

COMPANY REGISTRATION NUMBER: SC357883

CHARITY REGISTRATION NUMBER: SC023317

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Financial Statements

31 March 2017

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PATERSON BOYD & Co.
Chartered Accountants

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2017

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Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year Ended 31 March 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2017.

Reference and administrative details

Registered charity name	Drugs, Alcohol and Psychotherapies Limited
Charity registration number	SC023317
Company registration number	SC357883
Principal office and registered office	1 - 2 Parkdale Avenue Leven Fife KY8 5AQ

The trustees

Steven Walker	
Geoffrey Cartwright	
Kathleen McCleary	
Pat Greenhaugh	(Appointed 1 August 2016)
Josephine Hilton	(Appointed 19 September 2016)
Christopher Oliver	(Appointed 19 September 2016)
John Inglis	(Resigned 22 March 2017)
Ewan Masson	(Resigned 25 April 2016)

Key management personnel

Service Manager	Martin Denholm
Business Co-ordinator	Liam Thomson

Company Secretary	Ewan Masson (resigned 25 April 2016)
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Auditor	Paterson Boyd & Co Chartered Accountants & Statutory Auditor 8 Mitchell Street Leven Fife KY8 4HJ
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Bankers	Bank of Scotland PO Box 1000 BX2 1LB
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Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2017

Structure, governance and management

Governing document

Drugs, Alcohol and Psychotherapies Limited is a company limited by guarantee without share capital and a registered charity governed by its memorandum and articles of association.

Directors and trustees

The trustees, who are also directors of the charitable company under company law, are as detailed on page 1 of the financial statements.

Induction and training of new trustees

New trustees are given a comprehensive induction covering all aspects of the organisation's work. They are provided with copies of all our literature along with the main documents which set out the operational framework for the charity including the Memorandum and Articles.

Further new trustees are invited to meetings with organisational management and staff members.

Feedback from new trustees about their induction has been very positive.

Volunteers

Paid staff are supported by the work carried out by Drugs, Alcohol and Psychotherapies Limited volunteers. The organisation appreciates the time and effort volunteers give in helping the service achieve its objectives.

Pay policy for senior staff

The trustees consider the board of directors, who are the charity's trustees, the Service Manager and the Business Co-ordinator to be the key management of the charity in charge of directing and controlling, running and operating the organisation on a day to day basis. All directors give of their time freely and no director received remuneration in the year. The pay of the Service Manager is reviewed annually and is benchmarked against pay levels in other organisations of similar size and type.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2017

Structure, governance and management *(continued)*

Risk management objectives and policies

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The major risks to which the charity is exposed have been identified and systems established to mitigate this.

Risks can be categorised in the following ways:

- Governance risks
- Operational risks
- Financial risks
- Environmental risks
- Regulatory compliance risks

The trustees of the charity believe that sound risk management is integral to both good management and good governance practice.

Risk management forms an integral part of the charity's decision making and is incorporated within strategic and operational planning.

Risk assessment is conducted on all new activities and projects to ensure they are in line with the charity's objectives and mission.

Any risks or opportunities arising are identified, analysed and reported at an appropriate level.

A risk register covering key strategic risks is maintained and updated annually and more frequently when risks are known to be volatile. A more detailed operational risk register is maintained in aspects where this is considered appropriate, taking account of the impact of potential risk and the cost benefit of the exercise.

All staff are provided with adequate training on risk management and their role and responsibilities in implementing this.

The charity regularly reviews and monitors the effectiveness of its risk management framework and updates it as considered appropriate.

Reports are made to the board of continuing and emerging high concern risks and those where priority action is needed to effect better control. Individual error and incident reports are required from individual staff where a reportable event is identified.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2017

Objectives and activities

The principal activities and objectives of the charity in the year under review are that of a charitable organisation offering advice, counselling and support services to individuals, and their families, who are affected by drug and alcohol misuse, addictive behaviours and psychological disorders.

The charity's key objectives are:-

- To alleviate the distress and suffering caused by alcohol or drugs use, addictive behaviours or psychological disorders by any reasonable and legitimate means;
- To provide educational and support services to individuals who are, or who are at risk of being affected by alcohol or drugs use, addictive behaviours or psychological disorders;
- To provide and promote educational and support services to professionals working in the fields of alcohol or drug; addictive behaviours or psychological disorders;
- To work with other bodies, agencies and organisations in developing, promoting and delivering such education and support services;
- To recruit, train, support and deploy volunteer workers to assist with the development, promotion and delivery of such education and support services.

The charity is organised so that the trustees meet regularly to manage its affairs. Decisions affecting the normal delivery of the service are made by the service manager with reference to the trustees as necessary. Major decisions are made by the trustees.

The charity continues to maintain close links with Fife Council and Fife Alcohol and Drugs Partnership, both of which provide funding to further the charity's objectives.

The trustees are elected annually at the Annual General Meeting.

Social investment policy

The majority of funds managed by the organisation are either entrusted to DAPL for restricted purposes or require to be readily available for the support of the organisation. Therefore all funds are held in accounts where there is no risk to capital sums. Any deposit accounts will not have a longer duration than the level of contracted core funding.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2017

Achievements and performance

It is with great pleasure that I can offer my thanks on behalf of the board for the outstanding work the team at DAPL have achieved over the past year. In these times of cutbacks where there is an expectancy to do more for less, I offer thanks to all therapists, art therapists, recovery workers, student placements, volunteers, those we have hosted from the Scottish Drugs Forum Addiction Worker Training Programme, manager, team leaders and not forgetting our admin staff, without whom nothing happens.

One of the most significant recent changes was our change in name and rebranding to Drugs, Alcohol and Psychotherapies Limited, which took place in February 2016. This was done with full consultation with the staff and client group and was felt to represent our full remit of activities. Interestingly it was a previous user of the service who coined the strap line "Direct Action for Problematic Lives".

From the board's perspective we have lost two members but gained another three, Pat Greenhough, Jo Hilton and Professor Chris Oliver, all of whom bring their unique skills and attributes to help guide and support DAPL into the future. We have also been very lucky to attract not one but two patrons to support DAPL, actor Clive Russell and Eleanor Bowman MBE. A very warm welcome to all.

We, the board, are very happy that the organisation is managing to achieve, if not exceed, the targets that are set by our funders; Fife Council and Fife Alcohol and Drugs Partnership. The board has found particularly interesting the activity outcomes regarding how well clients have done after input from DAPL relating to substance use and physical/psychological health.

This past year DAPL has had a significant increase in demand to support young people from school estates for general counselling and we are keen to discuss our current activity, capacity pressures and opportunities for development. This year we were very fortunate to receive additional funding to offer the first full time third sector counselling position within a school setting (St Kenneth's Primary, Ballingry) through the Government's Scottish Attainment Challenge.

Previously, in 2012, we were assessed by the Scottish Drugs Forum National Quality Development (NQD) Team and have since made recommended improvements. Not wishing to rest here, NQD were invited to review us against new Quality Principles issued by the Scottish Government and we look forward to implementing any changes required to promote recovery once this assessment is complete.

Whilst we have a core team of paid staff, demand for the service means that volunteers are vitally important to DAPL and we are grateful for their dedication. In particular each year we receive a number of placements from universities throughout Scotland which goes to show the reputation DAPL has within its field.

We would like to take this opportunity to show our appreciation to our main funders, Fife Council and Fife Alcohol and Drugs Partnership, for their continued support and we look forward to the future.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2017

Finally we would like to offer our wholehearted thanks to all our staff, volunteers, placements etc. without whose continued dedication and hard work none of this would be possible. Together we look forward to meeting the challenges ahead.

Significant events and charitable activities

The organisation continues to operate prudently with tight constraints, given the overall financial situation within the public sector. The trustees recognise the challenge of retaining and increasing funding in order to meet a strong demand for the organisation's service throughout the population of Fife. A particular challenge for the organisation continues to be managing commitments to the Local Government Pension Scheme to which DAPL are an admitted body.

Financial review

The Statement of Financial Position of the charity as detailed on page 12 shows total funds of the charity of £543,421 as at 31 March 2017. Net expenditure for the year was £194,997 as detailed in the Statement of Financial Activities on page 11. It should be noted that the above figure was after recognition of an actuarial loss of £256,000 on the Fife Council Pension Scheme.

Principal funding sources

The principal sources of funding are Fife Council and NHS Fife.

Investment powers and policy

Aside from retaining a prudent amount of reserves each year, the charity's funds are lodged in a bank current account.

Reserves

The trustees manage the charity's funds with the goal being to ensure that it has a sufficient amount in order to meet various identified contingencies and foreseeable costs. The charity considers it prudent to encompass, within this policy, the following amounts to cover:

- Three months running costs; and
- The legal and financial costs, including redundancy costs, pertaining to a wind up of the organisation.

The trustees believe that three months running costs is reasonable given that a substantial percentage of the workforce have been employed with the organisation for a longer duration of time and therefore would require statutory notice of up to 12 weeks following a consultation period in the event that the organisation was to wind up. Further as part of ethical practice, counsellors would require a sufficient amount of time to close with their clients.

There are a number of legal and financial costs pertaining to the wind up of the organisation, these include:-

- Redundancy costs (the organisation's policy is only to pay statutory redundancy payments). There will also be cost strain sums to pay to the Local Government Pension Scheme for individuals made redundant; and
- Any organisational liabilities due to the Pension Scheme.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2017

Plans for future periods

The organisation has a strategic business plan in place to ensure that services develop to continue to meet the demands of service users and funders.

2017/18 will see DAPL start work as a commissioned service as part of Fife Council's "Our Minds Matter" framework, which will help support young people's emotional wellbeing in Fife.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Drugs, Alcohol and Psychotherapies Limited

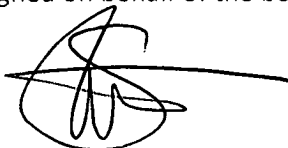
Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2017

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 08 November 2017 and signed on behalf of the board of trustees by:

A handwritten signature in black ink, consisting of a stylized 'S' and 'W' with a long horizontal stroke extending to the right.

Steven Walker
Chairperson

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Drugs, Alcohol and Psychotherapies Limited

Year Ended 31 March 2017

We have audited the financial statements of Drugs, Alcohol and Psychotherapies Limited for the year ended 31 March 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Drugs, Alcohol and Psychotherapies Limited *(continued)*

Year Ended 31 March 2017

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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).

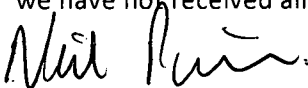
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Neil Paterson B.A. C.A. (Senior Statutory Auditor)

For and on behalf of
Paterson Boyd & Co
Chartered Accountants & Statutory Auditor
8 Mitchell Street
Leven
Fife
KY8 4HJ

Date: 08 November 2017

Paterson Boyd & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 March 2017

		Unrestricted funds £	2017 Restricted funds £	Total funds £	2016 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	97,919	–	97,919	101,322
Charitable activities	6	–	560,116	560,116	541,917
Other income	7	2,165	–	2,165	–
Total income		<u>100,084</u>	<u>560,116</u>	<u>660,200</u>	<u>643,239</u>
Expenditure					
Expenditure on charitable activities	8,9	85,610	513,587	599,197	610,594
Total expenditure		<u>85,610</u>	<u>513,587</u>	<u>599,197</u>	<u>610,594</u>
Net income		<u>14,474</u>	<u>46,529</u>	<u>61,003</u>	<u>32,645</u>
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes		(38,400)	(217,600)	(256,000)	253,000
Net movement in funds		<u>(23,926)</u>	<u>(171,071)</u>	<u>(194,997)</u>	<u>285,645</u>
Reconciliation of funds					
Total funds brought forward		48,396	690,022	738,418	452,773
Total funds carried forward		<u>24,470</u>	<u>518,951</u>	<u>543,421</u>	<u>738,418</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 26 form part of these financial statements.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2017

		2017	2016
		£	£
Fixed Assets			
Tangible fixed assets	15	5,795	8,243
Current Assets			
Debtors	16	9,992	8,879
Cash at bank and in hand		539,524	567,266
		<u>549,516</u>	<u>576,145</u>
Creditors: amounts falling due within one year	17	<u>10,890</u>	<u>102,970</u>
Net Current Assets		<u>538,626</u>	<u>473,175</u>
Total Assets Less Current Liabilities		<u>544,421</u>	<u>481,418</u>
Net Assets Excluding Defined Benefit Pension Plan Liability		<u>544,421</u>	<u>481,418</u>
Defined benefit pension plan liability	19	1,000	–
Defined benefit pension plan asset	19	<u>–</u>	<u>257,000</u>
Net Assets Including Defined Benefit Pension Plan Liability		<u><u>543,421</u></u>	<u><u>738,418</u></u>
Funds of the Charity			
Restricted funds		518,951	690,022
Unrestricted funds:			
Defined benefit pension reserve		(150)	38,550
Other unrestricted income funds		<u>24,620</u>	<u>9,846</u>
Total unrestricted funds		<u>24,470</u>	<u>48,396</u>
Total charity funds	20	<u><u>543,421</u></u>	<u><u>738,418</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 08 November 2017, and are signed on behalf of the board by:



Steven Walker
Chairperson

The notes on pages 14 to 26 form part of these financial statements.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Statement of Cash Flows

Year Ended 31 March 2017

	2017 £	2016 £
Cash Flows from Operating Activities		
Net income	61,003	32,645
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	2,448	4,304
Accrued (income)/expenses	(92,080)	91,363
Actuarial gain on defined benefit scheme	(256,000)	253,000
Decrease in provisions	258,000	(230,000)
<i>Changes in:</i>		
Trade and other debtors	(92,132)	1,098
Trade and other creditors	91,019	—
Cash generated from operations	(27,742)	152,410
Net cash (used in)/from operating activities	(27,742)	152,410
Cash Flows from Investing Activities		
Purchase of tangible assets	—	(495)
Net cash used in investing activities	—	(495)
Net (Decrease)/Increase in Cash and Cash Equivalents	(27,742)	151,915
Cash and Cash Equivalents at Beginning of Year	567,266	415,351
Cash and Cash Equivalents at End of Year	539,524	567,266

The notes on pages 14 to 26 form part of these financial statements.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2017

1. General Information

The charity is a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is 1 - 2 Parkdale Avenue, Leven, Fife, KY8 5AQ.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting Policies

Going Concern

The trustees are of the opinion that the charity can continue to meet its obligations as they fall due for the foreseeable future due to the expectations of future income. As a consequence the trustees' have prepared the financial statements on the going concern basis.

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Drugs, Alcohol and Psychotherapies Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Taxation

The charity is exempt from tax on income and gains falling within sections 471 - 571 of the Corporation Tax Act 2010 or s256 of the Taxations of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax changes have arisen in the charity. Expenditure includes attributable VAT, which cannot be recovered as the charity is not VAT registered.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund Accounting

- Unrestricted general funds, which can be used in accordance with the charitable objectives of the charity, no restriction on their use.
- Restricted funds, which are funds that can only be used for a particular restricted purpose within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Incoming Resources

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Resources Expended

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred and attributed directly to grant earning income as disclosed in the Statement of Financial Activities. Expenditure includes attributable VAT which cannot be recovered as the charity is not registered for VAT. All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

3. Accounting Policies *(continued)*

Tangible Assets

Individual fixed assets costing £250 or more are capitalised at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	straight line over ten years
Fixtures & fittings	-	15% reducing balance
Computer equipment	-	straight line over three years

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

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.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

3. Accounting Policies *(continued)*

Defined Benefit Plans

The company recognises a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Plan surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit asset or liability arising from employee service are recognised in income or expenditure as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in income or expenditure in the period in which they occur.

Net interest is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in income or expenditure.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by Guarantee

The charity is a company limited by guarantee without share capital. Each member of the charity has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the charity being placed in liquidation. At the balance sheet date the charity had six members.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

5. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	1,335	—	1,335
Grants			
Fife Council - Section 10 grant	96,584	—	96,584
Fife Health & Social Care Partnership	—	—	—
	<u>97,919</u>	<u>—</u>	<u>97,919</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	1,262	—	1,262
Grants			
Fife Council - Section 10 grant	97,560	—	97,560
Fife Health & Social Care Partnership	—	2,500	2,500
	<u>98,822</u>	<u>2,500</u>	<u>101,322</u>

6. Charitable Activities

	Restricted Funds £	Total Funds 2017 £	Restricted Funds £	Total Funds 2016 £
NHS Fife: Counselling support	291,790	291,790	295,000	295,000
Fife Council: Changing Children's Services Fund	208,814	208,814	210,924	210,924
Fife Council: Education Schools & Counselling Service	29,029	29,029	29,028	29,028
Fife Alcohol & Drug partnership	—	—	6,965	6,965
ADP: Development Fund	835	835	—	—
Fife Council: St Kenneths	29,648	29,648	—	—
	<u>560,116</u>	<u>560,116</u>	<u>541,917</u>	<u>541,917</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

7. Other Income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Court report	75	75	—	—
Other income	2,090	2,090	—	—
	<u>2,165</u>	<u>2,165</u>	<u>—</u>	<u>—</u>

8. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Charitable activities	54,420	336,769	391,189
Support costs	31,190	176,818	208,008
	<u>85,610</u>	<u>513,587</u>	<u>599,197</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Charitable activities	78,293	332,766	411,059
Support costs	29,950	169,585	199,535
	<u>108,243</u>	<u>502,351</u>	<u>610,594</u>

9. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
Charitable activities	391,189	202,444	593,633	600,705
Governance costs	—	5,564	5,564	9,889
	<u>391,189</u>	<u>208,008</u>	<u>599,197</u>	<u>610,594</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

10. Analysis of Support Costs

	Charitable activities £	Total 2017 £	Total 2016 £
Staff costs	125,802	125,802	109,663
Premises	27,266	27,266	27,667
Communications and IT	14,489	14,489	12,835
General office	34,886	34,886	39,481
Governance costs	5,565	5,565	9,889
	<u>208,008</u>	<u>208,008</u>	<u>199,535</u>

11. Net Income

Net income is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	2,448	4,304
Operating lease rentals	<u>10,969</u>	<u>11,432</u>

12. Auditor's Remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>4,560</u>	<u>4,464</u>
Fees payable to the charity's auditor and its associates for other services:		
Other non-audit services	<u>1,212</u>	<u>1,234</u>

13. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017 £	2016 £
Wages and salaries	365,966	361,099
Social security costs	28,040	21,280
Employer contributions to pension plans	62,487	72,576
Other employee benefits	—	15,500
	<u>456,493</u>	<u>470,455</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

13. Staff Costs *(continued)*

The average head count of employees during the year was 19 (2016: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2017 No.	2016 No.
Number of core services staff	14	14
Number of management and administrative staff	5	5
	<u>19</u>	<u>19</u>

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £74,218 (2016:£68,289).

14. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Tangible Fixed Assets

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2016 and 31 March 2017	<u>17,847</u>	<u>11,865</u>	<u>21,827</u>	<u>51,539</u>
Depreciation				
At 1 April 2016	14,009	7,460	21,827	43,296
Charge for the year	<u>1,785</u>	<u>663</u>	<u>—</u>	<u>2,448</u>
At 31 March 2017	<u>15,794</u>	<u>8,123</u>	<u>21,827</u>	<u>45,744</u>
Carrying amount				
At 31 March 2017	<u>2,053</u>	<u>3,742</u>	<u>—</u>	<u>5,795</u>
At 31 March 2016	<u>3,838</u>	<u>4,405</u>	<u>—</u>	<u>8,243</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

16. Debtors

	2017	2016
	£	£
Prepayments and accrued income	8,776	7,663
Other debtors	1,216	1,216
	<u>9,992</u>	<u>8,879</u>

17. Creditors: amounts falling due within one year

	2017	2016
	£	£
Accruals and deferred income	<u>10,890</u>	<u>102,970</u>

18. Deferred Income

	2017	2016
	£	£
At 1 April 2016	91,019	–
Amount released to income	(91,019)	–
Amount deferred in year	–	91,019
At 31 March 2017	<u>–</u>	<u>91,019</u>

Deferred income comprised of grant award income that related to the 2016/17 year which began on 1 April 2016 but was received prior to that date. This figure was included within other creditors under note 17 in 2016.

19. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £62,487 (2016: £72,576).

Defined benefit plans

The charity operates a pension scheme providing benefits based on a final pensionable pay. The scheme is part of the Fife Council Pension fund and is administered by Fife Council. It is a funded scheme and the assets are administered by its trustees and are independent of the charity. The related costs are assessed in accordance with the advice of professionally qualified actuaries.

It is now possible to define the charity's share of funds and assets/liabilities and as a result the following disclosures are provided in line with FRS 102.

A full actuarial valuation was carried out at 31 March 2014, and was updated at 31 March 2016 by Hymans Robertson LLP, the scheme actuary, using the approximate method, results of which are shown below.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

19. Pensions and Other Post Retirement Benefits *(continued)*

The amounts recognised in the statement of financial position are as follows:

	2017	2016
	£	£
Defined benefit pension plan asset	–	257,000
Defined benefit pension plan liability	<u>(1,000)</u>	<u>–</u>
Net defined benefit liability	<u>(1,000)</u>	<u>257,000</u>

The statement of financial position net defined benefit liability is determined as follows:

	2017	2016
	£	£
Present value of defined benefit obligations	(2,670,000)	(1,890,000)
Fair value of plan assets	<u>2,669,000</u>	<u>2,147,000</u>
	<u>(1,000)</u>	<u>257,000</u>

Changes in the present value of the defined benefit obligations are as follows:

	2017
	£
At 1 April 2016	1,890,000
Current service cost	72,000
Interest expense	69,000
Benefits paid	(23,000)
Contributions by plan participants	15,000
Remeasurements:	
Actuarial gains and losses	647,000
At 31 March 2017	<u>2,670,000</u>

Changes in the fair value of plan assets are as follows:

	2017
	£
At 1 April 2016	2,147,000
Interest income	78,000
Benefits paid	(23,000)
Contributions by employer	61,000
Contributions by plan participants	15,000
Remeasurements:	
Return on plan assets, excluding amount included in interest income	391,000
At 31 March 2017	<u>2,669,000</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

19. Pensions and Other Post Retirement Benefits *(continued)*

The total costs for the year in relation to defined benefit plans are as follows:

	2017	2016
	£	£
Recognised in income or expenditure:		
Current service cost	<u>72,000</u>	<u>73,000</u>

The fair value of the major categories of plan assets are as follows:

	2017	2016
	%	%
Equity instruments	72.00	68.00
Property	8.00	10.00
Cash and cash equivalents	5.00	6.00
Bonds	15.00	16.00

The return on plan assets are as follows:

	2017	2016
	£	£
Return on assets of benefit plan	78,000	70,000
Return on reimbursement rights assets in benefit plan	<u>391,000</u>	<u>(69,000)</u>
	<u>469,000</u>	<u>1,000</u>

The principal actuarial assumptions as at the statement of financial position date were:

	2017	2016
	%	%
Discount rate	2.70	3.60
Expected rate of salary increase	3.60	3.40
Expected rate of increase in pensions	2.40	2.20
Mortality rates:	Years	Years
Current pensioners at 65 - male	22.00	22.00
Current pensioners at 65 - female	23.70	23.70
Future pensioners at 65 - male	24.10	24.10
Future pensioners at 65 - female	<u>26.40</u>	<u>26.40</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

20. Analysis of Charitable Funds

Unrestricted funds

	At 1 April 2016	Income	Expenditure	Gains and losses	At 31 March 2017
	£	£	£	£	£
General funds	9,846	100,084	(85,310)	–	24,620
Pension	38,550	–	(300)	(38,400)	(150)
	<u>48,396</u>	<u>100,084</u>	<u>(85,610)</u>	<u>(38,400)</u>	<u>24,470</u>

Restricted funds

	At 1 April 2016	Income	Expenditure	Gains and losses	At 31 March 2017
	£	£	£	£	£
Restricted Funds	471,572	560,116	(511,887)	–	519,801
Pension	218,450	–	(1,700)	(217,600)	(850)
	<u>690,022</u>	<u>560,116</u>	<u>(513,587)</u>	<u>(217,600)</u>	<u>518,951</u>

CSSF To provide counselling, support and advice to young people affected by their own and other individual's substance misuse. Additionally a service is provided to adults affected by younger people and families.

ADP To provide psychological counselling therapy for substance misusers throughout Fife.

21. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Tangible fixed assets	–	5,795	5,795
Current assets	26,254	523,262	549,516
Creditors less than 1 year	(1,634)	(9,256)	(10,890)
Defined benefit pension	(150)	(850)	(1,000)
Net assets	<u>24,470</u>	<u>518,951</u>	<u>543,421</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2017

22. Financial Instruments

The carrying amount for each category of financial instrument is as follows:

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>549,524</u>	<u>576,145</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>10,890</u>	<u>102,970</u>

23. Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	<u>11,380</u>	<u>11,380</u>

24. Related Parties

For the whole of the financial year the charity was controlled by its Board of Directors as listed on page 1 of the financial statements.

During the year the charity paid £423 for room rental to Furniture Plus Limited, a charity in which director Geoffrey Cartwright is also a director.