes of company law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which 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 year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 trustees 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 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The applicable law also sets out the trustees' responsibilities for the preparation and content of the Report of the Directors. In addition the trustees are responsible for any other information published together with the Report of the Directors and the Financial Statements.

The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In so far as the trustees are aware:

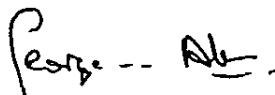
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Board

Signed:



Name: George Allan

Director

Date: 19/9/12

Independent Auditor's Report To the Trustees and Members of The Scottish Drugs Forum Limited

We have audited the financial statements of the Scottish Drugs Forum for the year ended 31 March 2012 set out on pages 11 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the directors, as trustees of the charity, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members and the charity's trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including 'APB Ethical Standard - Provisions Available for Small Entities (Revised)', in the circumstances set out in note 13 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

[continued on next page]

**Independent Auditor's Report
To the Trustees and Members of The Scottish Drugs Forum Limited (continued)**

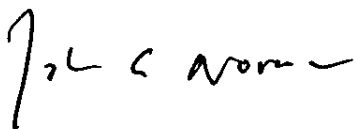
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Board of Directors.



John Norman CA (Senior Statutory Auditor)

**For and on behalf of
Norman, Downie & Kerr Ltd
Chartered Accountants and Statutory Auditor**

The Courtyard
130 Constitution Street
Leith
Edinburgh EH6 6AJ

Date: 21 Sept. 2012

The Scottish Drugs Forum Limited

**Statement of Financial Activities (including Income and Expenditure Account)
For the Year Ended 31 March 2012**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Grants for National & Regional support	2	360,000	46,542	406,542	430,077
Members' subscriptions		9,037	-	9,037	11,325
Activities for generating funds	3	10,314	-	10,314	3,551
Bank interest		1,784	-	1,784	1,375
Incoming resources from charitable activities:					
<i>National services:</i>					
Quality Development Programme	4	-	231,101	231,101	230,157
Hepatitis Scotland	4	-	207,600	207,600	-
Training	4	-	142,000	142,000	185,736
Other national services	4	-	104,481	104,481	30,000
<i>Operations projects:</i>					
Addiction Workers' Training Programme	4	-	190,920	190,920	271,161
User involvement	4	-	34,216	34,216	118,934
Other projects	4	-	61,911	61,911	57,167
Conferences & Seminars		17,482	-	17,482	20,210
Consultancy, training fees & sales		22,269	-	22,269	32,280
Total incoming resources		420,886	1,018,771	1,439,657	1,391,973
Resources Expended:					
Charitable activities:					
National & Regional support		351,243	46,542	397,785	408,845
<i>National services:</i>					
Quality Development Programme		-	209,950	209,950	214,140
Hepatitis Scotland		-	186,380	186,380	-
Training		-	159,372	159,372	169,054
Other national services		-	30,680	30,680	28,642
<i>Operations projects:</i>					
Addiction Workers' Training Programme		-	206,730	206,730	286,240
User involvement		-	42,234	42,234	121,882
Other projects		550	57,463	58,013	34,127
Governance costs		21,908	-	21,908	20,540
Total resources expended	5	373,701	939,351	1,313,052	1,283,470
Net incoming resources					
- Net income for year		47,185	79,420	126,605	108,503
Transfers	11	3,770	(3,770)	-	-
Net movement in funds		50,955	75,650	126,605	108,503
Funds brought forward		332,332	204,823	537,155	428,652
Funds carried forward		383,287	280,473	663,760	537,155

The statement of financial activities above includes all recognised gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 20 form part of these financial statements.

The Scottish Drugs Forum Limited

Balance Sheet at 31 March 2012

	Note	2012 £	2011 £
Fixed Assets			
Tangible assets	7	<u>48,367</u>	<u>61,250</u>
Current Assets			
Stock		50	250
Debtors	8	72,813	56,915
Cash at bank & in hand		<u>688,114</u>	<u>526,169</u>
		760,977	583,334
Creditors - Amounts falling due within one year	9	<u>145,584</u>	<u>107,429</u>
Net Current Assets		<u>615,393</u>	<u>475,905</u>
Total Assets Less Current Liabilities		<u>663,760</u>	<u>537,155</u>
Net Assets		<u>663,760</u>	<u>537,155</u>
Funds			
<i>Unrestricted funds:</i>			
Designated funds	11	171,174	181,750
General fund	11	<u>212,113</u>	<u>150,582</u>
Total unrestricted funds		383,287	332,332
Restricted funds	11	<u>280,473</u>	<u>204,823</u>
Total Funds		<u>663,760</u>	<u>537,155</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Directors and authorised for issue on 19 September 2012

Signed:

Name:

Director

Date:

19 Sept. 2012

J. STEPHEN

The notes on pages 13 to 20 form part of these financial statements.

The Scottish Drugs Forum Limited

Notes to the Financial Statements For the Year Ended 31 March 2012

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice, Accounting by Reporting by Charities, issued in March 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 relating to the general running of the charity, rather than the charitable activity, and include annual audit and accounts preparation and costs associated with meetings of the trustees including an allocation of administrative costs.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is charged by the straight line method over the estimated useful life of each asset as follows:

Leasehold improvements	over the original period of the lease (8 years)
Furniture & fittings	10 years
Computer equipment	3 years
Other office equipment	4-5 years

Generally assets costing less than £250 are not capitalised.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

Stock

Stock comprises publications held for resale and is estimated 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 a registered charity and no provision for taxation is required on its charitable activities. The company is not registered for VAT and expenditure includes VAT where relevant.

Funds

Unrestricted general funds can be used in accordance with any of the charitable objects 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

**Notes to the Financial Statements
For the Year Ended 31 March 2012**

	2012	2011
	£	£
2 Grants for National & Regional support		
Scottish Government - <i>for National core activities</i>	360,000	390,000
NHS Lothian - <i>East of Scotland</i>	33,277	31,812
NHS Fife - <i>East of Scotland</i>	8,265	8,265
NHS Borders	5,000	-
Total National & Regional	406,542	430,077
3 Activities for generating funds		
Accommodation income	3,323	3,551
Financial administration services	6,991	-
Total	10,314	3,551
4 Incoming resources from charitable activities:		
National Services:		
Big Lottery Fund - <i>Quality Development Programme</i>	231,101	230,157
Scottish Government - <i>Hepatitis Scotland</i>	207,600	-
Training:		
Scottish Government - <i>Critical Incidents</i>	65,000	69,591
Scottish Government - <i>Naloxone training</i>	77,000	40,564
Scottish Government - <i>Hep C Young Peoples' Programme</i>	-	70,000
Scottish Government - <i>S9 Training</i>	-	5,581
Total training	142,000	185,736
Other national services:		
Scottish Government - <i>Sexual health</i>	74,481	-
Scottish Government grant - <i>Directory of Services</i>	30,000	30,000
Total other national services	104,481	30,000
Operations Projects:		
Addiction Workers' Training Programme (AWTP):		
Glasgow City Council / <i>(Fairer Scotland Fund in 2011)</i>	142,100	203,000
Fairer Jobs Fund grant	48,100	61,750
Other income	720	6,411
Total - AWTP	190,920	271,161
User involvement - grants:		
East Dunbartonshire Council - <i>user involvement</i>	13,333	-
East Ayrshire Council - <i>user involvement</i>	14,483	-
NHS Lothian - <i>East of Scotland user involvement</i>	5,125	5,000
Glasgow City Council - <i>Development manager</i>	-	50,650
Glasgow City Council - <i>user involvement Greater Glasgow</i>	-	40,645
Dumfries & Galloway DAAT - <i>user involvement</i>	-	21,591
Other income for User involvement	1,275	1,048
Total - user involvement	34,216	118,934
Other projects:		
Big Lottery Fund - <i>recovery from drug injecting (research)</i>	31,911	41,309
Scottish Government - <i>Injecting equipment Directory</i>	15,000	-
Scottish Government - <i>Naloxone website & directory</i>	15,000	-
EU funding - <i>Senior drug dependents & care structures</i>	-	12,858
Other project grants	-	3,000
Total - other projects	61,911	57,167

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

5 Resources Expended	Staff costs	Direct operating costs	Admin cost allocation	Total 2012	Total 2011
	£	£	£	£	£
National & Regional support	281,946	28,600	87,239	397,785	408,845
National services:					
Quality Development Programme	167,732	20,478	21,740	209,950	214,140
Hepatitis Scotland	141,655	21,398	23,327	186,380	-
Training	100,856	44,183	14,333	159,372	169,054
Other national services:					
Directory of services	22,488	4,033	1,099	27,620	28,642
Sexual Health	2,513	99	448	3,060	-
Operations projects:					
Addiction workers' training programme	55,434	144,258	7,038	206,730	286,240
User involvement	40,571	401	1,262	42,234	121,882
Other projects:					
Recovery from drug injecting - research	10,621	25,942	1,550	38,113	19,131
Injecting equipment directory	8,650	-	400	9,050	-
Senior drug dependents & care structures	-	-	-	-	8,911
Other project expenditure	-	10,850	-	10,850	6,085
Governance costs	8,800	-	13,108	21,908	20,540
Total resources expended	841,266	300,242	171,544	1,313,052	1,283,470
Analysis of above expenditure:					
Staff costs (note 5)	841,266	-	-	841,266	808,373
Direct operating costs:					
Conferences and seminars	-	12,815	-	12,815	15,881
Publications, printing & subscriptions	-	3,049	-	3,049	2,667
Training & consultancy	-	4,194	-	4,194	3,862
Travel & subsistence	-	22,556	-	22,556	19,725
Direct project costs:					
Addiction project trainee costs	-	106,498	-	106,498	159,435
Addiction project - training & travel costs	-	32,094	-	32,094	48,045
Other project training costs	-	52,383	-	52,383	20,517
Research costs	-	25,430	-	25,430	11,139
Website development & IT costs	-	28,109	-	28,109	8,272
Other project costs	-	13,114	-	13,114	12,207
Administrative costs:					
Rent & rates	-	-	43,526	43,526	52,236
Property services	-	-	42,069	42,069	40,272
Postage & telephone	-	-	14,470	14,470	13,442
Office supplies	-	-	25,123	25,123	21,939
Office equipment costs	-	-	12,771	12,771	14,278
Professional fees	-	-	13,608	13,608	5,666
Depreciation	-	-	17,047	17,047	17,858
Loss on disposal of fixed assets	-	-	-	-	1,466
Bad debt provision	-	-	2,930	2,930	6,190
Total resources expended	841,266	300,242	171,544	1,313,052	1,283,470

The Scottish Drugs Forum Limited
Notes to the Financial Statements (continued)

5. Resources Expended (continued)	2012	2011
	£	£
<i>Auditors' remuneration:</i>		
for audit and accounts: current year accrual	4,320	3,900
previous year adjustment	-	61
	<u>4,320</u>	<u>3,961</u>

6. Staff Details	£	£
Gross salaries & wages	677,884	676,327
Social security costs	71,166	68,232
Pension costs	43,383	42,189
Seconded staff	44,388	16,482
Recruitment	4,445	5,143
Total	<u>841,266</u>	<u>808,373</u>

<i>Average full-time equivalent number of employees:</i>	No.	No.
Management	4	4
Project / development staff	13	13
Administrative support	5	5
Total	<u>22</u>	<u>22</u>

1 employee received emoluments in excess of £60,000.

No emoluments were paid to directors during the year and there were no expenses reimbursed (previous year - £48 reimbursed for travel).

7. Tangible Fixed Assets	Furniture & equipment	Leasehold improvements	Total
<i>Cost or Valuation</i>	£	£	£
At 1 April 2011	73,489	80,649	154,138
Additions	4,164	-	4,164
(Less): Disposals	<u>(776)</u>	<u>-</u>	<u>(776)</u>
At 31 March 2012	<u>76,877</u>	<u>80,649</u>	<u>157,526</u>
<i>Depreciation</i>			
At 1 April 2011	62,645	30,243	92,888
Charge for year	6,966	10,081	17,047
(Less): on disposals	<u>(776)</u>	<u>-</u>	<u>(776)</u>
At 31 March 2012	<u>68,835</u>	<u>40,324</u>	<u>109,159</u>
<i>Net Book Value</i>			
At 31 March 2012	<u>8,042</u>	<u>40,325</u>	<u>48,367</u>
At 31 March 2011	<u>10,844</u>	<u>50,406</u>	<u>61,250</u>

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

8. Debtors	2012	2011
<i>Amounts falling due within one year:</i>	£	£
Invoiced sales	14,115	21,575
Accrued income	30,085	17,557
Prepayments & other debtors	<u>28,613</u>	<u>17,783</u>
	<u>72,813</u>	<u>56,915</u>

9. Creditors		
<i>Amounts falling due within one year:</i>	£	£
Deferred income (training)	19,800	9,000
Taxation and Social Security	19,431	20,254
Accruals & other creditors	100,219	71,801
Funds held for ERIT (see note below)	<u>6,134</u>	<u>6,374</u>
	<u>145,584</u>	<u>107,429</u>

Note: Funds of £6,134 are held on behalf of the Federation of European Professional Associations Working in the Field of Drug Abuse (ERIT).

10. Lease Commitments

The company has operating lease commitments for rent on its national office premises in Glasgow on leases expiring in over 5 years. The total annual amount due at present is £40,656 (including VAT at 20%). Rent reviews are due at 27 March 2016.

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

11. Movement on Funds

		At 1/4/11	Movement in Resources		Fixed Asset Transfers	Other Transfers	At 31/3/12
	Note	£	Incoming £	Outgoing £	£	£	£
Restricted Funds:							
Regional support - East	(a)	-	46,542	(46,542)	-	-	-
National services:							
Quality Development	(b)	63,312	231,101	(209,950)	-	-	84,463
Hepatitis Scotland	(c)	-	207,600	(186,380)	(3,455)	-	17,765
Critical Incidents	(d)	11,419	65,000	(72,118)	-	-	4,301
Hepatitis C	(d)	9,586	-	(5,847)	-	-	3,739
Naloxone training	(d)	11,370	77,000	(81,707)	-	-	6,663
Directory of services	(e)	5,017	30,000	(27,620)	-	-	7,397
Sexual health	(f)	-	74,481	(3,060)	(315)	-	71,106
User involvement (national)	(h)	18,218	1,275	-	-	5,614	25,107
Operations projects:							
Addiction Workers' Training	(g)	34,816	190,920	(206,730)	-	-	19,006
East Dunbartonshire UI	(h)	-	13,333	(13,333)	-	-	-
East Ayrshire UI	(h)	-	14,483	(19,681)	-	5,198	-
East of Scotland UI	(h)	-	5,125	(5,125)	-	-	-
Dumfries & Galloway UI	(h)	14,907	-	(4,095)	-	(10,812)	-
Drug injecting research (Big Lottery)	(i)	22,178	31,911	(38,113)	-	-	15,976
Injecting equipment directory	(j)	-	15,000	(9,050)	-	-	5,950
Other funds:							
Naloxone website	(k)	-	10,000	-	-	-	10,000
Naloxone directory	(k)	-	5,000	-	-	-	5,000
Website development	(l)	10,000	-	(10,000)	-	-	-
Contact management	(l)	4,000	-	-	-	-	4,000
Total Restricted Funds		<u>204,823</u>	<u>1,018,771</u>	<u>(939,351)</u>	<u>(3,770)</u>	<u>-</u>	<u>280,473</u>
Unrestricted Funds:							
Designated funds:							
Redundancy provision	(m)	60,500	-	-	-	12,307	72,807
Website development	(n)	10,000	-	(10,000)	-	-	-
Quality Development Prog	(o)	50,000	-	-	-	-	50,000
Fixed Asset fund	(p)	61,250	-	(17,047)	4,164	-	48,367
Total designated funds		<u>181,750</u>	<u>-</u>	<u>(27,047)</u>	<u>4,164</u>	<u>12,307</u>	<u>171,174</u>
General fund	(q)	<u>150,582</u>	<u>420,886</u>	<u>(346,654)</u>	<u>(394)</u>	<u>(12,307)</u>	<u>212,113</u>
Total Unrestricted Funds		<u>332,332</u>	<u>420,886</u>	<u>(373,701)</u>	<u>3,770</u>	<u>-</u>	<u>383,287</u>
Total Funds		<u>537,155</u>	<u>1,439,657</u>	<u>(1,313,052)</u>	<u>-</u>	<u>-</u>	<u>663,760</u>

(see Notes on Funds on next page)

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

11. Movement on Funds (continued)

Notes on Funds & Transfers:

- (a) Regional support grants have been received from NHS Lothian, NHS Fife and NHS Borders and are targeted primarily to support responses to drugs problems in those areas.
- (b) The Quality Development Programme for Drug Services is funded by the Big Lottery Fund over a 4-year period from 1/11/09. The project seeks to improve the services on offer to people who have a drug problem. The funding for year 4 was subject to securing funding for year 5 from other sources and this condition has now been fulfilled.
- (c) Hepatitis Scotland is funded by the Scottish Government and hosted within the Scottish Drugs Forum so as to lead the national voluntary sector response regarding viral hepatitis.
- (d) The funds for Critical Incidents, Hepatitis C and Naloxone are for training in these areas and arise from grants by the Scottish Government.
- (e) The production of a Directory of Drug Services is funded by the Scottish Government.
- (f) The sexual and reproductive health post is funded, for 3 years, by the Scottish Government to improve the sexual and reproductive health of substance users in Scotland.
- (g) The Addiction Workers' training programme was funded by the Glasgow City Council and the Fairer Jobs Fund during the year. The project exists to train people with a history of alcohol and drug dependency in social care.
- (h) User involvement (UI) projects have been funded from various statutory sources and exist to enable a service user voice in the planning and delivery of services.
- (i) Drug injecting research is funded by the Big lottery Fund over 2 years to June 2012.
- (j) The production of a Directory of Injecting Equipment Provision is funded by the Scottish Government.
- (k) The Naloxone Directory and website are funded by the Scottish Government.
- (l) The restricted fund for *Website development* was expended during 2011/12 and the *Contact Management development* fund will be spent during 2012/13.
- (m) The redundancy provision has been set aside to ensure that the Scottish Drugs Forum is able to meet its legal obligations to staff to make redundancy payments when required.
- (n) The designated fund for Website development was expended during 2011/12.
- (o) £50,000 has been designated to the Quality Development Programme as match funding for year 5 of the project – see note (b) above.
- (p) The fixed asset fund represents the net book value of fixed assets. Annual depreciation has been charged to the fund and the cost of assets acquired in the year, net of adjustment for disposals, has been transferred into the fund.

(Notes on Funds continued on next page)

The Scottish Drugs Forum Limited

Notes to the Financial Statements (continued)

11. Movement on Funds (continued)

Notes on Funds & Transfers (continued):

- (q) The *General fund* represents the free reserves of the charity, which are immediately available to support the activity of the organisation. Incoming resources in the year include annual grant funding of £360,000 from the Scottish Government, which contributes to the national core activities of policy, information, communications, finance and administration.

Resources are available in the form of liquid assets to enable each restricted fund above to be expended when required in accordance with its restricted purpose (see note 12 below).

12. Analysis of Net Assets Between Funds

	Restricted Funds £	Designated Funds £	General Fund £	Total Funds £
Tangible fixed assets	-	48,367	-	48,367
Stock	-	-	50	50
Debtors	30,000	-	42,813	72,813
Bank & cash	302,907	122,807	262,400	688,114
Creditors due in one year	<u>(52,434)</u>	<u>-</u>	<u>(93,150)</u>	<u>(145,584)</u>
Total funds at 31 March 2011	<u>280,473</u>	<u>171,174</u>	<u>212,113</u>	<u>663,760</u>

13. Other services provided by Auditor

In common with many charities of similar size, we use our auditor to assist with the preparation of the financial statements.