

COMPANY REGISTRATION NUMBER: SC357883

CHARITY REGISTRATION NUMBER: SC023317

**Drugs, Alcohol and Psychotherapies Limited**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 March 2018**

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**PATERSON BOYD & Co.**  
Chartered Accountants

# **Drugs, Alcohol and Psychotherapies Limited**

**Company Limited by Guarantee**

**Financial Statements**

**Year Ended 31 March 2018**

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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 2018**

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 2018.

#### **Reference and administrative details**

<b>Registered charity name</b>	Drugs, Alcohol and Psychotherapies Limited
<b>Charity registration number</b>	SC023317
<b>Company registration number</b>	SC357883
<b>Principal office and registered office</b>	1 - 2 Parkdale Avenue Leven Fife KY8 5AQ
<b>The Trustees</b>	Steven Walker Geoffrey Cartwright Kathleen McCleary Pat Greenhaugh Christopher Oliver Josephine Hilton (Resigned 21 December 2017)
<b>Key management personnel</b>	
Service Manager	Martin Denholm
Business Manager	Liam Thomson
<b>Auditor</b>	Paterson Boyd & Co Chartered Accountants & Statutory Auditor 8 Mitchell Street Leven Fife KY8 4HJ
<b>Bankers</b>	Bank of Scotland PO Box 1000 BX2 1LB
<b>Solicitors</b>	Jas S Grosset 57 High Street Leven Fife KY8 4NE

# **Drugs, Alcohol and Psychotherapies Limited**

## **Company Limited by Guarantee**

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

**Year Ended 31 March 2018**

#### **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 Business Manager 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 2018**

#### **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 2018**

#### **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 2018**

#### **Achievements and performance**

We would like to celebrate our organisation becoming a Scottish Living Wage employer at the beginning of the financial year and like the Scottish Government we recognise this as a symbol of responsible business practice.

It is with great pleasure that on behalf of the board, we can announce another successful year for DAPL, all of which would not have been possible without the skill, expertise and support from all those involved.

This was also compounded by the Scottish Drug Forum's National Quality Improvement Team, completing a year-long review in the implementation of the Scottish Government's Principles. The report was published in September and was highly complementary of the work done at DAPL.

We have seen a great deal of activity and opportunity within the Fife Schools estates and in April began work, as part of the 'Our Minds Matter' framework, supporting pupils in all 18 secondary schools. We have also been successful in receiving funding through the 'Pupil Equity Fund' to support a number of primary and secondary schools. A big thanks to Martin and his management team for all the work in putting together and presenting these successful bids.

We had a very successful Open Day in September with over 100 individuals attending from not only the substance misuse field but we were very well attended by MP's, MSP's and local Councillors. On behalf of the board we would like to extend a sincere thanks to all who participated at the open day to make the occasion such a success. It was great to see the wealth of DAPL's experience on show. We received many positive comments from out with the organisation highlighting the diverse and innovative ways we engage without clients. For us, as well as others on the day, it was the enthusiasm and professionalism which shone through.

The board 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 look forward to the future. We also thank all the schools who have chosen to get additional support from DAPL via the Pupil Equity Fund.

Finally, as always, on behalf of the board 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.

# **Drugs, Alcohol and Psychotherapies Limited**

## **Company Limited by Guarantee**

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

#### **Year Ended 31 March 2018**

##### **Financial review**

The Statement of Financial Position of the charity as detailed on page 43 shows total funds of the charity of £905,130 as at 31 March 2018. Net income for the year was £361,709 as detailed in the Statement of Financial Activities on page 13. It should be noted that the above figure was after recognition of an actuarial gain of £357,000 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 2018**

#### **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.

2018/19 will see DAPL continue to deliver Fife Council's Education Directorate's counselling component for young people experiencing emotional distress within the Our Minds Matter framework; working alongside colleagues from; CAMHS primary mental health, SAMH, FEAT and school guidance staff.

DAPL will also work closely with partner organisations in the substance misuse field to ensure that the communities of Fife have access to a range of easily accessible and co-ordinated supports.

#### **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.

# **Drugs, Alcohol and Psychotherapies Limited**

**Company Limited by Guarantee**

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

**Year Ended 31 March 2018**

### **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.

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 8 November 2018 and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to be 'S Walker', 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 2018**

#### **Opinion**

We have audited the financial statements of Drugs, Alcohol and Psychotherapies Limited (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, 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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

# **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 2018**

#### **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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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.

#### **Opinions on other matters 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

# **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 2018**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

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, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

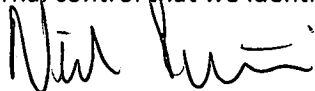
### Independent Auditor's Report to the Members of Drugs, Alcohol and Psychotherapies Limited *(continued)*

Year Ended 31 March 2018

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 charity'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 charity 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.

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.



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

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)

Year Ended 31 March 2018

			2018		2017
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	97,641	–	<b>97,641</b>	97,919
Charitable activities	6	–	610,900	<b>610,900</b>	560,116
Other income	7	75	–	<b>75</b>	2,165
<b>Total income</b>		<u>97,716</u>	<u>610,900</u>	<u><b>708,616</b></u>	<u>660,200</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	98,095	605,812	<b>703,907</b>	599,197
<b>Total expenditure</b>		<u>98,095</u>	<u>605,812</u>	<u><b>703,907</b></u>	<u>599,197</u>
<b>Net income</b>		<u>(379)</u>	<u>5,088</u>	<u><b>4,709</b></u>	<u>61,003</u>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes		53,550	303,450	<b>357,000</b>	(256,000)
<b>Net movement in funds</b>		<u>53,171</u>	<u>308,538</u>	<u><b>361,709</b></u>	<u>(194,997)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		24,470	518,951	<b>543,421</b>	738,418
<b>Total funds carried forward</b>		<u>77,641</u>	<u>827,489</u>	<u><b>905,130</b></u>	<u>543,421</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 16 to 27 form part of these financial statements.

# Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

## Statement of Financial Position

31 March 2018

		2018	2017
		£	£
<b>Fixed Assets</b>			
Tangible fixed assets	15	8,103	5,795
<b>Current Assets</b>			
Debtors	16	30,585	9,992
Cash at bank and in hand		573,882	539,524
		<u>604,467</u>	<u>549,516</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>14,440</u>	<u>10,890</u>
<b>Net Current Assets</b>		<b>590,027</b>	<b>538,626</b>
<b>Total Assets Less Current Liabilities</b>		<b>598,130</b>	<b>544,421</b>
<b>Net Assets Excluding Defined Benefit Pension Plan Asset</b>		<b>598,130</b>	<b>544,421</b>
Defined benefit pension plan liability	19	–	(1,000)
Defined benefit pension plan asset	19	<u>307,000</u>	<u>–</u>
<b>Net Assets Including Defined Benefit Pension Plan Asset</b>		<b><u>905,130</u></b>	<b><u>543,421</u></b>
<b>Funds of the Charity</b>			
Restricted funds		827,489	518,951
Unrestricted funds:			
Defined benefit pension reserve		46,050	(150)
Other unrestricted income funds		<u>31,591</u>	<u>24,620</u>
<b>Total unrestricted funds</b>		<b>77,641</b>	<b>24,470</b>
<b>Total charity funds</b>	20	<b><u>905,130</u></b>	<b><u>543,421</u></b>

These financial statements were approved by the board of trustees and authorised for issue on 8 November 2018, and are signed on behalf of the board by:



Steven Walker  
Chairperson

The notes on pages 16 to 27 form part of these financial statements.



# Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

## Statement of Cash Flows

Year Ended 31 March 2018

	2018 £	2017 £
<b>Cash Flows from Operating Activities</b>		
Net income	4,709	61,003
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	3,825	2,448
Accrued income	(22,522)	(92,080)
Actuarial gain on defined benefit scheme	357,000	(256,000)
Decrease in provisions	(308,000)	258,000
<i>Changes in:</i>		
Trade and other debtors	1,929	(92,132)
Trade and other creditors	3,550	91,019
Cash generated from operations	40,491	(27,742)
Net cash from/(used in) operating activities	40,491	(27,742)
<b>Cash Flows from Investing Activities</b>		
Purchase of tangible assets	(6,133)	—
Net cash used in investing activities	(6,133)	—
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	34,358	(27,742)
Cash and Cash Equivalents at Beginning of Year	539,524	567,266
Cash and Cash Equivalents at End of Year	573,882	539,524

The notes on pages 16 to 27 form part of these financial statements.

# **Drugs, Alcohol and Psychotherapies Limited**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 March 2018**

#### **1. General Information**

The charity is a public benefit entity and 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 Companies Act 2006.

#### **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.

##### **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 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax changes have arisen in the charity.

##### **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.

# **Drugs, Alcohol and Psychotherapies Limited**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

#### **Year Ended 31 March 2018**

#### **3. Accounting Policies *(continued)***

##### **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.

##### **Income**

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.

##### **Tangible Assets**

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

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year Ended 31 March 2018

#### 3. Accounting Policies *(continued)*

##### 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.

##### 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.

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year Ended 31 March 2018

#### 3. Accounting Policies *(continued)*

##### Defined Benefit Plans *(continued)*

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.

#### 5. Donations and Legacies

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
<b>Donations</b>				
Donations	1,057	1,057	1,335	1,335
<b>Grants</b>				
Fife Council - Section 10 grant	96,584	96,584	96,584	96,584
	<u>97,641</u>	<u>97,641</u>	<u>97,919</u>	<u>97,919</u>

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year Ended 31 March 2018

#### 6. Charitable Activities

	Restricted Funds £	Total Funds 2018 £	Restricted Funds £	Total Funds 2017 £
NHS Fife: Counselling support	280,250	280,250	291,790	291,790
Fife Council: Changing Children's Services Fund	208,814	208,814	208,814	208,814
Fife Council: Education Schools & Counselling Service	57,500	57,500	29,029	29,029
ADP: Development Fund	—	—	835	835
Fife Council: St Kenneths	29,648	29,648	29,648	29,648
Pupil Equity Fund	34,688	34,688	—	—
	<u>610,900</u>	<u>610,900</u>	<u>560,116</u>	<u>560,116</u>

#### 7. Other Income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Court report	75	75	75	75
Other income	—	—	2,090	2,090
	<u>75</u>	<u>75</u>	<u>2,165</u>	<u>2,165</u>

#### 8. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Charitable activities	62,161	402,039	464,198
Support costs	35,934	203,773	239,709
	<u>98,095</u>	<u>605,812</u>	<u>703,907</u>

	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>

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year Ended 31 March 2018

#### 9. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Charitable activities	464,198	233,145	697,343	593,633
Governance costs	–	6,564	6,564	5,564
	<u>464,198</u>	<u>239,709</u>	<u>703,907</u>	<u>599,197</u>

#### 10. Analysis of Support Costs

	Charitable activities £	Total 2018 £	Total 2017 £
Staff costs	143,131	143,131	125,802
Premises	36,478	36,478	27,266
Communications and IT	15,816	15,816	14,489
General office	37,720	37,720	34,886
Governance costs	6,564	6,564	5,565
	<u>239,709</u>	<u>239,709</u>	<u>208,008</u>

#### 11. Net Income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	3,825	2,448
Operating lease rentals	<u>12,807</u>	<u>10,969</u>

#### 12. Auditor's Remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>4,560</u>	<u>4,560</u>
Fees payable to the charity's auditor and its associates for other services:		
Other non-audit services	<u>1,283</u>	<u>1,212</u>

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year Ended 31 March 2018

#### 13. Staff Costs

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

	2018	2017
	£	£
Wages and salaries	392,117	365,966
Social security costs	30,342	28,040
Employer contributions to pension plans	117,849	62,487
	<u>540,308</u>	<u>456,493</u>

The average head count of employees during the year was 19 (2017: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	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 (2017: 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 £82,322 (2017:£74,218).

#### 14. Trustee Remuneration and Expenses

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



# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year Ended 31 March 2018

#### 15. Tangible Fixed Assets

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2017	17,847	11,865	21,827	<b>51,539</b>
Additions	–	2,738	3,395	<b>6,133</b>
Disposals	–	–	(7,600)	<b>(7,600)</b>
<b>At 31 March 2018</b>	<u>17,847</u>	<u>14,603</u>	<u>17,622</u>	<u><b>50,072</b></u>
<b>Depreciation</b>				
At 1 April 2017	15,794	8,123	21,827	<b>45,744</b>
Charge for the year	1,725	968	1,132	<b>3,825</b>
Disposals	–	–	(7,600)	<b>(7,600)</b>
<b>At 31 March 2018</b>	<u>17,519</u>	<u>9,091</u>	<u>15,359</u>	<u><b>41,969</b></u>
<b>Carrying amount</b>				
<b>At 31 March 2018</b>	<u>328</u>	<u>5,512</u>	<u>2,263</u>	<u><b>8,103</b></u>
At 31 March 2017	<u>2,053</u>	<u>3,742</u>	<u>–</u>	<u><b>5,795</b></u>

#### 16. Debtors

	<b>2018</b> £	2017 £
Prepayments and accrued income	<b>29,369</b>	8,776
Other debtors	<b>1,216</b>	1,216
	<u><b>30,585</b></u>	<u>9,992</u>

#### 17. Creditors: amounts falling due within one year

	<b>2018</b> £	2017 £
Accruals and deferred income	<b>14,440</b>	10,890

#### 18. Deferred Income

	<b>2018</b> £	2017 £
At 1 April 2017	–	91,019
Amount released to income	–	(91,019)
<b>At 31 March 2018</b>	<u>–</u>	<u>–</u>

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year Ended 31 March 2018

#### 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 £117,849 (2017: £62,487).

##### Defined benefit plans

The charity operates a pension scheme providing benefits on 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 trust. The related costs are assessed in accordance with the advice of professionally qualified actuaries.

Pension contributions are determined by Hymans Robertson LLP, the scheme actuary. An actuarial valuation was carried out at 31 March 2018.

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

	2018	2017
	£	£
Defined benefit pension plan asset	307,000	–
Defined benefit pension plan liability	–	(1,000)
Net defined benefit asset	<u>307,000</u>	<u>(1,000)</u>

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

	2018	2017
	£	£
Present value of defined benefit obligations	(2,485,000)	(2,670,000)
Fair value of plan assets	2,792,000	2,669,000
	<u>307,000</u>	<u>(1,000)</u>

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

	2018
	£
At 1 April 2017	2,670,000
Current service cost	118,000
Interest expense	73,000
Benefits paid	(30,000)
Contributions by plan participants	18,000
Remeasurements:	
Actuarial gains and losses	(364,000)
At 31 March 2018	<u>2,485,000</u>

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year Ended 31 March 2018

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

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

	<b>2018</b>
	<b>£</b>
At 1 April 2017	<b>2,669,000</b>
Interest income	<b>73,000</b>
Benefits paid	<b>(30,000)</b>
Contributions by employer	<b>69,000</b>
Contributions by plan participants	<b>18,000</b>
Remeasurements:	
Return on plan assets, excluding amount included in interest income	<b>(7,000)</b>
<b>At 31 March 2018</b>	<b><u>2,792,000</u></b>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Recognised in income or expenditure:		
Current service cost	<b><u>118,000</u></b>	<b><u>72,000</u></b>

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

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Equity instruments	<b>72.00</b>	<b>72.00</b>
Property	<b>9.00</b>	<b>8.00</b>
Cash and cash equivalents	<b>5.00</b>	<b>5.00</b>
Bonds	<b>14.00</b>	<b>15.00</b>

The return on plan assets are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Return on assets of benefit plan	<b>73,000</b>	<b>78,000</b>
Return on reimbursement rights assets in benefit plan	<b>(7,000)</b>	<b>391,000</b>
	<b><u>66,000</u></b>	<b><u>469,000</u></b>

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year Ended 31 March 2018

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

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

	2018	2017
	%	%
Discount rate	2.70	2.70
Expected rate of salary increase	2.90	3.60
Expected rate of increase in pensions	2.40	2.40
Mortality rates:	Years	Years
Current pensioners at 65 - male	21.20	22.00
Current pensioners at 65 - female	23.80	23.70
Future pensioners at 65 - male	22.60	24.10
Future pensioners at 65 - female	25.80	26.40

#### 20. Analysis of Charitable Funds

##### Unrestricted funds

	At 1 April 2017	Income	Expenditure	Gains and losses	At 31 March 2018
	£	£	£	£	£
General funds	24,620	97,716	(90,745)	—	31,591
Pension	(150)	—	(7,350)	53,550	46,050
	<u>24,470</u>	<u>97,716</u>	<u>(98,095)</u>	<u>53,550</u>	<u>77,641</u>

##### Restricted funds

	At 1 April 2017	Income	Expenditure	Gains and losses	At 31 March 2018
	£	£	£	£	£
Restricted Funds	519,801	610,900	(564,162)	—	566,539
Pension	(850)	—	(41,650)	303,450	260,950
	<u>518,951</u>	<u>610,900</u>	<u>(605,812)</u>	<u>303,450</u>	<u>827,489</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.

# Drugs, Alcohol and Psychotherapies Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year Ended 31 March 2018

#### 21. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	–	8,103	<b>8,103</b>	5,795
Current assets	33,757	570,710	<b>604,467</b>	549,516
Creditors less than 1 year	(2,166)	(12,274)	<b>(14,440)</b>	(10,890)
Defined benefit pension	46,050	260,950	<b>307,000</b>	(1,000)
<b>Net assets</b>	<u>77,641</u>	<u>827,489</u>	<u><b>905,130</b></u>	<u>543,421</u>

#### 22. Financial Instruments

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

	2018 £	2017 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u><b>604,467</b></u>	<u>549,516</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u><b>14,440</b></u>	<u>10,890</u>

#### 23. Operating Lease Commitments

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

	2018 £	2017 £
Not later than 1 year	<u><b>10,920</b></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 £279 (2017: £423) for room rental to Furniture Plus Limited, a charity in which director Geoffrey Cartwright is also a director.