

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

Report and Accounts

31 March 2007

Registration Number 1073381

Registration Charity Number 265008

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**South Wales Association For The Prevention of Addiction Ltd**  
**Report and accounts**  
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**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 (resigned March 2007)

**Secretary**

Mrs L Hodgson

**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 2007**

The trustees, who are also directors of the company, present their report and the audited financial statements for the year ended 31 March 2007. All of the directors of the company are trustees of the charity.

**Governing document**

The organisation is a charitable company limited by guarantee and was incorporated on 25 September 1972 and registered as a charity on 14 December 1972. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, the members of the company are required to contribute an amount not exceeding £1 (One pound).

**Recruitment & appointment of Management Committee**

The directors of the company are also Trustees of the charity as defined by charity law and under the company's Articles are known as members of the Management Committee. The existing Management Committee appoints new trustees in general Meetings.

The management committee seeks to ensure that the needs of the charity are appropriately reflected through the diversity of the Trustee Body.

**Trustee induction and training**

Trustees are already familiar with the work and ethos of the charity through their broad backgrounds within the sector which the charity operates. New trustees are invited and encouraged to attend training sessions to familiarise themselves with the charity and the context within which it operates. Training and information would include,

- the obligations of the Management Committee
- details of the main documents which set out the operational framework of the charity including the Memorandum and Articles of Association
- resourcing and the current financial position as set out in the latest audited financial statements
- future plans and objectives

**Risk management**

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 determined by appropriate authorisation of transactions and contracts and also include 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 2007**

**Organisational Structure**

**3**

The management committee is currently made up of 4 members from a variety of professional backgrounds relevant to the work of the charity. They meet fortnightly and are responsible for the strategic direction and policy of the charity. The Secretary also sits on the Committee but has no voting rights.

A structure of delegation is in place for the day to day responsibility, delivery and development strategy for the charity via the Executive Director and along with Service and Business managers. The Executive Director is responsible for ensuring the charity delivers the services specified and to ensure key performance indicators are met. The Service managers have the responsibility for the day to day operational management of the services, to supervise the staff team and also to ensure that the team continue to develop their skills and working practices in line with good practice.

**Objectives and 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 within its scope.

**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 8268 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.

**Financial review**

Funding for this year has remained unchanged in comparison with the previous year. Direct investment from Criminal Justice for the development of the Drugs Intervention Programme (DIP), and from the Drug Rehabilitation Requirement for South Wales Probation Service have again been sustained in both Torfaen and Monmouthshire in the year.

**Principal funding sources**

Services are funded by and are dependent on a wide range of incoming sources including Local Health Boards, Unitary Authorities, Criminal Justice sources and from the National Assembly.

**Investment Policy**

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

**South Wales Association For The Prevention of Addiction Ltd  
Trustees Report for the Year ended 31 March 2007**

**Reserve Policy**

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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 (between £468,593 and £937,188). At this level, the management committee feel that they would be able to meet the obligations and requirements that would result in loss of 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 £537,557.

**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 work. It will also continue to develop an integrated model of service delivery with the statutory sector in Merthyr Tydfil through the establishment of a one-stop facility located at MIDAS.

**Responsibility of 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)  
Prof N Frude  
Dr R Gunn  
Miss S D Scarf  
Mr R Greenhalgh (resigned March 2007)

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 2007 was four (2006- Five).

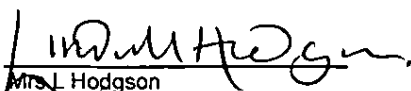
**Reappointment of Auditors**

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

**Small companies provisions**

This report has been prepared in accordance with the Statement of Recommended Practice- Accounting and Reporting by Charities (SORP 2005) 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 20.11.07

  
Mrs L Hodgson

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

20.11.2007

**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 2007 on pages 7 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 9 and in accordance with the Statement of Recommended Practice 2005 (SORP 2005) for charities along with the requirements of Financial Reporting Standards for Small Entities (effective January 2005).

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice (SORP 2005) for charities. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

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

**Basis of audit opinion**

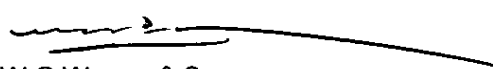
We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors/trustees in the preparation of the financial statements, 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2007 and of its deficit for the year ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 & the Statement of Recommended Practice (SORP 2005) for charities, and
- the information given in the report of the Trustees is consistent with the financial statements.

  
A W G Warren & Son  
Registered auditors

74 Wyndham Crescent, Cardiff CF11 9EF

20-11-07



**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 2007**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Designated</u> <u>Funds</u> £	<u>Total</u> <u>2007</u> £	<u>Total</u> <u>2006</u> £
<b><u>Incoming Resources</u></b>					
Donations received	12,213		0	12,213	18,613
<u>Activities to further the charities objects</u>					
Advice and information, counselling and support, training and needle exchange	1,473,941	345,909	0	1,819,850	1,629,718
<u>Investment income</u>					
Interest received	11,301	0	0	11,301	9,337
<b>Total incoming resources</b>	<b>1,497,455</b>	<b>345,909</b>	<b>0</b>	<b>1,843,364</b>	<b>1,657,668</b>
<b><u>Resources Expended</u></b>					
<u>Cost of generating funds</u>					
Fund raising and publicity	0	0	0	0	0
<u>Charitable expenditure</u>					
Support and casework	1,258,254	0	0	1,258,254	1,142,894
Training	76,933	0	0	76,933	65,684
Needle exchange	82,500	0	0	82,500	78,820
Drug Intervention Programme	0	364,383	0	364,383	136,137
Governance	29,450		28,975	58,425	55,248
<b>Total resources expended</b>	<b>1,447,137</b>	<b>364,383</b>	<b>28,975</b>	<b>1,840,495</b>	<b>1,478,783</b>
Net incoming/(outgoing) resources before transfers	50,318	-18,474	-28,975	2,869	178,885
Gross transfers between funds	0	0	0	0	0
<b><u>NET INCOMING/(OUTGOING) RESOURCES/</u></b>					
<b><u>Net income/expenditure for the year</u></b>	<b>50,318</b>	<b>-18,474</b>	<b>-28,975</b>	<b>2,869</b>	<b>178,885</b>
Fund balances brought forward at 1 April 2006	521,118	65,960	28,975	616,053	437,168
<b>Fund balances carried forward at 31 March 2007</b>	<b>571,436</b>	<b>47,486</b>	<b>0</b>	<b>618,922</b>	<b>616,053</b>

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended are derived from continuing activities.

**South Wales Association For The Prevention of Addiction Ltd**  
**Balance Sheet**  
**as at 31 March 2007**

	Notes	2,007 £	2,006 £
<b>Fixed assets</b>			
Tangible assets	6	62,361	95,944
<b>Current assets</b>			
Debtors	7	123,466	214,904
Cash at bank and in hand		<u>441,126</u>	<u>320,744</u>
		564,592	535,648
<b>Creditors amounts falling due within one year</b>	8	(8031)	(15,539)
<b>NET CURRENT ASSETS</b>		<u>556,561</u>	<u>520,109</u>
<b>Total assets less current liabilities</b>		<u>618,922</u>	<u>616,053</u>
<b>Total assets less liabilities</b>		<u>618,922</u>	<u>616,053</u>
<b>Income Funds</b>			
Unrestricted funds		571,436	521,118
Restricted funds		-	-
Restricted funds		47,486	65,960
Designated funds		-	28,975
<b>Total associations funds</b>	10	<u>618,922</u>	<u>616,053</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and in accordance with the Statement Of Recommended Practice 2005 (SORP 2005) for charities

Signed on behalf of the board  
of directors



Mr W G D Smith  
Director

Approved by the board on Date 20.11.2007

**South Wales Association For The Prevention of Addiction Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2007**

**1 Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceeding year.

**a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and reporting by Charities issued March 2005.

**b) Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to the restrictions imposed by the donor for expenditure purposes for the period of the existence of such funds.

Designated funds are unrestricted funds marked by the Trustees for a particular purpose.

**c) Incoming resources**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income and when the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- voluntary income is received by way of donations and gifts and is included in full in the SOFA 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 SOFA in the year in which they are receivable.
- investment income is included when receivable.
- incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

**d) Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure may include VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include such costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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:

	2007	2006
Support and casework	87%	87%
Training	5%	5%
Needle exchange	6%	6%
Governance costs	2%	2%

**e) Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. 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, office equipment and motor vehicles and ten years for both office equipment and fixtures and fittings.

**f) Pensions**

The charity 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 2007**

**2 Income**

**10**

The charity's income increased by 10% in the financial year to £1,843,364. Services are funded by and dependent on a wide range of income resources.

	<b>2,007</b>	<b>2,006</b>
	<b>£</b>	<b>£</b>
Incoming resources comprised grants as follows		
Local health boards		298,380
Unitary authorities		232,074
National Assembly		447,570
Criminal Justice		580,184
Other		99,460
	<u>-</u>	<u>1,657,668</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 received any remuneration.

Depreciation of tangible fixed assets was £50,527 (2006- £59,846).

Auditors Remuneration was £2,938 (2006 £2,432).

**4 Staff costs and numbers**

	<b>2,007</b>	<b>2,006</b>
	<b>£</b>	<b>£</b>
Staff costs were as follows		
Salaries and wages	927,917	907,157
Social security costs	85,855	61,448
Pension costs (Employer contribution)	37,146	34,998
	<u>1,050,918</u>	<u>1,003,603</u>

No employees received emoluments of more than £60,000.

The average weekly number of employees during the year, calculated on the basis of full time equivalents was 46 (2006- 43).

**5 Taxation**

As a charity, the entity is exempt from taxation on its income and gains falling within section 505 of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**6 Tangible fixed assets**

	<b>Leasehold improvements</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Motor vehicles</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
At 1 April 2006	144,875	71,609	56,414	17,169	30,350	320,417
Additions	-	9,713	6,806		425	16,944
At 31 March 2007	<u>144,875</u>	<u>81,322</u>	<u>63,220</u>	<u>17,169</u>	<u>30,775</u>	<u>337,361</u>
<b>Depreciation</b>						
At 1 April 2006	115,900	55,217	31,097	£4,292	17,967	224,473
Charge for the year	28,975	8,152	6,031	£4,292	3,077	50,527
At 31 March 2007	<u>144,875</u>	<u>63,369</u>	<u>37,128</u>	<u>£8,584</u>	<u>21,044</u>	<u>275,000</u>
<b>Net book value</b>						
At 31 March 2007	<u>-</u>	<u>17,953</u>	<u>26,092</u>	<u>8,585</u>	<u>9,731</u>	<u>62,361</u>
At 31 March 2006	<u>28,975</u>	<u>16,392</u>	<u>25,317</u>	<u>12,877</u>	<u>12,383</u>	<u>95,944</u>

**South Wales Association For The Prevention of Addiction Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2007**

11

<b>7 Debtors</b>	<b>2007</b>	<b>2006</b>
Amounts due within one year	£	£
Grants receivable	113,655	206,845
Prepayments	9,811	8,059
	<u>123,466</u>	<u>214,904</u>

<b>8 Creditors amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	£	£
Sundry creditors and accruals	8,031	15,539
Deferred income	-	-
	<u>8,031</u>	<u>15,539</u>

<b>9 Analysis of net assets between funds</b>	<b>Designated fund</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	£	£	£	£
Tangible fixed assets	-	62,361	-	62,361
Current assets	-	517,106	47,486	564,592
Current liabilities	-	8,031	-	8,031
	<u>-</u>	<u>571,436</u>	<u>47,486</u>	<u>618,922</u>

<b>10 Movements in funds</b>	<b>At 1 April 2006</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers</b>	<b>At 31 March 2007</b>
	£	£	£	£	£
<b>Unrestricted funds</b>					
Designated Oldway house project	28,975	-	28,975	-	-
General funds	521,118	1,497,455	1,447,137	-	571,436
<b>Total unrestricted funds</b>	<u>550,093</u>	<u>1,497,455</u>	<u>1,476,112</u>	<u>-</u>	<u>571,436</u>
<b>Restricted funds</b>	65,960	345,909	364,383	-	47,486
<b>Total funds</b>	<u>616,053</u>	<u>1,843,364</u>	<u>1,840,495</u>	<u>-</u>	<u>618,922</u>

**11 Contingent liability**

A claim was 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 in the previous year. After seeking legal advice in the previous year, the directors are of the opinion that there is no basis for this claim. At the date of signing of this report the Directors confirmed that there were no significant changes in respect of this contingent liability.

**12 Capital commitments**

There were no capital commitments contracted for at the Balance sheet date.

**South Wales Association For The Prevention of Addiction Ltd**  
**Consolidated income and expenditure account**  
**for the year ended 31 March 2007**

	2,007 £	2,006 £
<b>Income</b>		
Grants received	1,819,850	1,629,718
Interest received	11,301	9,337
Donations & training	12,213	18,613
	<u>1,843,364</u>	<u>1,657,668</u>
 <b>Less expenditure</b>		
Salaries and national insurance	1,050,917	1,003,603
Partner charge salaries	337,340	168,350
Partner prescribing costs	94,583	25,662
Small grants	-	15,027
Motor and mileage expenses	66,340	25,140
Training expenses	33,219	14,234
Other staff expenses	16,002	14,182
Rent and rates	32,081	27,948
Repairs and renewals	17,712	2,533
Insurances	16,260	12,608
Heating and lighting	4,708	4,006
Needles	20,718	25,251
Leasing costs	5,102	-
Telephone charges	27,178	21,163
Stationery	18,864	13,520
Postages	2,440	1,777
Advertising, printing & recruitment	20,983	16,636
Photocopying	-	4,343
Sundry office costs	3,150	7,100
Subscriptions and publications	6,073	2,766
Legal fees	8,854	1,111
Bank charges	245	1,061
Consultancy fees	770	4,230
Auditors remuneration		3,127
Accountancy fees	6,427	-
Information and education	-	-
Advisory discretionary fund	-	3,559
Depreciation	50,529	59,846
	<u>1,840,495</u>	<u>1,478,783</u>
 <b>Surplus for the year</b>	<u>2,869</u>	<u>178,885</u>