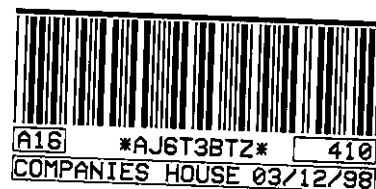


2580377

Addaction  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

FINANCIAL STATEMENTS  
Year ended 31 March 1998



**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

FINANCIAL STATEMENTS  
Year ended 31 March 1998

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**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

List of Directors, Advisers and Main Addresses

**DIRECTORS**

David Allen  
Harris Beider  
Indira Butcher  
Sarah Child  
Frank Czarnowski  
Peter Davies  
Sandra Howard  
Jane Lee  
The Baroness Masham of Ilton  
Reverend John David Marshall Paton

**COMPANY SECRETARY** Peter Martin

**AUDITORS** Pannell Kerr Forster  
New Garden House  
78 Hatton Garden  
London  
EC1N 8JA

**SOLICITORS** Stephens Innocent  
21 New Fetter Lane  
London EC4A 1AP

**REGISTERED OFFICE &  
BUSINESS ADDRESS** 67-69 Cowcross Street  
Smithfield  
London  
EC1M 6BP

The company is registered in England No 2580377 and was incorporated on 6 February 1991.  
It is governed by its Memorandum and Articles of Association.

The company is a registered charity No. 1001957.

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

**REPORT OF THE DIRECTORS (who also act as trustees for the charitable activities)  
for the year ended 31st March 1998**

**Introduction**

The Directors submit the Statutory Report and Financial Statements of Addaction.

**Principal Aims and Activities**

Addaction was established in 1967 to provide help, care, advice and support for people with drug and alcohol problems and their families and friends. Today it is one of the leading day service agencies in the country, providing high quality and cost effective services including education, prevention initiatives for young people, training programmes for drug-using offenders and drug free programmes within prisons, a residential rehabilitation centre for women and street level drop in centres which are accessible to everybody.

Addaction, as a national organisation, is also committed to raising levels of public awareness about the issue of drug misuse, and to influencing central and local government to allocate adequate resources to deal with the problem.

**Organisation**

Addaction currently manages twenty projects around the country from the West Country to the South Coast and from Inner London to the Midlands. Projects are developed in consultation with purchasers ( Local or Health Authorities ) and in partnership with other professionals including Social Services, Probation and local GP's. All projects are staffed by professional drug workers and trained volunteers, and are regularly monitored to ensure that they are meeting Addaction's strict quality assurance standards and those of the purchasers.

Each project is supported by the Addaction Central Office in Smithfield, London. Central Office supplies management, financial, personnel, fundraising and research and development support to the projects. It also ensures that the good work of Addaction is communicated to the outside world through publications, publicity and events.

**Progress during the year**

Addaction increased its activity by over 16% in the year mainly through development within existing projects, but a new Day Programme in Brighton was set up towards the end of the financial year.

**Future issues**

A joint application to the National Lottery Charities Board with Rugby House Alcohol Project was successful. £184,000 has been awarded to fund a pioneering volunteer training programme at both Addaction and Rugby House, to commence in April 1998.

Our IT systems have been assessed for Year 2000 compliance and a plan of action is being formulated. The main issue identified is that of allocating resources to replace or upgrade computer hardware that will not meet requirements.

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

**REPORT OF THE DIRECTORS (who also act as trustees for the charitable activities)**  
**for the year ended 31st March 1998**

**Highlights of the year were:**

Our re-launch as Addaction on 24th March at an event hosted by J P Morgan and at which our guest of honour was HRH The Princess Royal. The company's name was changed to Addaction on 27 March 1998.

A further increase in fundraised income.

New service developments included the setting up of a Day Programme in Brighton.

Addaction organised a conference on Treatment Options Towards the 21st Century in September 1997 with ISDD. Over 300 delegates attended and the conference was addressed by Rt Hon Ann Taylor MP, Leader of the House and President of the Council.

Addaction organised a successful fringe meeting at the Labour Party Conference. Speakers included George Howarth MP, Home Office Minister, John Harding, Chief Probation Officer, ILPS and Sir David Ramsbotham, HM Chief Inspector of Prisons.

Ministerial visits included George Howarth MP and Home Office Minister who officially opened our treatment unit at HMP Channings Wood in Devon; Rt Hon Harriet Harman MP, Secretary of State for Social Security and MP for Peckham was the guest of honour at our Maya Project Garden Party; Joyce Quin, Prisons Minister visited HMP Swaleside.

**Financial Report**

The Directors are pleased to report that the company has experienced a successful year in accordance with its plans.

The statement of financial activities shows an increase in turnover of 16% in 1997/98, total income at £3.4m, a surplus of £29,861 and reserves at £314,016, after the transfer of £87,048 returned by the Charitable Trust..

The Charity has reserves of £314,016, or approximately 9% of total income. Addaction plans to increase these reserves to a level approaching 25% of income in the medium term.

There are no anticipated problems in meeting commitments.

Addaction received 23% of its income from donations or grants and the remainder from a wide range of statutory sources.

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

**REPORT OF THE DIRECTORS (who also act as trustees for the charitable activities)**  
**for the year ended 31st March 1998**

**Connected Charities**

The directors consider the apa Charitable Trust to be a connected charity. The apa Charitable Trust has similar objectives to that of the company and works closely with it. Its business address is 67-69 Cowcross Street, London.

During the year, the apa Charitable Trust returned to Addaction the sum of £87,048 previously transferred by Addaction to the Trust.

The remaining net assets of apa Charitable Trust are £1,731.

**Auditors**

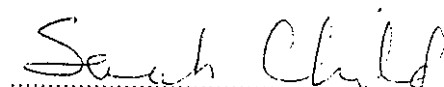
The auditors, Pannell Kerr Forster, are willing to continue in office. A resolution concerning their re-appointment will be proposed at the Annual General Meeting.

**DIRECTORS**

The directors in office during the year were as follows. All have served throughout the year unless otherwise stated.

Sir Geoffrey Frederick Errington Bt	(resigned 4.2.1998)
David Allen	
Harris Beider	
Indira Butcher	
Dr Roger St John Buxton	(resigned 2.10.1997)
Sarah Child	
Frank Czarnowski	
Peter Davies	(appointed 3.7.1997)
Sandra Howard	
Dr Bryan Green	(resigned 5.2.1998)
Jane Lee	
The Baroness Masham of Ilton	
Reverend John David Marshall Paton	

Signed on behalf of the Board of Directors



Sarah Child



Frank Czarnowski

Approved by the Board on 2 July 1998

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing those financial statements, the directors are required to:

- \* select suitable accounting policies and apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* 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 company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 7 to 18 which have been prepared under the accounting policies set out on page 11.

**Respective responsibilities of directors and auditors.**

As described on page 5 the company's directors (who also act as trustees for the charitable activities) are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

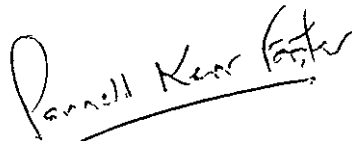
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 March 1998 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER  
Chartered Accountants  
Registered Auditors  
London  
2 July 1998



**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

STATEMENT OF FINANCIAL ACTIVITIES  
Year ended 31 March 1998

	Notes	Unrestricted Funds £	Restricted Funds £	Total 1998 £	Total 1997 £
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
Donations and Grants		313,367	560,144	873,511	567,003
European Social Fund		-	138,678	138,678	79,965
Department of Health		-	321,962	321,962	195,732
Health Authorities		-	913,253	913,253	1,134,852
Local Authorities		-	410,280	410,280	370,467
Home Office- Probation Service		-	141,587	141,587	235,973
Home Office- Prison Service		-	380,760	380,760	137,027
Interest receivable		4,300	-	4,300	4,699
Residential income		174,535	-	174,535	161,633
<b>Total Incoming Resources</b>	2	492,202	2,866,664	3,358,866	2,887,351
<b>Resources Expended</b>					
Direct charitable expenditure	3	146,750	2,866,664	3,013,414	2,488,326
Fundraising and publicity	4	221,551	-	221,551	141,732
Management and administration	5	94,040	-	94,040	280,395
<b>Total Resources Expended</b>		462,341	2,866,664	3,329,005	2,910,453
<b>Net incoming/(outgoing) resources before transfers</b>		29,861	-	29,861	(23,102)
Transfer from specific and specific needs funds	17	31,444	(31,444)	-	-
Transfer to reserves from apa Charitable Trust		87,048	-	87,048	-
<b>Net movement in funds</b>		148,353	(31,444)	116,909	(23,102)
Fund balances brought forward at 1st April 1997		165,663	31,444	197,107	220,209
Fund balances carried forward at 31 March 1998		314,016	-	314,016	197,107

The company has no other recognised gains or losses

The income and expenditure on this statement all represents continuing activities.

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

SUMMARY INCOME AND EXPENDITURE ACCOUNT  
Year ended 31 March 1998

	note	1998 £	1997 £
<b>TOTAL INCOME OF CONTINUING OPERATIONS</b>		3,354,566	2,882,652
<b>TOTAL EXPENDITURE OF CONTINUING OPERATIONS</b>		3,329,005	2,910,453
<b>OPERATING SURPLUS/(DEFICIT) BEFORE INTEREST</b>	7	<u>25,561</u>	<u>(27,801)</u>
Interest receivable		4,300	4,699
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>29,861</u>	<u>(23,102)</u>
Transfer from apa Charitable Trust		87,048	0
<b>RETAINED SURPLUS BROUGHT FORWARD</b>		197,107	220,209
<b>RETAINED SURPLUS CARRIED FORWARD</b>		<u><u>314,016</u></u>	<u><u>197,107</u></u>

The company has no recognised gains and losses other than those reflected above.

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

BALANCE SHEET  
31 March 1998

	Note	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	9	229,187	283,145
<b>CURRENT ASSETS</b>			
Debtors	10	324,206	271,361
Cash at bank and in hand		<u>242,994</u>	<u>125,085</u>
		567,200	396,446
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>482,371</u>	<u>469,180</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>84,829</u>	<u>(72,734)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>314,016</u>	<u>210,411</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	<u>0</u>	<u>7,633</u>
		314,016	202,778
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
	15	<u>0</u>	<u>5,671</u>
<b>NET ASSETS</b>		<u>314,016</u>	<u>197,107</u>
<b>RESERVES</b>	17	<u>314,016</u>	<u>197,107</u>

Signed on behalf of the Board of Directors

Approved by the Board on 2 July 1998

*Stuart Child*  
\_\_\_\_\_  
*[Signature]*  
\_\_\_\_\_

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

**CASH FLOW STATEMENT**  
Year ended 31 March 1998

	Note	1998 £	1998 £	1997 £	1997 £
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	18		88,766		(30,930)
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		4,300		4,699	
Interest paid		<u>(1,426)</u>		<u>(1,567)</u>	
			2,874		3,132
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to acquire tangible fixed assets			(60,779)		(110,401)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>			<u>30,861</u>		<u>(138,199)</u>
<b>FINANCING</b>					
apa Charitable Trust			<u>87,048</u>		<u>-</u>
<b>NET CASH INFLOW FROM FINANCING</b>			<u>87,048</u>		<u>-</u>
<b>INCREASE/(DECREASE) IN CASH</b>	19		117,909		(138,199)
<b>CASH AT 31ST MARCH 1997</b>			125,085		263,284
<b>CASH AT 31ST MARCH 1998</b>			<u><u>242,994</u></u>		<u><u>125,085</u></u>

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
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Notes to the financial statements  
Year ended 31 March 1998

**1 ACCOUNTING POLICIES**

(a) **Basis of Accounting**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the statement of recommended practice as issued by the Charity Commissioners.

(b) **Income**

Income represents grants receivable for the year, residential income and donations received during the year.

(c) **Expenditure**

The allocation of expenditure is subject to regular review to ensure appropriate treatment of costs.

(d) **Tangible fixed assets**

Depreciation is provided after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold buildings	- over the period of the lease
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

(e) **Research and Development**

Expenditure on research and development is written off in the year in which it is incurred.

(f) **Operating Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income as incurred.

(g) **Grants**

Grants received in respect of expenditure charged to the income and expenditure account during the year have been included in arriving at the surplus for the year. Grants received in respect of work not yet undertaken have been deferred.

(h) **Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents amounts payable by the company to the fund and amounted to £89,141. Contributions totalling £2,144 were payable to the fund at the year end and are included in creditors.

(i) **Hire purchase and finance leases**

Assets held under hire purchase or finance leases are included under fixed assets at the fair value of the assets. The assets are depreciated over their useful lives. The capital element of the future payments is treated as a liability and the interest element is charged to the income and expenditure account over the period of the lease.

**Addaction**  
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Notes to the financial statements  
Year ended 31 March 1998

## 2 INCOME

The income and surplus for the period is attributable to the one principal activity of the company and is wholly derived in the United Kingdom.

The principal funders of Addaction (ie funders contributing more than £10,000) were:

Brent & Harrow Health Authority	Bridge House Estates Trust Fund
Crawley Borough Council	British Aerospace
DAT Challenge	BBC Children in Need
Department of Health	Church Urban Fund
Derby Health Authority	City Parochial Foundation
Derby Pride	Clore Foundation
Derbyshire Probation Service	Linbury Trust
East London and City Health Authority	Lloyds TSB Foundation
East Midlands Health Authority	London Stock Exchange
East Sussex Brighton and Hove Health Authority	Marks & Spencer plc
East Sussex County Council	National Lottery Charities Board
East Sussex Probation Service	Peacock Trust
European Social Fund	Rausing Trust
Hariesden City Challenge	Sir John Cass Foundation
Home Office DPI	Smith's Charity
Inner London Probation Service	Tudor Trust
London Borough of Brent	Wates Foundation
London Borough of Tower Hamlets	
London Borough of Waltham Forest	
North Derbyshire Health Authority	
North East London Probation Service	
Nottingham Health Authority	
Nottingham County Council	
Prison Service	
South Derbyshire Health Authority	
SRB Challenge Fund	
Trent Regional Health Authority	
TSNMA - Hyde Housing	
West Sussex County Council	
West Sussex District Health Authority	

**Addaction**  
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Notes to the financial statements  
Year ended 31 March 1998

**3 DIRECT CHARITABLE EXPENDITURE**

	Unrestricted funds £	Restricted funds £	Total 1998 £	Total 1997 £
Project Expenses:				
Salaries and staffing	146,750	2,147,334	2,294,084	1,935,294
Establishment (premises costs)	-	217,632	217,632	165,018
Needle Exchange/medical	-	116,701	116,701	126,276
Administration	-	283,926	283,926	193,768
Depreciation	-	101,071	101,071	67,970
	<u>146,750</u>	<u>2,866,664</u>	<u>3,013,414</u>	<u>2,488,326</u>

**4 FUNDRAISING AND PUBLICITY**

Salaries and Staffing	97,271	-	97,271	80,195
Establishment	17,874	-	17,874	21,748
Administration	97,014	-	97,014	31,201
Depreciation	9,392	-	9,392	8,588
	<u>221,551</u>	<u>-</u>	<u>221,551</u>	<u>141,732</u>

**5 MANAGEMENT AND ADMINISTRATION OF THE CHARITY**

Salaries and staffing	64,682	-	64,682	131,023
Establishment	8,681	-	8,681	65,244
Administration	16,403	-	16,403	59,390
Depreciation	4,274	-	4,274	24,738
	<u>94,040</u>	<u>-</u>	<u>94,040</u>	<u>280,395</u>

**Addaction**  
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Notes to the financial statements  
Year ended 31 March 1998

**6 TOTAL RESOURCES EXPENDED**

	Staff costs £	Depreciation £	Other costs £	Total 1998 £	Total 1997 £
Direct charitable expenditure	2,294,084	101,071	618,259	3,013,414	2,488,326
Fundraising and publicity	97,271	9,392	114,888	221,551	141,732
Management and administration of the charity	64,682	4,274	25,084	94,040	280,395
	<u>2,456,037</u>	<u>114,737</u>	<u>758,231</u>	<u>3,329,005</u>	<u>2,910,453</u>

Staff costs:

Wages and salaries	2,036,554	1,508,460
Social security costs	186,702	153,127
Pension costs	89,141	63,535
Other staffing costs	143,640	421,390
	<u>2,456,037</u>	<u>2,146,512</u>

One employee earned between £50,000 and £60,000 in the year (1997: - one employee)  
None of the Trustees received any remuneration.

The average number of employees analysed by function was:

	1998 Number	1997 Number
Direct charitable expenditure	99	83
Fundraising and publicity	3	6
Management and administration of the charity	2	8
	<u>104</u>	<u>97</u>

**7 OPERATING SURPLUS**

The operating surplus is stated after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets	114,737	101,296
Operating lease charges	2,466	-
Finance lease interest	1,426	1,567
Rent lease charges	127,603	86,594
Auditors' remuneration	<u>5,875</u>	<u>3,500</u>



**Addaction**  
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Notes to the financial statements  
Year ended 31 March 1998

**8 TAXATION**

The company is a registered charity and no Corporation Tax is payable on income generated in the year.

**9 TANGIBLE FIXED ASSETS**

	Leasehold Premises £	Fixtures fittings tools and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 1997	232,274	245,370	32,583	510,227
Additions	4,886	55,893	-	60,779
at 31 March 1998	<u>237,160</u>	<u>301,263</u>	<u>32,583</u>	<u>571,006</u>
<b>Depreciation</b>				
At 1 April 1997	96,528	116,108	14,446	227,082
Charge for year	46,503	60,089	8,145	114,737
at 31 March 1998	<u>143,031</u>	<u>176,197</u>	<u>22,591</u>	<u>341,819</u>
<b>Net book amounts</b>				
At 31 March 1998	<u>94,129</u>	<u>125,066</u>	<u>9,992</u>	<u>229,187</u>
At 31 March 1997	<u>135,746</u>	<u>129,262</u>	<u>18,137</u>	<u>283,145</u>

Motor vehicles included above are held under the terms of a Hire Purchase Agreement

The assets above are primarily used for charitable purposes.

**10 DEBTORS**

	1998 £	1997 £
apa Charitable Trust	17,478	57,040
Other debtors	287,209	183,816
Prepayments	19,519	30,505
	<u>324,206</u>	<u>271,361</u>

**Addaction**  
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Notes to the financial statements  
Year ended 31 March 1998

**11 CREDITORS**

	1998	1997
Amounts falling due within one year:	£	£
Trade Creditors	91,998	119,123
Social security and other taxes	53,995	55,481
Deferred income	239,952	199,909
Sundry creditors	58,424	27,239
Accruals	35,566	62,210
Hire Purchase	2,436	5,218
	<u>482,371</u>	<u>469,180</u>

**12 FINANCE LEASES**

Amounts falling due after more than one year:

Hire purchase creditor	<u>-</u>	<u>7,633</u>
due between one and two years	-	5,218
due between two and five years	<u>-</u>	<u>2,415</u>
	<u>-</u>	<u>7,633</u>

**13 CAPITAL COMMITMENTS**

As at the balance sheet the company had the following capital commitments:

	1998	1997
Contracted for, but not provided	<u>NIL</u>	<u>NIL</u>

**14 CALLED UP SHARE CAPITAL**

The company is limited by guarantee and as such has no share capital.

**15 PROVISIONS FOR LIABILITIES AND CHARGES**

	£
At 1st April 1997	5,671
Utilised in the year	<u>(5,671)</u>
At 31st March 1998	<u>-</u>

**Addaction**  
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Notes to the financial statements  
Year ended 31 March 1998

**16 CONTINGENT LIABILITIES**

There are no contingent liabilities.

**17 RESERVES**

	Specific £	Specific Needs £	General £	Total £
At 1st April 1997	6,944	24,500	165,663	197,107
Transfer to general reserves	(6,944)	(24,500)	31,444	0
Transfer to reserves from apa Trust	-	-	87,048	87,048
Surplus for the year	-	-	29,861	29,861
At 31st March 1998	-	-	314,016	314,016

On investigation it appears that the funds described as specific and specific needs have been utilised in prior years, therefore a transfer has been made between funds.

**18 RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1998 £	1997 £
Net surplus/(deficit)	29,861	(23,102)
Depreciation	114,737	101,296
Interest received	(4,300)	(4,699)
Interest paid	1,426	1,567
Increase/(decrease) in creditors: current liabilities	13,191	(99,124)
Decrease in creditors: long term	(7,633)	(5,220)
(Decrease)/increase in provisions	(5,671)	2,403
Increase in debtors	(52,845)	(4,051)
	<u>88,766</u>	<u>(30,930)</u>

**19 ANALYSIS OF CHANGE IN CASH DURING THE YEAR**

	1998 £	1997 £	Change in year £
Cash at bank and in hand	<u>242,994</u>	<u>125,085</u>	<u>117,909</u>

**Addaction**  
(formerly apa Community Drug and Alcohol Initiatives Limited)  
(Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements  
Year ended 31 March 1998

## 20 CONNECTED CHARITIES

The directors consider the apa Charitable Trust to be a connected charity.

The apa Charitable Trust has similar objectives to that of the company and works closely with it. Its business address is 67-69 Cowcross Street, London EC1M 6BP.

The net assets of the apa Charitable Trust are £1,731, and the amount it owed to Addaction at 31 March 1998 was £17,478.

## 21 OPERATING LEASE COMMITMENTS

	1998	1997
	£	£
Leases that expire within 1 year	22,000	14,403
Leases that expire within 2-5 years	81,750	72,191
	<u>103,750</u>	<u>86,594</u>

## 22 RELATED PARTY TRANSACTIONS

A loan of £20,000 for the purchase of a car was made to Peter Martin, Chief Executive, during the year ended 31 March 1995. The Loan is to be repaid with the proceeds from the car when it is sold. Due to the depreciating value of the car the loan is being written off at a rate of £4,000 per year. The balance of the loan at 31 March 1998 is £8,000 (1997: £12,000).