

Submission No - 063-270368

Charity Registration No SC009510

Company registration No 154222 (Scotland)

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

**COMPANIES HOUSE
EDINBURGH**

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NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|------------------------------|---|
| Management Committee | Dr John Budd John Sked Ross Blaikie Michele Mya Macrae John McIntosh Mitchell Steven Bisset – Retired from Board, 25/04/2018 |
| Project Manager | Danny Campbell |
| Project Administrator | Lisa Donaldson |
| Secretary | Ross Blaikie |
| Charity Number | SC009510 |
| Company Number | 154222 |
| Principal Address | 15A Pennywell Court Edinburgh EH4 4TZ |
| Registered Office | 22 Bernard Street Edinburgh EH6 6PS |
| Independent Examiner | Neil C Andrew Chartered Accountants 2 Murieston Road Edinburgh EH11 2JH |
| Bankers | Bank of Scotland 43 Comely Bank Edinburgh EH4 1AF |

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 4 |
| Statement of Trustees' responsibilities | 5 |
| Independent Examiner's report | 6 |
| Statement of financial activities | 7 |
| Balance sheet | 8 |
| Notes to the accounts | 9 - 11 |

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2019.

The Management Committee present their report and accounts for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 22 February 1995 and registered as a charity on 7 March 1995 (formerly registered as a charity on 7 November 1983 under the name of SHADA). The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The name of the company was changed to North Edinburgh Drug Alcohol centre on 18.8.2011.

The Management Committee, who are also the directors for the purpose of company law, who served during the year were:

Dr John Budd.

John Sked.

Ross Blaikie.

Michele Mya Macrae.

John McIntosh Mitchell.

None of the Management Committee has any beneficial interest in the company. All of the Management Committee are members of the company and guarantee to contribute £1 in the event of winding up.

Recruitment and Appointment of Management Committee

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee.

Any member who wishes to be appointed as a Director at an annual general meeting shall lodge with the Company a written notice of his/her willingness to be appointed (in such form as the Directors require), signed by him/her at least seven days before the date of the annual general meeting.

At an annual general meeting, the Company may by ordinary resolution appoint as a Director any Member in respect of whom a written notice of willingness to accept such an appointment has been received in compliance with the preceding article.

The Directors may at any time appoint any Member (providing he/she is willing to act), to be a Director, either to fill a vacancy or as an additional Director.

All new trustees are provided with copies of the Memorandum and the Articles of Association, and the latest financial statements.

Organisational Structure

The organisation has a Management Committee of up to 9 members who meet quarterly and are responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The project manager has responsibility for the day-to-day operational management of the Centre, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practices.

During the year the Charitable Company's principal activities were to provide advice, counselling and psycho-social support for mental health and, co-occurring, drug and/or alcohol related problems throughout

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

Edinburgh. Since 1st April 2016, we have leased an office within The North Edinburgh Arts Centre, 15a Pennywell Court, Edinburgh, EH4 4TZ. With the backing of our Board Of Directors, four members of staff, the manager, administrator and two mental health/addiction workers, continued as NEDAC, using our financial reserves, to provide aftercare services to existing complex needs clients, while establishing our "Complex and Multiple Needs Service".

Related Parties

In so far as it is complimentary to the charity's objects, the charity is guided by both local and national policy. The Edinburgh Alcohol and Drug Partnership (EADP) is the local partnerships charged with responsibility for delivering the National Drug Strategy, developing a local Drug and Alcohol Strategy and commissioning services within Edinburgh.

The City of Edinburgh Council's Social Work Department agreed, through the Alcohol Drugs and Blood Borne Virus Team, to allocate appropriate Interim Exceptional Spot Purchase Contracts for Care at Home Services to Nedac for Complex and Multiple Needs Clients who struggle to access treatment services. These contracts continued through the first 6 months of 2017/18 but had to be closed as we had to issue redundancy notices to all staff for September, due to insufficient funds to continue and while we waited to hear of funding bids still to be decided.

Risk Management

The Management Committee has conducted a review of the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

The NEDAC staff members, with the support of the Board of Directors, applied to various funding bodies to secure onward funding for our "Complex and Multiple Needs Service" to allow the service to continue beyond September 2017, when the available reserves would be below the level required to pay salaries and accommodation costs. Redundancy procedures were reviewed and all existing staff were issued with 3 months' notice of redundancy on Friday 1st June 2017, given their length of service with NEDAC. We received notification on 22nd September from the National Lottery that we had been awarded 3 years funding for our Complex and Multiple Needs Service. We were awarded £437,208, to cover all running costs, with our first 6 months funding deposited in our bank account for commencement on the 1st October 2017. This allowed us to retract our redundancy notices to staff, who all agreed to continue with the service in their respective roles.

Objectives and activities

The company is registered with the Inland Revenue as a charity and having no taxable activities is not liable to income tax. The Scottish Charity reference is SC09510.

The company's objects and principal activities are to:

- Relieve the distress and suffering caused to individuals and their families and friends by the misuse of both prescribed and non-prescribed drugs and alcohol.

The main objectives and activities for the year continued to focus upon the promotion and prevention of the misuse of drugs/alcohol and the rehabilitation of those substance users. The strategies employed to assist the charity to meet these objectives included the following:

- Providing a range of services, which are reflective of relevant quality standards and address the potential problems related to drug misuse.
 - Focussing upon limiting the harm that comes with drug abuse, not only for the individual but also for their family and friends and the wider communities of Edinburgh.
 - Working towards applying national standards of service and the implementation of the National Occupational Standards.
 - Working in partnership with other agencies to secure the widest range of services is available that best match the needs of its client population.
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NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

- An additional service has been developed and expanded to provide a complex and multiple needs service aimed at those who struggle to access and/or retain contact with mental health and substance use treatment services.

Overall the Charitable Company has made a surplus of **£31,847**

Restricted activities are budgeted to break even over the life of the project. Therefore the reported surplus or deficit for the period depends on the timing of grants and related expenditure.

Achievements and performance

We aim to provide an atmosphere that is friendly and informal while maintaining a professional, confidential and safe environment for all members of the community.

Psychosocial Support – One-to-One Psychosocial Support Service – structured focused work relating to substance misuse and related issues. We offer maximum flexibility in terms of where we will meet people and when – this is to accommodate the needs of clients with complex mental health and substance use issues.

Telephone Support – another way in which a client can gain support or anyone can get immediate information and advice about drugs or related topics.

Practical Support - specific problems that the service user may have with more complex living skills such as budgeting, shopping, cooking, accessing education and work, and assisting in care planning to address these.

Physical Activity Support - physical activities offered include taking clients to the gym, cycling and supporting them to engage in other activities in the community by taking them to their support groups. Engaging clients in physical activities also improves unhealthy lifestyles. In the future we would like to build on not only offering individual walks to clients but to offer a walking group for clients to build up friendships.

Website – the website continues to be popular with clients, potential clients, referrers and those interested in the services we provide. Information and resources are available online plus we have set up a forum on the site for those seeking advice.

Financial review

Against the backdrop of limited resources and insecurities over funding, it has continued to be difficult to plan or develop services.

Reserves Policy

Good Financial management recommends that we carry a reserve equivalent to three months of our total annual committed expenditure to cover the future continuity of running costs of the project.

Our reserves are currently held in our Treasurers Account to cover any deficit and delays in funding. As a consequence of recurring deficits in funding our reserves are currently below the recommended level.

Principal Funding Sources

Nedac Board of Directors, having released reserves funds allowed the Manager, administrator and 2 mental health/addiction workers to continue to 30th September 2017 to work part time to support existing aftercare clients, service the Social Work Spot Purchase Contracts and to seek onward funding for our Complex and Multiple Needs Service aimed at those co-affected by mental health and substance use issues. From 1st October 2017, the National Lottery's Big Lottery Fund, provided 3 years full funding for this service to continue. We received our first 6 months funding at the end of September which allowed us to continue beyond the staff redundancy notices issued in June 2017 to 30th September 2017. We notified partner agencies and referrers of our successful funding award that allowed us to accept new referrals from 1st October 2017. The remainder of our reserves fund will be retained in our Treasurers Account.

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

Asset cover for funds

Note 13 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

Disclosure of information to Independent Examiner

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the independent examiners are aware of such information.

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the method and principles in the applicable Charities SORP 2015 (FRS102);
- 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 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 charity will continue in operational existence.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information on the congregation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf,



Dr John Budd

3.7.19.

Date

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NORTH EDINBURGH DRUG and ALCOHOL CENTRE Company Limited by Guarantee

I report on the accounts for the year ended 31 March 2019 set out on pages 9 to 11.

Respective responsibilities of Trustees and Independent Examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Account Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. Which gives me reasonable cause to believe that in any material respect the requirements:
 - To keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - To prepare accounts which accord with the accounting records and comply with regulation 8 of the 2006 Accounts RegulationsHave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Neil C M

NEIL C. ANDREW
CHARTERED ACCOUNTANT
2 MURIELSTON ROAD
EDINBURGH

3/7/2019.

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

| | Notes | Unrestricted Funds £ | Total 2019 £ | Total 2018 £ |
|---|-------|----------------------------|-----------------------|-----------------------|
| <u>Incoming resources from generated funds</u> | | | | |
| Incoming resources from charitable activities (2) | | 160,845 | 160,845 | 91,582 |
| Other incoming resources | | <u>94</u> | <u>94</u> | <u>65</u> |
| Total incoming resources | | <u>160,939</u> | <u>160,939</u> | <u>91,647</u> |
| <u>Resources expended</u> | | | | |
| Charitable activities | | | | |
| Activities in furtherance of charity's objective | | 128,192 | 128,192 | 136,529 |
| Governance costs | | <u>900</u> | <u>900</u> | <u>900</u> |
| Total resources expended | | <u>129,092</u> | <u>129,092</u> | <u>137,429</u> |
| Net incoming/(outgoing) resources before Transfers | | 31,847 | 31,847 | (45,782) |
| Net (expenditure)/income for the year/ Net movement in funds | | <u>31,847</u> | <u>31,847</u> | (45,782) |
| Fund balances at 1 April 2018 | | <u>13,387</u> | <u>13,387</u> | 59,169 |
| Fund balances at 31 March 2019 | | <u>45,234</u> | <u>45,234</u> | <u>13,387</u> |

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

BALANCE SHEET

AS AT 31 MARCH 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|----------------|---------------|
| Current assets | | | |
| Debtors | 7 | 2,100 | 900 |
| Cash at bank and in hand | | <u>119,654</u> | <u>88,468</u> |
| | | 121,754 | 89,368 |
| Creditors: amounts falling due within one year | 8 | <u>4,189</u> | <u>3,650</u> |
| Net current assets | | <u>117,565</u> | <u>85,718</u> |
| Creditors: amounts falling due within 2-5 years | | <u>72,331</u> | <u>72,331</u> |
| Net assets | | <u>45,234</u> | <u>13,387</u> |
| Income funds | | | |
| Restricted funds | | - | - |
| Unrestricted funds | | <u>45,234</u> | <u>13,387</u> |
| | | <u>45,234</u> | <u>13,387</u> |

The directors confirm that: for the year ended 31.03.2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities;

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,

The directors acknowledge their responsibilities for complying with the requirements of the act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.



John Budd

Director

Dated: 3.7.19.....

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Statement of Recommended Practices, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Resources expended

Resources expended are included in the Income and Expenditure Account and Statement of Financial Activities on an accruals bases.

1.3 Pensions

The Charitable Company operates a defined benefit scheme. Contributions are charged to the Income and Expenditure Account so as to spread the cost of pensions over the employee's working lives with the Charitable Company. The pension charge is based on contributions payable, which are calculated on the basis of actuarial advice.

1.4 VAT

The Charitable Company is not VAT registered, and therefore discloses expenditure inclusive of VAT where applicable.

1.5 Fund Accounting

Funds held by the company are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

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

2 Incoming resources from charitable activities

| | 2019 | 2018 |
|---------------------|-----------------------|----------------------|
| | £ | £ |
| Big Lottery Fund | 147,185 | 75,020 |
| Social work funding | <u>13,660</u> | <u>16,562</u> |
| | <u>160,845</u> | <u>91,582</u> |

3 Other incoming resources

| | 2019 | 2018 |
|--------------|-------------|-------------|
| | £ | £ |
| Other income | <u>94</u> | <u>65</u> |

4 Management Committee

None of the Management Committee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

5 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2019 | 2018 |
|-------------------------|----------------|----------------|
| | Number | Number |
| | £ | £ |
| Employment Costs | | |
| | 2019 | 2018 |
| | £ | £ |
| Wages and Salaries | 107,799 | 117,262 |
| Other pension costs | <u>5,913</u> | <u>6,308</u> |
| | <u>113,712</u> | <u>123,570</u> |

6 Taxation

The company is registered as a charity for taxation purposes by the Inland Revenue.

7 Debtors

| | 2019 | 2018 |
|---------------|-------------|-------------|
| | £ | £ |
| Other debtors | 2100 | 900 |

8 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|-----------------|--------------|--------------|
| | £ | £ |
| Other creditors | 3,289 | <u>2,750</u> |
| Accruals | <u>900</u> | <u>900</u> |
| | <u>4,189</u> | <u>3,650</u> |

9 Commitments under operating leases

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|----------------------------|---------------------------|--------------|
| | 2019 | 2018 |
| | £ | £ |
| Expiry date: | | |
| Between two and five years | <u>7,200</u> | <u>7,200</u> |

NORTH EDINBURGH DRUG AND ALCOHOL CENTRE

MANAGEMENT INFORMATION PAGES**FOR THE YEAR ENDED 31 MARCH 2019**

| INCOME | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Grant Income | | |
| Big Lottery/Fund | 147,185 | 75,020 |
| Social Work Funding | 13,660 | 16,562 |
| Donations | 94 | 65 |
| | ----- | ----- |
| | 160,939 | 91,647 |
| | ----- | ----- |
| Less Expenditure | | |
| Salaries | 107,798 | 117,262 |
| Pension | 5,913 | 6,308 |
| Training and travel | 4,919 | 4,346 |
| Rent and rates | 7,200 | 6,784 |
| Telephone | 1,307 | 1,020 |
| Insurance | 145 | 72 |
| Sundry | 301 | 195 |
| Post, stationery and publicity | 73 | 238 |
| Subscriptions | 130 | 75 |
| Accountancy and legal fees | 13 | 13 |
| Independent Examiners fee | 900 | 900 |
| Group and hospitality | 7 | 44 |
| Cleaning | - | 81 |
| Donations | - | 7 |
| Computer hardware/software/maintenance | 386 | 83 |
| | ----- | ----- |
| | 129,092 | 137,429 |
| | ----- | ----- |
| Surplus/(Deficit) for year | <u>31,847</u> | <u>(45,782)</u> |