

Drugs Action
(A company limited by guarantee)

**Directors' report and financial statements
for the year ended 31 March 2015**

Company number SC094162

Charity number SC013582

Drugs Action
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Company information

Current Directors

Wilma Macpherson (Chair)
Doris Campbell (Vice Chair)
Alec Cumming (Treasurer)
Barbara Mackay
Douglas Paterson
Colin Brown

Other directors who served during the period

Catherine Wilson (resigned 26 May 2015)

Chief Executive

L Grugeon

Company Secretary

A Cumming

Charity number

SC013582

Auditors

Henderson Loggie
Chartered Accountants
48 Queens Road
Aberdeen
AB15 4YE

Solicitors

Plenderleath Runcie
Anderson House
24 Rose Street
Aberdeen
AB10 1UA

Just Employment Law
City View
6 Eagle Street
Glasgow
G4 9XA

Bankers

Bank of Scotland
201 Union Street
Aberdeen
AB11 6UG

Principal and registered office

7 Hadden Street
Aberdeen
AB11 6NU

Company number

SC094162

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Directors' report

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2015. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised 2005).

Structure, governance and management

Governing document

Drugs Action is a company limited by guarantee and is governed by its Memorandum and Articles of Association. It is a registered charity.

The company is administered by a Board of Directors who are its Directors for the purposes of charity law. New directors must be elected unanimously by the existing directors and shall retire by rotation over a three year period. The Board of directors meets every two months to administer the company's activities. In addition, there are two Board sub groups covering the Governance and Funding areas of the organisation respectively with each Director sitting on one of these groups as well as their place on the Board. The day to day running the company is the responsibility of the Chief Executive, Mrs Luan Grugeon. The Chief Executive reports to the Board on a regular basis.

Risk policy

The directors have reviewed the major risks to which the charity is exposed and systems are in place to manage these risks. This process is part of the annual review of the Risk Register, which considers the following areas: Governance, Operational, Financial, H&S, ICT & External risks. If any risks are identified then appropriate measures are taken to mitigate or reduce these.

Induction and training of new directors

Induction and training of directors is viewed as an ongoing process. Relevant training opportunities are brought to the attention of the directors as required. In addition, input by staff is a means by which Board Members update on practice issues relating to the company's activities.

Mission statement

To improve the quality of life of individuals, families and communities by helping people reduce the harms associated with alcohol and other drug use and support recovery.

Objectives

- To provide and develop an easily accessible range of specialist counselling, information and advice services to drug/alcohol users, ex-users, their families and friends.
- To provide targeted drugs education interventions training and consultancy to other professionals and agencies
- To provide appropriately targeted interventions to prevent and reduce alcohol and other drug related harm at all stages, levels and patterns of drug using behaviour.
- To provide interventions which encourage and support the maintenance of positive changes in alcohol and other drug use and related behaviour and support recovery.
- To provide services which specifically target hard to reach and vulnerable drug users and those at risk of developing drug related problems.
- To inform the development of a strategic approach to alcohol and other drug related problems at local and national level.
- To provide a volunteering buddying programme to enhance appropriate services.
- To provide opportunities for peer support and enhancement of capacity within communities.

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Directors' report (continued)

Drugs Action (referred to in this document as DA) has, for more than 29 years, made a significant contribution to the development and delivery of services to drug users, their friends and families in the Grampian area. This includes those affected by illicit drugs, over the counter drugs, prescribed medication and alcohol, and increasingly widely available range of drugs that are sold via the internet. In addition to the delivery of direct services locally, DA provides a range of training at a local and national level. We are regularly invited to contribute to national working groups and present at conferences.

Staffing

The multi-disciplinary staff team comprises a wide range of skills and expertise to deliver the diverse services provided and effectively meet the complex needs of service users. This includes nursing, mental health, social work, occupational therapy, community learning, counselling and lived experience. Ongoing training and professional development are available to staff and prioritised according to service requirements. Core skills and training priorities are reviewed on an ongoing basis to support evidence based practice and include specialist knowledge and skills such as Relapse Prevention, CBT, Motivational Enhancement, overdose training and a range of harm reduction training. Child & Adult Protection and ASIST Suicide Prevention are also priorities as core training. Staff also provide training in the Break the Cycle intervention, which was developed in partnership with Health Scotland.

Achievements and performance

The past year has been one of change and new developments. The organisational strategy which was developed in early 2013 has continued to be an important roadmap to guide the direction of activity of the organisation. DA has developed an organisation wide outcomes framework which aims to consolidate and simplify the outcomes resulting from the diverse range of DA's service activities. This can be summarised as follows:

DA Key organisational outcomes:

- Prevention of harmful use of alcohol and drugs
- Reduction in risky behaviour associated with alcohol or drugs
- People and families with alcohol and drug problems recover
- Quality of life is improved for everyone

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Directors' report (continued)

The following summarises some key activities during the past year which have contributed to achieving the above outcomes. This has been achieved as a result of the hard work, dedication and shared vision of the DA board, staff and volunteer team at DA:Key activities in 2014-2015	Key Outcomes			
	Prevention of harmful use of alcohol and drugs	Reduction in risky behaviour associated with alcohol or drugs	People and families recover	Quality of life is improved
43 children were supported in Aberdeenshire to minimise the impact of parental substance problems on the child	✓	✓	✓	✓
40 families comprising children, parents and grandparents supported in Aberdeen to address substance use in the family through 1-1 and joint family work	✓	✓	✓	✓
215 people were supported to address alcohol issues in Aberdeenshire via 1-1 support, access to group activities and Buddy support		✓	✓	✓
638 individuals accessed advice and information via the duty drop-in	✓	✓		✓
700 helpline contacts took place	✓	✓		✓
81,157 website hits	✓	✓		✓
1228 individuals attended the injecting equipment provision service		✓		✓
86 women involved in prostitution were supported		✓	✓	✓
90 individuals attended for Structured Preparatory Work (drugs)		✓	✓	✓
637 Individuals supported by DA's drug recovery service (ARC)		✓	✓	✓
340 recovery milestones were completed in the past year by ARC service users			✓	✓
30 people volunteered at DA			✓	✓
139 training events were held by DA in Aberdeen and Aberdeenshire, with over 4000 people attending these events	✓	✓		✓

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Directors' report (continued)

Creating and sustaining high quality services - Main achievements in the past year

Following a competitive tendering process by NHS Grampian and Aberdeen City Council, the organisation was successful in its application to deliver third sector alcohol services in Aberdeen. Launched in January 2015, the new 'Alcohol Aberdeen' services now provide 7 days per week advice and support for people living in Aberdeen City who are concerned about their own or a loved one's drinking. This includes work at a population level to reduce hazardous and harmful drinking as well as structured and integrated support to assist dependent drinkers. We are confident that the service model and staff in place will enable us to have a significant and positive impact on reducing alcohol related harm in Aberdeen.

"The DA has helped me with my drug use, although I'm not a drinker I was drinking when first came to DA. However, we identified the problem and found a solution. I believe the DA works miracles and do all they can so I can achieve my goals in life, and are in fact helping me get a life." Alcohol Aberdeen Service user

The charity has retained its focus on ensuring the team is highly skilled and competent to ensure high quality interventions are consistency delivered to all service users. This is embedded in the Supervision and Appraisal processes and in the investment in staff training which is in place. The Scottish Government has produced its Quality Principles for drugs and alcohol services which ties in well with the core competencies already in place within the organisation. This will be developed further in the next financial year.

"My worker goes the extra mile and does not judge." Aberdeen Recovery Community (ARC) service user

The organisation has reviewed its governance arrangements and work has progressed to develop a new Board of Director's Handbook and Recruitment process for board members. This will ensure robust mechanisms are in place to enable the board to continue to function effectively. The board has also reviewed the risk register for the organisation and has divided ongoing monitoring of this between the board Funding and Governance Sub-groups.

The organisation has also implemented a range of methods for seeking direct service user feedback to measure quality including use of anonymous questionnaires, graffiti walls and online questionnaires to gauge satisfaction with DA services. The responses have been overwhelmingly positive with the common themes being the accessibility of services and the non-judgemental and knowledgeable staff.

"I did not have to wait long to be seen. My substance use worker was warm and friendly and did not try to push me to stop drinking quickly. She gave me advice on how to reduce my drinking @ my pace." Direct Access service user

Due to the growth in the organisation, it has been important to develop new ways of communicating both within and out with the organisation. During the last year we have continued with regular CEO email updates to the whole team. In addition, a whole team strategy day took place in October where all staff had the opportunity to comment on organisational plans. We have also introduced shorter events throughout the year to keep staff and volunteers in touch with key organisational developments.

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Directors' report (continued)

Shaping innovation for new service delivery- Main achievements

An interactive website was launched in August 2014 and the website provides immediate advice online, up to information on services and activities and this has seen an increase in people accessing our support online. In addition, we have brought together Substance Use workers and Business Support to ensure our web and social media content is regularly updated with key activities, information and events. This has resulted in an increase in our Facebook and Twitter followers during the year.

“Being encouraged to volunteer was helpful plus loved the recovery awards last year was excellent for me” DA Volunteer

The DA Recovery Star award ceremony was held in November 2014. This was an opportunity to celebrate and acknowledge personal recovery milestones many people had achieved. The event was sponsored by Aberdeen Football Club and Marathon Oil and endorsed by the Aberdeen City ADP. The event was very successful both in terms of motivating people who attended but it also highlighted that recovery is possible from substance dependency. Planning for the 2015 awards is now underway.

“The service was indispensable for me SAVED MY LIFE!!! There was always someone there when needed. Staff are great. Brilliant support. Great access to services, ARC Service is great and helped me tremendously” Direct Access and ARC Service User.

The early intervention staff, based at the Timmermarket, have played a significant role in the Integrated Drug Service including the successful achievement of HEAT targets as well as working closely with the HMP Grampian and ARC employability to improve outcomes for people at an early stage of engagement with treatment services. Work has begun to provide a Direct Access presence at the Timmermarket which aims to help people access treatment as quickly as possible and also to develop recovery supporting activities at the NHS facility.

“My worker has helped me from a shell of a man into a confident part of the community. I have nothing bad to say about DA it is a godsend. Thank you!” CASA Service User

Our Recovery Coaches have continued to play a significant role in the multi-disciplinary teams within the Community Clusters. The Prescribing for Recovery initiative was extended to August 2015 to reflect greater demand from practices and feedback has been very positive on this extended role. The staged model of delivery is now in place which allows the service to track individual progress against agreed recovery milestones.

“I find my DA Worker gets me the most and I respect his opinions and trust him implicitly. If things are getting me down he helps me put things into perspective. I'm still on Methadone but am coming down each week.” ARC service user

The ARC employability service has undergone changes during 2014 to increase in client numbers and referral pathways. This has demonstrated an innovative approach to addressing welfare reform issues and has led to an increase in referrals to ARC. City and Guilds packages have been developed in partnership with Aberdeen Foyer and have been verified and accredited by North East Scotland College. These qualifications will be made available to service users in the next financial year.

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Directors' report (continued)

“I am being helped with my problems relating to getting out of the house and doing positive things with my time.” ARC Service User

Following the appointment of a Volunteer Coordinator for our city services, this year has seen a significant increase in volunteering activity. We have also successfully trained volunteers to become Naloxone peer educators, a crucial part of the efforts to reduce drug related deaths locally. Volunteering has also supported the availability of new activities including a gardening Group, complementary therapies, a personal fitness group, a painting group, photography club and many others, all of which have provided important support to help people in their recovery journeys. We are grateful to our growing team of volunteers for giving their time and support so willingly.

“I feel confident talking with my worker, however not so confident in life, however we are working on that.” CASA Service User.

In relation to Aberdeenshire activity, services went through a full review by Aberdeenshire Council in 2014. Local area piloting work has also been carried out to improve integration across services in Aberdeenshire.

“I like to go for coffee and chatting like we do gets my thoughts in order like to discuss what I have done in a week.” CASA Service User

CASA has continued to provide 1-1 support to people affected by alcohol in Aberdeenshire. The service has continued to deliver a triage system to ensure people are assessed quickly and referred where at all possible to the most appropriate source of support. The Aberdeenshire Alcohol Drug Partnership has agreed to fund DA as part of a partnership to implement a single point of access and develop recovery opportunities as a pilot for 1 year in 2015. Once this is concluded, it is likely that this will result in recommissioning of third sector drug and alcohol services in Aberdeenshire.

“DA has been there in times of trouble keeping my family from being torn apart.” Families First Service User

In 2014, Families First increased its capacity to work with more families where parental substance use is a potential issue. We have secured an additional years funding from TSIEF to continue to deliver services for a further year.

Discussions began this year with Aberdeen City Council regarding developing a Public Social Partnership (PSP) in relation to Children Services. This is to ensure third sector provision is complementing the new Reclaiming Social Work model which is being implemented by Aberdeen City Council. It is hoped that the charity will have a key role to play in the development of the local PSP due to the skills, expertise and services which we have locally.

“They have given me space to put the past to rest once and for all” Quay Services, Service User

Supported from the Scottish Government's Violence Against Women Unit, the charity has continued its work to reduce gender based inequalities through engaging with women involved in prostitution to keep them safe and provide opportunities to recover and move on from prostitution. Our prevention activities around commercial exploitation have also developed with a range of 1-1 support and awareness raising programmes targeting at risk young people and professionals who are in contact with at risk individuals.

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Directors' report (continued)

Consolidate existing and develop new strategic partnerships - Main achievements

Good relationships have developed with the media and the profile in the media has increased in the past year. We now have journalists who are willing to work with us to allow the sharing of recovery journeys which preserves client anonymity in the press and also on radio and TV.

We have developed our already strong partnership with RGU and in the past year we have had RGU placements from a range of disciplines including, Sports Science, Nursing, Social Work and Business/Communications. These inputs have not only been beneficial to the individual students but have also greatly added value and provided fresh insights and ideas into our activities.

Good relationships continue to develop with Police Scotland through Operation Begonia and in addition through Operation Maple which has provided an additional route to support for some service users. We look forward to developing these relationships to maximise referral pathways.

We have worked in partnership with the Robertson Trust and has been successful in securing a 3 year development grant to develop a young person's community engagement project. This will see young people taking the lead in challenging harmful alcohol and drug issues in their own communities.

We now have a lead training officer in place whose role is to attract additional training income to the organisation. To date, this has resulted in the charity being commissioned to deliver bespoke training on NPS (known as legal highs) to the public and private sector.

Develop high quality organisational/systems and support - Main achievements

On-going work on data collection systems using a logic modelling approach to define what database/systems are needed to meet commissioning requirements as well as to inform good practice and new service developments has been progressed during 2014. This has resulted in the roll out of client monitors for all clients engaging in structured support in early 2015. The following financial year, this will further develop through the acquisition of a case management system in the next financial year.

The rebranding of the organisation to 'DA' has progressed this year, allowing the organisation to retain its strong reputation whilst at the same time signalling that we work with alcohol as well as other drugs. This is working well, with good initial uptake of all parts of our Alcohol Aberdeen services.

Plans for the year ahead

This is an exciting yet challenging time for the organisation with the team positively tackling many changes over the past year. I would like to formally express my gratitude to staff and volunteers, service users, board members, our funders and key stakeholders who have been instrumental in supporting the charity to develop and deliver services which have a significant and positive impact on reducing alcohol and drug related harm. I am confident that with such great support and commitment, we will continue to make a positive impact during the next financial year:

- Due to the significant growth in the organisations activity, a review of accommodation requirements of the organisation will take place in 2015
- A significant focus of 2015 will be to embed the new alcohol services into local communities and to ensure we continue to reach out to the whole population

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Directors' report (continued)

Plans for the year ahead (continued)

- We will continue to develop use of new technologies to maximise our impact
- In order to improve reporting systems, we will procure a case management system
- We will develop a Quality Assurance Framework for the organisation and introduce further internal auditing processes to ensure consistent quality delivery
- We will work in partnership with key stakeholders in Aberdeenshire to deliver easy to access, effective services in Aberdeenshire which meet local need
- We will seek to extend our activity in relation to preventing young people developing problems in relation to alcohol or drugs
- We will work with all relevant partners to widely distribute Naloxone in order to contribute to reducing drug related deaths in Grampian
- We will review our training lead officer post and assess whether this is viable way of attracting additional income from the private sector and other sources

Financial review

The deficit for the year amounted to £69,704 (2014 - £10,034). The operating deficit for the year, of £94,797 together with investment income, training and teaching income and donations totalling £25,093 resulted in an overall deficit of £69,704.

Reserves policy

The Board confirms that on a fund by fund basis the charity's assets are available and adequate to fulfil the obligations of the charity.

The directors have addressed the creation of designated reserves to meet shortfalls on funding. This will be implemented in stages but will be dependent on negotiations with major funders.

It was previously the policy of the company to try and maintain a cash reserve level of 30% of annual expenditure. Due to the growth of the organisation over recent years and funding arrangements in place for current contracts, it is now the policy to maintain sufficient cash reserves to cover expenses for a minimum of one month's expenditures.

Investment powers

There are no restrictions on the charity's power to invest. The directors have the power to invest as they see fit.

Provision of information to auditor

So far as the Directors are aware there is no relevant audit information of which the company's auditor is unaware and we have taken all the necessary steps that we ought to have taken as Directors in order to make ourselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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Directors' report (continued)

Auditor

Henderson Loggie has expressed their willingness to continue in office and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

This report, which has been prepared in accordance with the provision applicable to companies subject to the small companies' regime was approved by the board on 2015 and signed on its behalf by:

.....
Alec Cumming
Director

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Statement of Directors' responsibilities

The Directors (who are also the trustees of Drugs Action for the purposes of charity law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure of the company for that period. In preparing these financial statements, the Directors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 charitable company and enable them to ensure that the accounts comply 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). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent Auditor's Report to the Members and Directors of Drugs Action

We have audited the financial statements of Drugs Action for the year ended 31 March 2015 which comprise the statement of financial activities, the balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Directors, as a body, 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 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Directors 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 Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, the Directors (who are also the trustees of the charitable company for the purpose of charity 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 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

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 company's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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Independent Auditor's Report to the Members and Directors of Drugs Action
(continued)

Opinion on the 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 2015 and of charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

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) requires 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 charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Fiona Morgan (Senior Statutory Auditor)

For and on behalf of Henderson Loggie, Statutory Auditor
(Eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006)
Aberdeen

..... 2015

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Statement of financial activities for the year ended 31 March 2015

	Note	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	3	35,765	51,835	87,600	98,882
Activities for generating funds	4	19,132	-	19,132	15,406
Investment income		2,259	-	2,259	1,459
Incoming resources from charitable activities	5	-	1,615,742	1,615,742	1,307,627
Total incoming resources		57,156	1,667,577	1,724,733	1,423,374
Resources expended					
Charitable activities					
General	6	39,753	1,740,884	1,780,637	1,420,628
Governance costs	6	13,800	-	13,800	12,780
Total resources expended		53,553	1,740,884	1,794,437	1,433,408
Net incoming/(outgoing) resources before transfers		3,603	(73,307)	(69,704)	(10,034)
Transfers		(2,338)	2,338	-	-
Net movement of funds in year		1,265	(70,969)	(69,704)	(10,034)
Total funds brought forward		271,046	98,427	369,473	379,507
Total funds carried forward	12	272,311	27,458	299,769	369,473

All of the above activities relate to continuing operations.

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Balance sheet at 31 March 2015

	Notes	£	2015 £	2014 £
Fixed assets				
Tangible assets	9		153,825	185,158
Current assets				
Debtors	10	17,731	83,951	
Cash at bank		303,008	401,048	
			<hr/>	
		320,739	484,999	
Creditors				
Amounts falling due within one year	11	(174,795)	(300,684)	
			<hr/>	
Net current assets			145,944	184,315
			<hr/>	
Net assets			299,769	369,473
			=====	=====
Funds				
Unrestricted funds	12		113,288	112,023
Designated funds	12		159,023	159,023
Restricted funds	12		27,458	98,427
			<hr/>	
Total funds			299,769	369,473
			=====	=====

The directors have taken advantage, in the preparation of the financial statements, of the provisions applicable to companies under the small companies' regime.

Approved by the Board on 2015 and signed on its behalf by:

Alec Cumming
 Director

The notes on pages 16 to 25 form part of these financial statements.

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Notes on the financial statements

1 Status of company and liability of members

On the winding up of the company every member has undertaken to contribute to the assets of the company for the payment of the debts and liabilities and of the cost of winding up of the company, such amount as may be required not exceeding five pounds. If the winding up occurs within one year of a member ceasing to be a member then the above applies for debts and liabilities of the company contracted for before he ceased to be a member.

2 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and include the results of the company's operations as indicated in the directors' report, all of which are continuing. The financial statements incorporate the requirements of the Statement of Recommended Practice - "Accounting and Reporting by Charities" (SORP 2005), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Directors have considered the future prospects and funding of the charity and believe that the going concern basis is appropriate for the preparation of these financial statements.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement, on the grounds that it is a small company.

Funds

In the Statement of Financial Activities, funds are classified as either restricted funds or unrestricted funds, defined as follows:

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Directors.

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.

Designated funds are unrestricted funds that have been set aside by the directors for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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Notes to the financial statements (continued)

2 Accounting policies (continued)

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended and irrecoverable VAT

Expenditure is accounted for on an accruals basis inclusive of VAT which cannot be recovered, and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 50 years straight line
Freehold property/Tenants improvements	- 3-5 years straight line
Plant & machinery	- 3-5 years straight line
Fixtures and fittings	- 3-5 years straight line
Computer equipment	- 3-5 years straight line

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Some members of staff are members of the North East Scotland Pension Fund which is a defined benefit scheme. Contributions to the scheme are advised by the Scottish Public Pensions Agency and are charged to the SOFA so as to spread the cost of pensions over the period during which the charity benefits from the employees' service. It is not possible for the charity to identify its share of underlying assets and liabilities (as detailed in Note 13). Consequently in accordance with the SORP, the scheme is accounted for as a defined contribution scheme and contributions are recognised in the SOFA as they are payable.

Resources expended are included on an accruals basis, inclusive of any VAT which cannot be recovered.

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the company. Activities undertaken directly include costs which are directly attributable to the specific projects, the primary/aim cost being salaries for the drugs workers.

Drugs Action
(A company limited by guarantee)

Notes to the financial statements (continued)

2 Accounting policies (continued)

Pension costs and other post-retirement benefits (continued)

Support costs comprise management and administration staff salaries, together with property expenses and sundry other administrative costs required for the operation of the company.

Governance costs are the costs associated with the governance arrangements of the charity and include fees for audit, legal advice, costs of trustees meetings and preparing statutory accounts.

3 Voluntary income

		2015	2014
		£	£
Grants	Purpose		
Aberdeenshire Council	Core funding	32,063	30,540
Comic Relief		29,746	39,481
Big Lottery		22,089	21,847
		<hr/>	<hr/>
		83,898	91,868
Donations		3,702	7,014
		<hr/>	<hr/>
Total		87,600	98,882
		=====	=====

4 Activities for generating funds

	2015	2014
	£	£
Training/teaching income	19,132	15,406
	=====	=====

5 Incoming resources from charitable activities

	2015	2014
	£	£
Grants – Service level agreements		
NHS Grampian	308,745	346,077
Aberdeen City Council	880,577	631,239
Aberdeenshire Council	300,204	243,724
Scottish Executive	94,370	86,587
Lloyds TSB Families First	23,851	-
Activities Group for Recovering Substance Use	5,000	-
Future Legends Programme	2,995	-
	<hr/>	<hr/>
	1,615,742	1,307,627
	=====	=====

Drugs Action
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Notes to the financial statements (continued)

6 Resources expended

	Charitable activities		Support costs		Governance costs	Total
	Unrestricted	Restricted	Unrestricted	Restricted		
	£	£	£	£	£	£
Staff costs (note 7)	22,698	1,241,537	5,222	246,858	-	1,516,315
Other staff costs	-	3,699	-	11,180	-	14,879
Membership subscriptions	-	2,347	-	-	-	2,347
Training	164	14,296	-	-	-	14,460
Sundry expenses	3,472	20,746	-	-	-	24,218
Motor vehicle lease	-	2,232	-	-	-	2,232
Motor and travel expenses	92	26,772	-	-	-	26,864
Telephone	-	10,960	52	2,917	-	13,929
Hardship	-	1,087	-	-	-	1,087
Complementary therapies	-	80	-	-	-	80
Heat and light	-	-	100	5,469	-	5,569
Insurance	-	-	276	15,071	-	15,347
Rates and water	-	-	30	1,686	-	1,716
Rent	-	-	-	5,120	-	5,120
Refuse and cleaning	-	-	224	9,996	-	10,220
Repairs and renewals	-	-	64	3,516	-	3,580
Hire of equipment	-	-	71	3,888	-	3,959
Leaflets and books	-	-	-	10,521	-	10,521
Computer costs	-	-	298	16,291	-	16,589
Post, stationery and printing	-	-	304	6,094	-	6,398
Bank charges	-	-	-	32	-	32
Professional fees	-	-	50	1,253	7,380	8,683
Depreciation	-	-	562	30,771	-	31,333
Miscellaneous	-	-	-	1,781	-	1,781
IT equipment and furniture	-	-	2,089	21,797	-	23,886
Advertising, website and comms	-	-	3,985	22,454	-	26,439
Write off of bad debt	-	-	-	433	-	433
Audit	-	-	-	-	6,420	6,420
TOTAL	26,426	1,323,756	13,327	417,128	13,800	1,794,437

Drugs Action
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Notes to the financial statements (continued)

7 Staff costs

	2015	2014
	£	£
Wages and salaries	1,339,433	1,035,005
Social security costs	114,273	92,028
Other pension costs	62,609	54,137
	1,516,315	1,181,170
	=====	=====
 Average number of employees in year	 58	 50
	=====	=====

There were no employees whose emoluments as defined for taxation purposes amounted to £60,000 for the year ended 31 March 2015 nor for the year ended 31 March 2014.

Directors' remuneration

The Directors' received no remuneration or other benefits for the year ended 31 March 2015 nor for the year ended 31 March 2014.

Directors' expenses

There were no Directors' expenses paid for the year ended 31 March 2015 nor for the year ended 31 March 2014.

8 Operating deficit

	2015	2014
	£	£
Net resources are stated after charging:		
Staff pension contributions	62,609	54,137
Depreciation	31,333	25,480
Auditor's remuneration	6,420	5,580
	=====	=====

Drugs Action
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Notes to the financial statements (continued)

9 Tangible fixed assets

	Freehold Property	Plant & Machinery	Tenants Improvements	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£	£	£
Cost						
At 1 April 2014	320,566	10,998	21,177	12,166	26,641	391,548
Additions	-	-	-	-	-	-
At 31 March 2015	320,566	10,998	21,177	12,166	26,641	391,548
Depreciation						
At 1 April 2014	137,555	10,998	21,177	12,166	24,494	206,390
Charge for year	29,977	-	-	-	1,356	31,333
At 31 March 2015	167,532	10,998	21,177	12,166	25,850	237,723
Net book value						
At 31 March 2015	153,034	-	-	-	791	153,825
At 31 March 2014	183,011	-	-	-	2,147	185,158

10 Debtors

	2015 £	2014 £
Trade debtors	4,069	69,024
Other debtors	13,662	14,927
	17,731	83,951

11 Creditors

Trade creditors	78,415	135,605
Taxation and social security	37,628	27,699
Other creditors	58,752	137,380
	174,795	300,684
Deferred income	£	£
Balance at 1 April 2014	90,215	70,761
Amounts released in the year	(90,215)	(67,404)
Amounts deferred in the year	22,116	86,858
Balance at 31 March 2015	22,116	90,215

The bank holds a standard security over the premises at 5-9 Hadden Street, Aberdeen.

Drugs Action
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Notes to the financial statements (continued)

12 Funds

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds					
Designated Service Development Fund	141,887	-	-	-	141,887
Designated Sex Industry Drop In Fund	4,136	-	-	-	4,136
Designated Share Gift Fund	10,000	-	-	-	10,000
Designated YPI Support Groups Fund	3,000	-	-	-	3,000
General Funds	112,023	57,156	(53,553)	(2,338)	113,288
	<u>271,046</u>	<u>57,156</u>	<u>(53,553)</u>	<u>(2,338)</u>	<u>272,311</u>
Restricted funds					
THI Building Improvement NHSG/ACC – Community	32,445	-	(5,370)	-	27,075
Rehab & Recovery NHSG/ACC – Harm Reduction	28,678	502,077	(518,530)	-	12,225
NHSG/ACC – Alcohol Aberdeen	29,659	407,448	(444,207)	-	(7,100)
Scottish Executive/ Aberdeenshire Council Sex Industry	-	182,131	(182,266)	-	(135)
Aberdeenshire ADP	(1,316)	72,084	(72,279)	1,511	-
Aberdeenshire ADP Incite	4,000	-	(674)	-	3,326
Aberdeenshire ADP SUIC	(3,998)	42,748	(45,715)	-	(6,965)
ACC – Match Funding Family First	-	52,460	(52,989)	-	(529)
ACC – Lifelong Learning	719	46,695	(47,402)	(12)	-
Aberdeenshire Council – CASA	(8,278)	28,436	(24,286)	-	(4,128)
Aberdeenshire Council – Compass	(516)	160,829	(166,373)	-	(6,060)
Aberdeenshire Council – GWA	(1,678)	44,167	(47,147)	-	(4,658)
Scottish Executive S16B	36	-	-	(36)	-
Comic Relief – Green Light Project	18,688	22,286	(31,177)	-	9,797
Comic Relief – Recovery	(1,285)	29,746	(29,614)	-	(1,153)
NHSG MCN Peer Support	366	-	(863)	497	-
NHSG MCN PIEDS	7	7,500	(7,681)	174	-
Big Lottery 3 rd Sector EIF	22	15,035	(15,261)	204	-
Lloyds TSB Families First	878	22,089	(23,535)	-	(568)
Aberdeen City ADP - Joint future Legends	-	23,851	(23,557)	-	294
Aberdeen City ADP - Activities Group	-	2,995	(14)	-	2,981
	-	5,000	(1,944)	-	3,056
	<u>98,427</u>	<u>1,667,577</u>	<u>(1,740,884)</u>	<u>2,338</u>	<u>27,458</u>
Total funds	369,473	1,724,733	(1,794,437)	-	299,769
	=====	=====	=====	=====	=====

Drugs Action **(A company limited by guarantee)**

Notes to the financial statements (continued)

12 Funds (continued)

Designated funds

Following the acquisition of the new premises, a Service Development Fund was set up to meet expenditure requirements for future development of Drugs Action.

In recent years Drugs Action's work with women involved in prostitution has grown and developed. This has been supported by various sources including the Scottish Government, NHS Grampian and a number of small grants. Despite this, with the exception of Aberdeenshire Council support, funding continues to be insecure and short term; therefore the need for a designated fund for this highly vulnerable group continues to be a requirement.

The Share Gift Fund and YPI Support Groups Fund relate to unrestricted donations where the directors wish to set aside the funds for particular services.

The use of designated funds is under review and there are plans to utilise part of these going forward to ensure the organisation is in the strongest position for any future tendering.

Restricted funds

The THI Building Improvements Fund relates to money received from the Heritage Lottery Fund – The Green Townscape Initiative – via Aberdeen City Council, for refurbishment of the premises at 7 Hadden Street.

NHSG/ACC Community Rehab Fund relates to money received to provide 1-1 and group support that enables service users to further their recovery journey, undertake social integration, develop skills and reduce their reliance on specialist drug services.

NHSG/ACC Harm Reduction Fund relates to money received to provide tier 1 and 2 support to service users through a range of interventions including advice/information and support, injecting equipment provision and structured preparatory work.

NHSG/ACC Alcohol Aberdeen relates to money received for a contract for Alcohol Information & Advice Service and a Care Managed Alcohol Support Service.

Scottish Exec S16B Fund relates to money received to fund a Volunteer Coordinator who recruits, trains and supervises a team of Volunteer Buddies who engage with service users attending harm reduction services, and who provide additional support at an early stage to encourage an earlier uptake of NHS and other helping services.

The other restricted funds relate to activities/projects for which specific funding has been received. A number of funds are showing small deficits at the year end. This will be rectified by funding received in 2015/16.

Drugs Action
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Notes to the financial statements (continued)

13 Pension commitments

The company participates in the North East Scotland Pension Fund. The scheme is a fully funded multi-employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as Drugs Action is unable to identify its share of the underlying assets and liabilities of the scheme. Information about the overall funding position of NESPF was provided by the actuary to the Fund on the actuarial valuation of the Scheme as at 31 March 2014. That valuation showed that the overall funding position of the Scheme as a whole was 94%, the deficit being £191m. The contributions payable by the employers are based on the position of the Fund as a whole, which is reassessed at each triennial valuation, in line with the Administering Authority's Funding Strategy Statement.

Aberdeen City Council has agreed to act as guarantor for any unfunded liabilities in respect of Drugs Action.

The cost recognised in the Statement of Financial Activities of £5,046 (2014 - £8,056) is equal to the contributions payable to the scheme for the year. At the year end £551 was outstanding.

The company also operated defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £57,563 (2014 £46,081). At the year end, £8,258 was outstanding and is included in other creditors.

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	141,394	12,431	153,825
Cash at bank	303,008	-	303,008
Other net current liabilities	(172,091)	15,027	(157,064)
Net assets at 31 March 2015	272,311 =====	27,458 =====	299,769 =====

Drugs Action
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Notes to the financial statements (continued)

15 Operating lease commitments

At 31 March 2015 the company was committed to making the following annual payments under non-cancellable operating leases:

	2015	2014
	£	£
Expiring within one year:		
Land and buildings	2,560	-
Expiring between two and five years		
Land and buildings	-	5,120
Other operating leases	3,647	3,647
	6,207	8,767
	=====	=====

16 Legal status

Drugs Action is a company limited by guarantee and not having a share capital. The members' liability in the event of winding up is limited by guarantee not exceeding £5 per member.