

**West Lothian Drug & Alcohol Service
(a company limited by guarantee)**

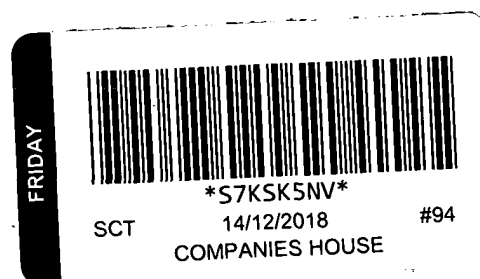
Report and Financial Statements

for the year ended 31 March 2018

**COMPANIES HOUSE
EDINBURGH**

**Charity number: SC0057761 & DEC 2018
Company number: SC212157**

FRONT DESK



West Lothian Drug & Alcohol Service

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West Lothian Drug & Alcohol Service

Legal and Administrative Information

Charity name West Lothian Drug & Alcohol Service (WLDAS)

Charity registration number SC005776

Company registration number SC212157

Board of Management	Paul Thomson	Chair
	Gill Cottrell	Vice Chair
	Alyson Campbell	Treasurer
	Alexander Milne	
	Vicky Wan	
	Elaine Kerridge	
	Moir Connacher	

Company secretary Brian Pringle

Senior management	Brian Pringle	General Manager
	Heather Watson	Deputy Manager

**Principal office and
Registered office** Floor 1
The Almondbank Centre
Shiel Walk, Craigshill,
Livingston
EH54 5EH

Auditors Alexander Sloan
Accountants and Statutory Auditor
50 Melville Street
Edinburgh
EH3 7HF

Bankers CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill, West Malling
Kent
ME19 4JQ

West Lothian Drug & Alcohol Service

Report of the Board of Management for the year ended 31 March 2018

The Board of Management presents its report and the financial statements of the charity for the year ended 31 March 2018.

Board of Management

The Board of Management are Directors of the charitable company for the purposes of company law and are Trustees for the purpose of charity law and throughout this report are collectively referred to as the Board of Management.

The Board of Management serving during the year and since the year end are detailed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 20 October 2000, and registered as a charity on 21 July 1992. The company was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. Under those Articles, 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 Board of Management. Under the requirements of the Memorandum and Articles of Association the members of the Board of Management are elected at the AGM to serve a period of 3 years, subject to ratification at each AGM.

Recruitment and Appointment of Board of Management

Due to the size of the organisation, the complexity of funding and the services offered, the Board of Management seeks to ensure that appropriate business and development skills to manage such diversity are reflected in its membership. To enhance the direct client provision, we ensure expertise in training, education, adult and young person counselling and rehabilitation is well represented.

Board of Management induction and training

Most Board members are already familiar with the practical work of the charity. Additionally, new members are invited to meet with the General Manager and are given the previous year's Minutes of Meetings, latest financial statements and major reports along with OSCR's Guidance for charity Trustees.

Periodically, the Board meets, with senior staff in attendance, to discuss strategic planning and organisational development needs. In the last financial year, we produced an updated description for Board members defining their roles and responsibilities.

West Lothian Drug & Alcohol Service

Report of the Board of Management for the year ended 31 March 2018

Organisational structure

West Lothian Drug & Alcohol Service Board of Management meets quarterly and is responsible for setting the strategic direction of the charity, monitoring performance and ensuring that governance structures reflect best practice. At present, the Board has members from a variety of professional backgrounds relevant to the work of the charity. The Company Secretary also sits on the Board but has no voting rights.

A finance sub-group has been established which is chaired by the organisation's Treasurer and comprises members of the Board, senior managers and the Senior Finance and Facilities Administrator. This group reports directly to the full Board at the quarterly meetings.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rests with the senior management team. The General Manager is responsible for ensuring that the charity delivers the services specified and that key performance outcomes are met. The General and Deputy Managers have responsibility for the day-to-day operational management, individual supervision of the respective staff teams and also ensuring that the teams continue to develop their knowledge and skills in line with good practice and meeting recognised standards. They are supported by senior workers who are responsible to the Duty Manager, and provide line management support and supervision to the counselling staff.

Related parties

At a national level, drug treatment and support services are steered by the Scottish Government's drug strategy "The Road to Recovery" and our alcohol services by the national alcohol strategy "Changing Scotland's Relationship with Alcohol". The local Alcohol and Drug Partnership is charged with the responsibility for delivering the strategy at a local level. It is also responsible for the commissioning of appropriate services. West Lothian Alcohol and Drug Partnership (WLADP) includes representatives from, amongst others, the local authority, health and voluntary sector agencies. The General Manager represents the organisation on this group and the Deputy Manager deputises when required.

Tobacco prevention and stop smoking services are steered at a national level by the Scottish Government's "Creating a Tobacco Free Generation - A Tobacco Control Policy for Scotland". NHS Lothian is responsible for its implementation across Lothian. The General Manager meets with key staff within this team on a regular basis. He also chairs the West Lothian Tobacco Free Generation Group which has a membership from health, local authority and 3rd sector organisations.

Both managers sit on various multi-agency planning and policy groups at local and national level.

Risk management

The Board of Management has conducted a review of the major risks to which the charity may be 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. In November 2017, the charity's Financial Procedures Manual was approved.

West Lothian Drug & Alcohol Service

Report of the Board of Management for the year ended 31 March 2018

Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the service. The continuing implementation of West Lothian Alcohol and Drug Partnership Outcome Monitoring, the Scottish Government's Waiting Times Reporting, HEAT targets for smoking cessation services, the National Standards for Drug & Alcohol Services, Decipher ASSIST Quality Assurance visits, education training evaluation forms and COSCA Accreditation ensure a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

OBJECTIVES AND ACTIVITIES

The main objectives and activities for the year continued to focus upon the promotion and prevention of the misuse of substances 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 meet relevant quality standards and address the problems related to substance misuse;
- Limiting the harms associated with substance abuse, not only for the individual but also their family and friends and the wider community of West Lothian;
- Providing educational sessions within schools and communities, aimed to increase the awareness of and reduce the harms caused by substances;
- Working towards applying national standards of service; and
- Working in partnership with other agencies to secure the widest range of services available that best matches the needs of its client population.

ACHIEVEMENTS AND PERFORMANCE

Board Membership

We have had no changes throughout the year to our Board membership which remains at 7 trustees. Each of our advisors from Police Scotland and NHS Lothian have had to step down from the board due to other commitments and we are currently seeking replacements. A representative from the Service User Group will also attend Board meetings in an advisory capacity.

Purpose

The main areas of charitable activity are the provision of advice and information; health promotion; counselling and support; education and training; grief counselling; and rehabilitation for adults and young people in the areas of drugs, alcohol and tobacco.

Health Promotion

A resource library is based at the Service's office and provides health promotion materials for clients, family members, teachers, social workers and others wanting to know more about the effects of drug, alcohol and tobacco use. Related to our work there are also books and leaflets around grief, bereavement and mental health.

West Lothian Drug & Alcohol Service

Report of the Board of Management for the year ended 31 March 2018

Education and Training

Our Smoke Free Homes and Zones work with NHS Lothian has continued this year with slightly increased funding.

A new project, Sexually Transmitted Infections and Sexual Health (STASH) which we co-delivered in three schools and supported delivery in a further two as well as delivering training to staff. This was received very favourably, and funding is being sought to extend the scope of this project.

Funding had been received to carry out tobacco education and training aimed at 16-24 year olds as well as supporting some work place policies but after some discussion with NHS Lothian, the focus of this work changed to conduct research into requirements and to make recommendations of what needed to happen to allow work in this area to move forward.

The final year of co-ordinating and delivering the Decipher ASSIST peer influence tobacco prevention programme has been completed on behalf of NHS Lothian throughout Lothian Region. WLDAS positive contribution to this work was highlighted at a national feedback session on this work. While NHS Lothian has decided not to extend their involvement in the Decipher ASSIST programme, we are exploring a number of different options with other Health Boards to continue this work as well as considering the potential of using this approach in the area of gambling.

Counselling, Support and Community Rehabilitation

Following the discontinuation of the Moving on Service work, some service reconfiguration was required in connection with the Therapeutic Support Service (TSS) contract. The service continued to meet all of the required HEAT targets for waiting times throughout the period. WLDAS were successful in their application to continue this work through a rigorous tender process and secured a contract for three years from 1st April 2018 with the potential of a two-year extension thereafter.

We remain one of the key agencies of West Lothian Addictions Care Partnership where all the drug agencies in West Lothian work together on joint assessments of the referrals received and to direct clients into the most appropriate drug service based on their needs. Through this partnership with our colleagues in the NHS Addictions Service and the West Lothian Council's Social Work Addiction Team, we provide Drop in Clinics across the area to allow people quicker access to treatment and support.

Our Grief Matters service funded by Children in Need to provide counselling and support for young people between 12 and 18 who have experienced a sudden or unexpected death entered its final year. While the service is primarily for engagement with young people, support and guidance is also provided for parents and training for staff working with young people. Further funding for this project is being sought.

WLDAS continues to be a member of COSCA and provides ongoing supervision and training to support the staff team and ensure the quality of our services.

West Lothian Drug & Alcohol Service

Report of the Board of Management for the year ended 31 March 2018

Other Activity

Following the loss of the Moving on Service contract, the transition to the new provider went very smoothly and three staff were TUPE'd over.

Along with the above work we have also undertaken a range of activities including developing a substance policy for Moorhouse School and Residential Care.

A 'Time to Learn' programme has been established to ensure that staff have the opportunity to undertake continued professional development and sessions have been arranged on a variety of topics including anger management, solvents, and self-harm. These sessions were primarily delivered by a qualified clinical psychologist.

A number of fundraising activities have been undertaken this year by staff, service users and the Board and we welcome and appreciate these donations very much.

FINANCIAL REVIEW

We received funding for an additional year from the West Lothian Alcohol & Drug Partnership for the Therapeutic and Support Service which also includes funding to support needle exchange and people who are experiencing issues with cannabis. Following a rigorous tender process, a further three years funding was awarded to WLDAS with the possibility of an additional two years after that.

Continued funding was also received from Children in Need for our young people's bereavement service Grief Matters.

Funding from NHS Lothian allowed the continued delivery of tobacco work aimed at prevention and cessation including Smoke Free Homes & Zones and the Decipher ASSIST tobacco prevention pilot.

The Statement of Financial Activities shows net expenditure for the year of £107,894 (2017 - net expenditure of £52,390). A total of £498,274 was retained in accumulated funds at the year end (2017 - £606,168).

Principal funding sources

The principal funding sources for the charity are West Lothian Alcohol and Drug Partnership, NHS Lothian and Children in Need.

Reserves policy

The Board of Management has examined the charity's requirements in light of risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equivalent to a minimum of 6 months expenditure. The Board consider this level sufficient to mitigate against the risk of future curtailment of funding, particularly in those projects being offered to tender. Current levels of general funds of £475,727 (2017: £529,257) equate to 7 months (2017: 6 months) at forecast expenditure levels.

Deficiency of funds

At 31 March 2018, Restricted Funds were in deficit. Further funding has been received from funders in 2018/19 to cover this shortfall that will enable the charity to continue this project work.

West Lothian Drug & Alcohol Service

Report of the Board of Management for the year ended 31 March 2018

Investment policy

Aside from retaining a prudent amount in reserves each year, most of the charity's funds are to be spent in the shorter term. No money is held for more than one year in a fixed term deposit account without being reviewed.

PLANS FOR FUTURE PERIODS

The charity plans to continue the activities outlined above in the forthcoming years, subject to satisfactory and realistic funding arrangements. Our contract with West Lothian Council through the West Lothian Alcohol & Drug Partnership for counselling is secured until 31st March 2021 with a possible extension for a further two years after that.

We are continuing our plan on increasing our funders to reduce reliance on NHS Lothian and the West Lothian Alcohol and Drug Partnership who are our main sources of funding. We value their investment and trust in the organisation but realise as public bodies that their budgets are coming under increasing pressure and the funding available from them may reduce in the future.

We were successful in two funding bids which will begin in the new financial year. The first, LEADER funding which will allow the Family Support provision to be extended by offering more groups across West Lothian and provide additional 1:1 support. Secondly, we secured a place on the Group Work Framework where West Lothian Council can choose, depending on need and demand, from a range of providers and groups. We subsequently learned that WLDAS had been selected to deliver in two of the lots.

We continue to implement our strategic plan which was finalised in June 2016. It gives us a clear focus for future developments. We have agreed areas for seeking funding and are actively pursuing those.

We have had some success this year in generating income through our training and education expertise and continue to explore opportunities to work with national partners in this area.

We continue actively pursuing new Board members and ensure that we have strong governance structures in place and have a well-rounded, fit for purpose organisation. The work with ACOSOVO Path to Improvement initiative has been concluded and has had a positive impact on the organisation.

RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

The Board of Management (who are Trustees for the purpose of charity law and Directors for the purposes of company law) are responsible for preparing the Report of the Board of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Board of Management are required to:

West Lothian Drug & Alcohol Service

Report of the Board of Management for the year ended 31 March 2018

- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Board of Management are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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.

In so far as the Board of Management are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Board of Management have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board of Management are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Alexander Sloan, Accountants and Statutory Auditor, were appointed auditors to the charitable company and a resolution proposing their reappointment will be put to the Annual General Meeting.

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

This report was approved by the Board of Management on 29 November 2018 and signed on their behalf by



Paul Thomson
Chair

West Lothian Drug & Alcohol Service

Independent Auditor's Report to the Members and Trustees of West Lothian Drug & Alcohol Service

Opinion

We have audited the financial statements of West Lothian Drug & Alcohol Service for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Managements' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Board of Management is responsible for the other information. The other information comprises the information included in the Report of the Board of Management, other than the financial statements and our Auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

West Lothian Drug & Alcohol Service

Independent Auditor's Report to the Members and Trustees of West Lothian Drug & Alcohol Service

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Management, for the financial year for which the financial statements are prepared, is consistent with the financial statements, and
- the Report of the Board of Management has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Management.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board of Management' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board of Management were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Board of Management and take advantage of the small companies exemption in preparing the Strategic Report.

Responsibilities of Board of Management

As explained more fully in the Board of Management Responsibilities Statement (set out in the Report of the Board of Management), the Board of Management (who are also the Trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

West Lothian Drug & Alcohol Service

Independent Auditor's Report to the Members and Trustees of West Lothian Drug & Alcohol Service

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, 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. Our audit work has been undertaken so that we might state to the Members and Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its Members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- conclude on the appropriateness of the Board of Managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

West Lothian Drug & Alcohol Service

Independent Auditor's Report to the Members and Trustees of West Lothian Drug & Alcohol Service

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



David Jeffcoat FCCA (Senior Statutory Auditor)

for and on behalf of

Alexander Sloan

Accountants and Statutory Auditor

Date: 12/11/2018

50 Melville Street

Edinburgh

EH3 7HF

Alexander Sloan is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

West Lothian Drug & Alcohol Service

Statement of Financial Activities
(incorporating Income and Expenditure Account)

for the year ended 31 March 2018

		Unrestricted			2018	2017
		General	Designated	Restricted	Total	Total
	Notes	funds	funds	funds		
		£	£	£	£	£
Income from:						
Donations	2	1,118	-	-	1,118	2,177
Charitable activities	3	6,481	631,271	36,735	674,487	898,843
Other trading activities	4	6,529	-	-	6,529	300
Investment income	5	210	-	-	210	1,555
Total income		<u>14,338</u>	<u>631,271</u>	<u>36,735</u>	<u>682,344</u>	<u>902,875</u>
Expenditure on:						
Charitable activities	6	(68,911)	(657,817)	(63,510)	(790,238)	(955,265)
Total expenditure		<u>(68,911)</u>	<u>(657,817)</u>	<u>(63,510)</u>	<u>(790,238)</u>	<u>(955,265)</u>
Net expenditure before transfers between funds		<u>(54,573)</u>	<u>(26,546)</u>	<u>(26,775)</u>	<u>(107,894)</u>	<u>(52,390)</u>
Transfers between funds		1,043	(1,043)	-	-	-
Net movement in funds		<u>(53,530)</u>	<u>(27,589)</u>	<u>(26,775)</u>	<u>(107,894)</u>	<u>(52,390)</u>
Reconciliation of funds						
Total funds brought forward		529,257	58,329	18,582	606,168	658,558
Total funds carried forward		<u>475,727</u>	<u>30,740</u>	<u>(8,193)</u>	<u>498,274</u>	<u>606,168</u>

The Statement of Financial Activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 16 to 28 form an integral part of these financial statements.

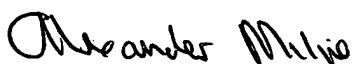
West Lothian Drug & Alcohol Service

Balance Sheet as at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	12	370	3,067
Current assets			
Debtors	13	26,939	5,541
Cash at bank and in hand		480,777	659,352
		<u>507,716</u>	<u>664,893</u>
Liabilities			
Creditors: amounts falling due within one year	14	(9,812)	(61,792)
Net current assets		497,904	603,101
Net assets		<u>498,274</u>	<u>606,168</u>
The funds of the charity			
Unrestricted funds			
General funds	17	475,727	529,257
Designated funds	18	30,740	58,329
Restricted funds	19	(8,193)	18,582
Total charity funds		<u>498,274</u>	<u>606,168</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board of Management on 29 November 2018 and signed on their behalf by



Alexander Milne
Director



Paul Thomson
Chair

Company registration number: SC212157

The notes on pages 16 to 28 form an integral part of these financial statements.

West Lothian Drug & Alcohol Service

**Statement of Cash Flows
for the year ended 31 March 2018**

Notes	2018 £	2017 £
Reconciliation of net income/(expenditure) to net cashflow from operating activities		
Net income/(expenditure) (per the Statement of Financial Activities)	(107,894)	(52,390)
Depreciation	2,697	4,306
Interest from investments	(210)	(1,555)
(Increase) in debtors	(21,398)	(4,887)
(Decrease) / increase in creditors	(51,980)	5,787
Net cash provided by/(used in) operating activities	<u>(178,785)</u>	<u>(48,739)</u>
Cash flow statement		
Net cash outflow from operating activities	(178,785)	(48,739)
Cash flows from investing activities:		
Interest from investments	210	1,555
Purchase of property, plant and equipment	-	(243)
Net cash provided by/(used in) investing activities	<u>210</u>	<u>1,312</u>
Change in cash and cash equivalents in the reporting period	(178,575)	(47,427)
Cash and cash equivalents at the beginning of the reporting period	659,352	706,779
Cash and cash equivalents at the end of the reporting period	<u>480,777</u>	<u>659,352</u>

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting policies

1.1. Statutory information

West Lothian Drug and Alcohol Service is a charitable company limited by guarantee and incorporated in Scotland. The registered office address and principal place of business is The Almondbank Centre, Shiel Walk, Craigshill, Livingston, EH54 5EH.

1.2. Basis of preparation and Statement of Compliance

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant Notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Accounts in accordance with Financial Reporting Standard 102 (effective January 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The Board of Management consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The charity meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in UK Sterling and rounded to the nearest whole pound.

1.3. Fund accounting

Funds are classified as either restricted funds or unrestricted funds, defined as follows.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Trustees' discretion to apply the fund.

1.4. Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5. Donations

Donations are recognised when the charity has evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Entitlement usually arises immediately upon receipt, however, in the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

1.6. Grants receivable

Income from government and other grants, whether 'capital' or 'revenue' in nature, are recognised when the charity has unconditional entitlement to the funds, it is probable that the income will be received, the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity.

Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

1.7. Income from Charitable Activities

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

1.8. Other trading activities

Income from other trading activities includes income earned from both trading activities to raise funds for the charity and income from fundraising events and is recognised when the charity has entitlement to the funds, it is probable that these will be received and the amounts can be measured reliably.

1.9. Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.10. Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

1.11. Expenditure on Charitable Activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

1.12. Support costs

Support costs are incurred supporting the charity's activities and include expenditure associated with administrative and finance functions, business support, HR, IT and governance. These support functions are shared across the charity's activities and are apportioned across those activities in order to arrive at the full cost for each reported activity. The method of apportionment adopted by the charity are outlined in the notes to the financial statements.

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

1.13. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the Balance Sheet date are discounted to present value.

1.14. Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.15 Activity based reporting

To comply fully with the Statement of Recommended Practice would require income and expenditure to be reported by activity. The Trustees are of the opinion that the activities of the charity are inter-linked, therefore this would be impractical to calculate and would provide no additional benefit to the users of these financial statements. Therefore no further analysis of income and expenditure is provided within these financial statements.

1.16. Pensions

The pension costs charged in the financial statements represent the contribution payable by the charity during the year. See also Note 11.

1.17. Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

1.18. Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 3 year straight line
-------------------------------------	------------------------

1.19. Leasing

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

1.20. Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

1.21. Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.22. Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.23. Deferred income

Grant income is deferred where the grant is subject to performance-related conditions and is received in advance of delivering services required. Where grant income is deferred it is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance related conditions that limit recognition are met. See also Note 15.

1.24. Taxation

The charity is exempt from corporation tax on its activities and accordingly no provision is made for corporation tax in the financial statements.

1.25. Judgements and estimates

In preparing the financial statements, the Board of Management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

2. Donations

	2018	2017
	£	£
Donations	1,118	2,177
	<u>1,118</u>	<u>2,177</u>

West Lothian Drug & Alcohol Service

**Notes to the Financial Statements
for the year ended 31 March 2018**

3. Income from charitable activities

	2018	2017
	£	£
West Lothian Alcohol and Drug Partnership	501,001	672,078
NHS Lothian	130,270	85,619
Circle (Scotland)	-	81,388
Children in Need	36,735	35,345
University of Glasgow	5,926	-
Community Safety Fund	-	4,250
Awards for All	-	8,145
Volant Charitable Trust	-	10,000
Miscellaneous income - training and reports	555	2,018
	<u>674,487</u>	<u>898,843</u>

4. Other trading activities

	2018	2017
	£	£
Fundraising	6,529	300
	<u>6,529</u>	<u>300</u>

5. Investment income

	2018	2017
	£	£
Interest received	210	1,555
	<u>210</u>	<u>1,555</u>

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

6. Costs of charitable activities

	Direct activities £	Support costs £	Total 2018 £	Total 2017 £
Staff costs	597,108	98,859	695,967	847,461
Training costs	21,484	-	21,484	25,915
Premises costs	17,681	32,320	50,001	57,227
Running costs	-	11,225	11,225	13,817
Legal and professional fees	-	2,922	2,922	3,601
Depreciation	-	2,697	2,697	4,305
Governance Costs	-	5,942	5,942	2,939
	<u>636,273</u>	<u>153,965</u>	<u>790,238</u>	<u>955,265</u>

7 Auditor's Remuneration

	2018 £	2017 £
External audit of financial statements including VAT	5,112	4,980
Adjustment for under/(over) accrual in prior years	830	(1,287)
	<u>5,942</u>	<u>3,693</u>

8. Net income/(expenditure) for the year

	2018 £	2017 £
Net expenditure is stated after charging:		
Depreciation and other amounts written off tangible assets	2,697	4,305
Operating lease rentals		
- Other	<u>2,815</u>	<u>2,815</u>

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

9. Employees

Number of employees

The number of employees during the year were:

	2018 Number	2017 Number
Full Time	10	17
Part Time	8	6
Sessional	3	4
	<u>21</u>	<u>27</u>

Employment costs

	2018 £	2017 £
Wages and salaries	531,239	648,101
Social security costs	44,022	57,201
Other pension costs	48,101	60,918
	<u>623,362</u>	<u>766,220</u>

There were no employees who received remuneration of over £60,000 in the period.

The remuneration of "key management personnel" during the year was:

	2018 £	2017 £
Wages and salaries	71,184	75,337
Social security costs	7,571	8,047
Other pension costs	9,332	13,605
	<u>88,087</u>	<u>96,989</u>

Termination benefits of £20,789 (2017: £nil) were paid to two staff members in the year.

10. Board of Management emoluments

No member of the Board of Management nor any persons connected to them received emoluments or any reimbursement of any expenses during the year.

11. Pension costs

The pension charge represents contributions due from the company and amounted to £48,101 (2017 - £60,918).

West Lothian Drug & Alcohol Service

**Notes to the Financial Statements
for the year ended 31 March 2018**

12. Tangible fixed assets	Fixtures, fittings and equipment £	Total £
Cost		
At 1 April 2017	55,809	55,809
At 31 March 2018	55,809	55,809
Depreciation		
At 1 April 2017	52,742	52,742
Charge for the year	2,697	2,697
At 31 March 2018	55,439	55,439
Net book values		
At 31 March 2018	370	370
At 31 March 2017	3,067	3,067

13. Debtors	2018 £	2017 £
Trade debtors	22,143	2,575
Other debtors	-	2,906
Prepayments and accrued income	4,796	60
	26,939	5,541

14. Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	899	2,202
Accruals and deferred income	8,913	59,590
	9,812	61,792

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

15. Deferred income

"Accruals and deferred income" in Note 14 contains the following deferred income:

	1 Apr '17 £	Receipts in year £	Released in year £	31 Mar '18 £
Grants				
NHS Decipher-Assist	54,500	-	(54,500)	-
	<u>54,500</u>	<u>-</u>	<u>(54,500)</u>	<u>-</u>

16. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2018 as represented by:				
Tangible fixed assets	-	370	-	370
Current assets	485,539	30,370	(8,193)	507,716
Current liabilities	(9,812)	-	-	(9,812)
	<u>475,727</u>	<u>30,740</u>	<u>(8,193)</u>	<u>498,274</u>

17. Unrestricted General Funds

	1 Apr '17 £	Income £	Expenditure £	Transfers £	31 Mar '18 £
General Fund	529,257	14,338	(68,911)	1,043	475,727
	<u>529,257</u>	<u>14,338</u>	<u>(68,911)</u>	<u>1,043</u>	<u>475,727</u>

Purposes of General Funds

General Fund

Fund for General day to day running of the organisation. A transfer from the Designated Fund Moving On Service fund to General Funds was made on the discontinuation of that service.

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

18. Unrestricted Designated Funds

	1 Apr '17	Income	Expenditure	Transfers	31 Mar '18
	£	£	£	£	£
Premises Fund	21,939	-	-	-	21,939
Capital Fund	3,067	-	(2,697)	-	370
Psych Services Fund	29,308	484,928	(513,976)	-	260
Moving On Service	-	16,073	(15,030)	(1,043)	-
Tobacco Education & Cessation	4,015	130,270	(126,114)	-	8,171
	<u>58,329</u>	<u>631,271</u>	<u>(657,817)</u>	<u>(1,043)</u>	<u>30,740</u>

Purposes of Designated Funds

Premises Fund

The Board of Management has designated funds for the future development of the premises and to continue to meet health and safety requirements.

Capital Fund

The Board of Management has designated funds to cover future depreciation of assets.

Psych Services Fund

This fund is for drug and enhanced alcohol counselling provision with income from West Lothian Alcohol and Drug Partnership.

All contract income and related expenditure associated with the service is recorded through this designated fund.

Moving On Service

This fund is to provide services to offenders and vulnerable adults with income from West Lothian Alcohol and Drug Partnership.

All contract income and related expenditure associated with the service is recorded through this designated fund.

A transfer from the Designated Fund Moving On Service fund to General Funds was made on the discontinuation of that service.

Tobacco Education & Cessation

This fund is for tobacco prevention and education for primary school children with income from NHS Lothian.

All contract income and related expenditure associated with the service is recorded through this designated fund.

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

19. Restricted funds

	1 Apr '17	Income	Expenditure	31 Mar '18
	£	£	£	£
Grief Matters Service	18,582	36,735	(63,510)	(8,193)
	<u>18,582</u>	<u>36,735</u>	<u>(63,510)</u>	<u>(8,193)</u>

Purposes of restricted funds

Grief Matters Service

This fund is to provide a bereavement service for young people with income from Children in Need.

The fund is in deficit at 31 March 2018. Further funding was received from Children in Need and other funders in 2018/19 to cover this shortfall and enable the project to continue.

20. Financial commitments

At 31 March 2018 the charity had total commitments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Obligations due:		
Within one year	2,815	5,630
Between one and five years	-	2,815
	<u>2,815</u>	<u>8,445</u>

21. Related party transactions

There were no related party transactions in the reporting year requiring disclosure.

West Lothian Drug & Alcohol Service

**Notes to the Financial Statements
for the year ended 31 March 2018**

22. Financial Instruments

	31 March 2018	31 March 2017
	£	£
Financial Assets		
Financial assets measured at fair value	-	-
Financial assets measured at amortised cost	502,920	664,833
	<u>502,920</u>	<u>664,833</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	9,812	7,292
	<u>9,812</u>	<u>7,292</u>

Financial assets measured at fair value include the investment portfolio.

Financial assets measured at amortised cost include cash at bank, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

West Lothian Drug & Alcohol Service

Notes to the Financial Statements for the year ended 31 March 2018

23. Statement of Financial Activities for the year ended 31 March 2017

	Unrestricted General funds £	Designated funds £	Restricted funds £	2017 Total £
Income from:				
Donations	877	1,000	300	2,177
Charitable activities	6,268	757,697	134,878	898,843
Other trading activities	300	-	-	300
Investment income	1,555	-	-	1,555
Total income	<u>9,000</u>	<u>758,697</u>	<u>135,178</u>	<u>902,875</u>
Expenditure on:				
Charitable activities	(39,360)	(786,363)	(129,542)	(955,265)
Total expenditure	<u>(39,360)</u>	<u>(786,363)</u>	<u>(129,542)</u>	<u>(955,265)</u>
Net income/(expenditure) before transfers between funds	<u>(30,360)</u>	<u>27,666</u>	<u>5,636</u>	<u>(52,390)</u>
Transfers between funds	<u>15,184</u>	<u>56,926</u>	<u>(72,110)</u>	<u>-</u>
Net movement in funds	<u>(15,176)</u>	<u>29,260</u>	<u>(66,474)</u>	<u>(52,390)</u>
Reconciliation of funds				
Total funds brought forward	<u>544,433</u>	<u>29,069</u>	<u>85,056</u>	<u>658,558</u>
Total funds carried forward	<u><u>529,257</u></u>	<u><u>58,329</u></u>	<u><u>18,582</u></u>	<u><u>606,168</u></u>

Under Charities Statement of Recommended Practice (FRS 102), comparatives for each class of funds are required for each line on the Statement of Financial Activities (SoFA). The note above illustrates the SoFA for the year to 31 March 2017.