

South Wales Association For The Prevention of Addiction Ltd
Trading As Drugaid

Report and Accounts

31 March 2005

Registration Number:1073381

Registration Charity Number:265008



South Wales Association For The Prevention of Addiction Ltd
Report and accounts
Contents

	Page
Legal and administrative information	1
Directors/ trustees report	2-4
Statement of directors/ trustees responsibilities	5
Auditors' report	6
Statement of financial activities and fund reconciliation	7
Balance sheet	8
Notes to accounts	9-11
Detailed income and expenditure account	12

South Wales Association For The Prevention of Addiction Ltd
Legal and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated and registered as a charity on 25 September 1972.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Management Committee are elected at the AGM to serve a period of 3 years, subject to ratification at each AGM.

Management Committee

Mr W.G.D.Smith (Chair)
Dr N.Frude
Dr R.Gunn
Miss S.D.Scarf
Mr R.Greenhalgh (from 22 March 2005)

Secretary

Dr R.Gunn

Auditors

A.W.G.Warren & Son
74 Wyndham Crescent
Cardiff
CF11 9EF

Registered office

1a Bartlett Street
Caerphilly
CF83 1JS

Registered number

1073381

Registered charity number

265008

South Wales Association For The Prevention of Addiction Ltd Trustees Report for the Year ended 31 March 2005

The trustees, who are also directors of the company, present their report and the audited financial statements for the year ended 31 March 2005. All of the directors of the company are trustees of the charity.

Activities:

The company is a charity and exists to:

- prevent the onset of substance misuse
- raise awareness of substance misuse and related issues
- reduce and minimise substance misuse related harm and risk

In order to achieve its aims, the charity delivers a range of activities

Results:

There was a net deficit of resources for the year amounting to £20,061. Although none of the funds were restricted, separate accounts were maintained for each project. Any deficits were made good by transfers from the general funds. An amount of £57,950 was utilised from the designated funds, leaving a balance of £57,950 to carry forward.

The general reserve fund stood at £379,218 at 31 March 2005.

Casework and Enquiries:

The charity received over 1475 new referrals, of these 74% were seen, with an attendance rate of 67%. Out of these 70% were male and 30% were female.

The main sources of referrals came from Probation, self, GP's, Youth Offending Teams, NHS Services, Social Services and family and friends. Of these:

- 10% were aged under 18 years
- 25% were aged between 18-25 years
- 25% were aged between 26-35 years

The main substance misuse from referrals was:

- 43% alcohol
- 18% heroin
- 10% cannabis

Individuals are seen on a one to one basis and assessed before a package of care is put in place, and most subsequent sessions comprise therapeutic support input followed by education and advice.

Needle Exchange:

Over 1200 individuals are registered with this scheme. Over 1000 individuals used this scheme on over 1300 occasions, taking out nearly 65850 needles, and returning over 51100 (77%).

There were 359 new users of which:

- 6% were female
- 94% were male
- 48% were 18-25 years old
- 70% were steroid users
- 21% were heroin users
- 61% were amphetamine users

South Wales Association For The Prevention of Addiction Ltd
Trustees Report for the Year ended 31 March 2005

Training, Education and Awareness-Raising:

The charity delivered 29 training sessions, with 293 participants from a range of organisations including Health, Social Services, Youth Offending Teams, Probation, Police, voluntary and community groups such as Barnardos, Homestart and Victim Support. 25 participants were accredited at SEWOCN Levels 2 and 3.

In addition, over 1432 educational sessions were delivered to over 7400 young people through carousel events such as Crucial Crew, PSE inputs in schools, and inputs in and out of school settings such as youth clubs.

Future Strategy:

The charity plans to continue with its existing activity. It is also planning to maximise opportunities presented through Central Government and National Assembly strategic initiatives to diversify its range of activity within its existing catchment area, as well as roll out and extend core casework and training activity to neighbouring areas in Gwent.

The Charity will also continue to develop an integrated model of service delivery with the statutory sector.

Reserve Policy

The management committee have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between three and six months of the resources expended, which equates to £250,000 to £500,000 in general funds. At this level, the management committee feel that they would be able to meet the obligations and requirements that would result in loss funding. It would obviously be necessary to consider how the funding would be replaced or activities changed. At the balance sheet date the free reserves, amounted to £379,218.

Investment Policy

The management committee has considered the most appropriate policy for investing funds is to keep surplus funds at a deposit account.

Risk Review

The Board of Directors has conducted its own review of the major risks to which the charity is exposed which has led to the development of a strategic plan which allows for the diversification of funding streams and service activities. Internal risks are minimised by processes and procedures determining appropriate authorisation of transactions and contracts, and quality issues in respect of service delivery, all of which are reviewed periodically.

South Wales Association For The Prevention of Addiction Ltd
Trustees Report for the Year ended 31 March 2005

Members of the management committee

Members of the management committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are as set out below:

Mr W.G.D.Smith. (Chair)
Dr N.Frude
Dr R.Gunn
Miss S.D.Scarf
Mr R.Greenhalgh

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2005 was five (2004-four).

Auditors

A resolution to re-appoint A.W.G. Warren & Son as auditors will be put to the members at the Annual General Meeting.

Small company special provisions

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the management committee on: 26.7.05



Dr R. Gunn
Secretary
On behalf of the board

South Wales Association For The Prevention of Addiction Ltd
Statement of Responsibilities Of The Management Committee

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the management committee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The management committee is responsible for maintaining proper accounting records which *disclose with reasonable accuracy at any time the financial position of the company and to enable* them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Mr W.G.D.Smith
Chair
On behalf of the board

Date: 26.7.05

Independent Auditors' Report to the members of
South Wales Association For The Prevention of Addiction Ltd

We have audited the financial statements of South Wales Association For The Prevention of Addiction Ltd for the year ended 31 March 2005, which comprise pages 7 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

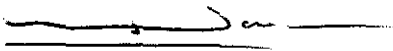
Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


A.W.G. Warren & Son
Registered auditors

74 Wyndham Crescent
Cardiff

Date: 28-7-05

South Wales Association For The Prevention of Addiction Ltd
Statement of Financial Activities and Fund Reconciliation
(Including Income and Expenditure Account)
for the year ended 31 March 2005

	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Designated Funds</u> £	<u>Total 2005</u> £	<u>Total 2004</u> £
<u>Incoming Resources</u>					
Donations received	13,911	0	0	13,911	13,339
<u>Activities to further the charities objects:</u>					
Advice and information, counselling and support, training and needle exchange	1,105,473	0	0	1,105,473	943,667
<u>Investment income</u>					
Interest received	7,202	0	0	7,202	2,420
Total incoming resources	1,126,586	0	0	1,126,586	959,426
<u>Resources Expended</u>					
<u>Cost of generating funds</u>					
Fund raising and publicity	1,754	0	0	1,754	2,703
<u>Charitable expenditure</u>					
Support and casework	760,860	0	0	760,860	600,677
Training	173,911	0	0	173,911	191,124
Needle exchange	54,347	0	0	54,347	36,403
Management and administration	97,825	0	57,950	155,775	93,695
Total resources expended	1,088,697	0	57,950	1,146,647	924,602
Net incoming/(outgoing) resources before transfers	37,889	0	-57,950	-20,061	34,824
Gross transfers between funds	0	0	0	0	0
<u>NET INCOMING/(OUTGOING) RESOURCES/ Net income/expenditure for the year</u>	37,889	0	-57,950	-20,061	34,824
Fund balances brought forward at 1 April 2004	341,329	0	115,900	457,229	422,405
Fund balances carried forward at 31 March 2005	379,218	0	57,950	437,168	457,229

South Wales Association For The Prevention of Addiction Ltd
Balance Sheet
as at 31 March 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	6	102,217	160,122
Current assets			
Debtors	7	19,561	58,893
Cash at bank and in hand		321,421	252,765
		340,982	311,658
Creditors: amounts falling due within one year	8	(6,031)	(14,551)
Net current assets		334,951	297,107
Total assets less liabilities		<u>437,168</u>	<u>457,229</u>
Income Funds			
Unrestricted funds		379,218	341,329
Designated funds		57,950	115,900
Total associations funds	10	<u>437,168</u>	<u>457,229</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Signed on behalf of the board
of directors



Mr W.G.D. Smith
Director

Approved by the board on Date: 26.7.05

South Wales Association For The Prevention of Addiction Ltd
Notes to the Accounts
for the year ended 31 March 2005

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity:

Support and casework	66%
Training	15%
Needle exchange	5%
Management and administration of charity	14%

Management and administration of charity included additional depreciation due to the revision of expected life of leasehold improvements being reduced from ten years to five. Therefore, this years depreciation charges were increased to write off the asset by 31 March 2007.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which is five years for leasehold improvements, four years for computer equipment and ten years for both office equipment and fixtures and fittings.

Unrestricted funds are donations and other incoming resources receivable or generated for the charity without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Pensions

The company operates a group personal pension contribution scheme.

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

South Wales Association For The Prevention of Addiction Ltd
Notes to the Accounts
for the year ended 31 March 2005

2 Income	2005	2004
	£	£
Incoming resources comprised grants as follows:		
Local health boards	267,825	243,731
Unitary authorities	74,636	60,026
National Assembly	337,909	215,768
Criminal Justice	312,834	369,436
Other	112,269	54,706
	<u>1,105,473</u>	<u>943,667</u>

3 Expenditure

Direct costs have been allocated, where appropriate, against the income specified for that expenditure. All other expenditure including management and administration costs have been off-set against other income.

No expenses were re-imbursed to the directors and none of the directors had any remuneration.

Depreciation of tangible fixed assets was £70,077 (2004- £27,086).

Auditors Remuneration was £1,682 (2004- £1,632).

4 Staff costs and numbers	2005	2004
	£	£
Staff costs were as follows:		
Salaries and wages	735,202	617,794
Social security costs	68,223	57,317
Pension costs	18,533	16,627
	<u>821,958</u>	<u>691,738</u>

No employees received emoluments of more than £50,000.

The average weekly number of employees during the year, calculated on the basis of full time equivalents was 38 (2004-35)

5 Taxation

The company has no liability to corporation tax for the year ended 31 March 2005 as it benefits from exemption relating to charities.

6 Tangible fixed assets	Leasehold improvements	Computer equipment	Office equipment	Fixtures and fittings	Total
	£	£	£	£	£
At 1 April 2004	144,875	38,313	46,658	24,826	254,672
Additions	-	11,141	150	881	12,172
At 31 March 2005	<u>144,875</u>	<u>49,454</u>	<u>46,808</u>	<u>25,707</u>	<u>266,844</u>
Depreciation					
At 1 April 2004	28,975	31,168	21,282	13,125	94,550
Charge for the year	57,950	6,147	4,173	1,807	70,077
At 31 March 2005	<u>86,925</u>	<u>37,315</u>	<u>25,455</u>	<u>14,932</u>	<u>164,627</u>
Net book value					
At 31 March 2005	<u>57,950</u>	<u>12,139</u>	<u>21,353</u>	<u>10,775</u>	<u>102,217</u>
At 31 March 2004	<u>115,900</u>	<u>7,145</u>	<u>25,376</u>	<u>11,701</u>	<u>160,122</u>

South Wales Association For The Prevention of Addiction Ltd
Notes to the Accounts
for the year ended 31 March 2005

7 Debtors		2005	2004	
Amounts due within one year		£	£	
Grants receivable		19,561	58,893	
Prepayments		-	-	
		<u>19,561</u>	<u>58,893</u>	
8 Creditors: amounts falling due within one year		2005	2004	
		£	£	
Sundry creditors and accruals		<u>6,031</u>	<u>14,551</u>	
9 Analysis of net assets between funds				
	Designated	Unrestricted	Restricted	Total
	funds	funds	funds	funds
	£	£	£	£
Tangible fixed assets	57,950	44,267	-	102,217
Current assets	-	340,982	-	340,982
Current liabilities	-	(6,031)	-	(6,031)
	<u>57,950</u>	<u>379,218</u>	<u>-</u>	<u>437,168</u>
10 Movements in funds	At 1 April	Incoming	Outgoing	Transfers
	2004	resources	resources	
	£	£	£	£
Unrestricted funds				
Designated Oldway house project	115,900	-	57,950	-
General funds	341,329	1,126,586	1,088,697	-
Total unrestricted funds	<u>457,229</u>	<u>1,126,586</u>	<u>1,146,647</u>	<u>-</u>
Restricted funds	-	-	-	-
Total funds	<u>457,229</u>	<u>1,126,586</u>	<u>1,146,647</u>	<u>-</u>

11 Contingent liability

A claim has been made by the landlord in respect of rental payments for Oldway House, one of the properties rented by the company, in the sum of £9,688. After seeking legal advice, the directors are of the opinion that there is no basis for this claim.

12 Capital commitments

There were no capital commitments contracted for.

South Wales Association For The Prevention of Addiction Ltd
Consolidated income and expenditure account
for the year ended 31 March 2005

	2005 £	2004 £
Income		
Grants received	1,105,473	943,667
Interest received	7,202	2,420
Donations received	13,911	13,339
	<u>1,126,586</u>	<u>959,426</u>
 Less expenditure		
Salaries and national insurance	821,958	691,738
Motor and mileage expenses	49,247	32,152
Training expenses	23,533	13,481
Other staff expenses	15,079	19,732
Rent	42,267	39,216
Repairs and renewals	2,682	3,233
Insurances	4,852	2,091
Heating and lighting	4,063	5,243
Needles	11,450	4,702
Family aid	2,500	5,000
Telephone charges	17,878	16,573
Stationery	13,282	8,848
Postages	1,969	2,043
Advertising and Printing	12,016	5,572
Photocopying	4,225	5,499
Sundry office costs	21,164	11,421
Subscriptions and publications	2,793	1,941
Legal fees	-	2,850
Consultancy fees	-	15,300
Auditors remuneration	1,682	1,632
Accountancy fees	325	325
Information and education	21,342	8,850
Advisory discretionary fund	2,009	
Sessional work	254	74
Depreciation	70,077	27,086
	<u>1,146,647</u>	<u>924,602</u>
 Surplus for the year	<u>(20,061)</u>	<u>34,824</u>