

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

Report and Accounts

31 March 2006

Registration Number:1073381

Registration Charity Number:265008

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& Son.**

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

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 2006**

The trustees, who are also directors of the company, present their report and the audited financial statements for the year ended 31 March 2006. 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).

The Trustees whom are also the directors of the company present their report and the audited financial statements for the year ended 31 March 2006.

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 2006

Organisational Structure

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The management committee is currently made up of 5 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 increased by 47% due to direct investment from Criminal Justice in the development of the Drugs Intervention Programme (DIP), from the Drug Rehabilitation Requirement for South Wales Probation Service and also due to the expansion of our services in both Torfaen and Monmouthshire.

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 2006

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 £369,695 and £739,391). 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 £521,118.

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

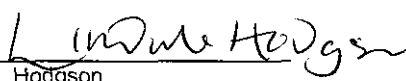
Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2006 was five (2005- Five).

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.

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: 20.11.06


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: 21.11.06

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 2006, 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 and in accordance with the Statement of Recommended Practice 2005 (SORP 2005) for charities.

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.

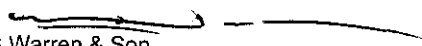
Basis of audit opinion

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 2006 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
CF11 9EF

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 2006

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Designated</u> <u>Funds</u> £	<u>Total</u> <u>2006</u> £	<u>Total</u> <u>2005</u> £
<u>Incoming Resources</u>					
Donations received	18,613		0	18,613	13,911
Activities to further the charities objects:					
Advice and information, counselling and support, training and needle exchange	1,427,621	202,097	0	1,629,718	1,105,473
<u>Investment income</u>					
Interest received	9,337	0	0	9,337	7,202
Total incoming resources	<u>1,455,571</u>	<u>202,097</u>	<u>0</u>	<u>1,657,668</u>	<u>1,126,586</u>
<u>Resources Expended</u>					
<u>Cost of generating funds</u>					
Fund raising and publicity	0	0	0	0	1,754
<u>Charitable expenditure</u>					
Support and casework	1,142,894	0	0	1,142,894	760,860
Training	65,684	0	0	65,684	173,911
Needle exchange	78,820	0	0	78,820	54,347
Drug Intervention Programme	0	136,137	0	136,137	0
Governance	26,273		28,975	55,248	155,775
Total resources expended	<u>1,313,671</u>	<u>136,137</u>	<u>28,975</u>	<u>1,478,783</u>	<u>1,146,647</u>
Net incoming/(outgoing) resources before transfers	141,900	65,960	-28,975	178,885	-20,061
Gross transfers between funds	0	0	0	0	0
<u>NET INCOMING/(OUTGOING) RESOURCES/</u>					
<u>Net income/expenditure for the year</u>	<u>141,900</u>	<u>65,960</u>	<u>-28,975</u>	<u>178,885</u>	<u>-20,061</u>
Fund balances brought forward at 1 April 2005	379,218	0	57,950	437,168	457,229
Fund balances carried forward at 31 March 2006	<u>521,118</u>	<u>65,960</u>	<u>28,975</u>	<u>616,053</u>	<u>437,168</u>

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 2006

	Notes	2,006 £	2,005 £
Fixed assets			
Tangible assets	6	95,944	102,217
Current assets			
Debtors	7	214,904	19,561
Cash at bank and in hand		320,744	321,421
		535,648	340,982
Creditors: amounts falling due within one year	8	(15,539)	(6,031)
NET CURRENT ASSETS		520,109	334,951
Total assets less liabilities		<u>616,053</u>	<u>437,168</u>
Income Funds			
Unrestricted funds		521,118	379,218
Restricted funds		65,960	-
Designated funds		28,975	57,950
Total associations funds	10	<u>616,053</u>	<u>437,168</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 21.11.06

South Wales Association For The Prevention of Addiction Ltd
Notes to the Accounts
for the year ended 31 March 2006

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:

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

South Wales Association For The Prevention of Addiction Ltd
Notes to the Accounts
for the year ended 31 March 2006

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.

2 Income

The charity's income increased by 47% in the financial year to £1,657,668. Services are funded by and dependent on a wide range of income resources:

	2,006	2,005
	£	£
Incoming resources comprised grants as follows:		
Local health boards	298,380	267,825
Unitary authorities	232,074	74,636
National Assembly	447,570	337,909
Criminal Justice	580,184	312,834
Other	99,460	112,269
	<u>1,657,668</u>	<u>1,105,473</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 £59,846 (2005- £70,077).

Auditors Remuneration was £2,432 (2005 £1,682).

4 Staff costs and numbers

Staff costs were as follows:

	2,006	2,005
	£	£
Salaries and wages	907,157	735,202
Social security costs	61,448	68,223
Pension costs (Employer contribution)	34,998	18,533
	<u>1,003,603</u>	<u>821,958</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 43 (2005- 38).

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.

South Wales Association For The Prevention of Addiction Ltd
Notes to the Accounts
for the year ended 31 March 2006

6 Tangible fixed assets	Leasehold improvements £	Computer equipment £	Office equipment £	Motor vehicles	Fixtures and fittings £	Total £
At 1 April 2005	144,875	49,454	46,808	-	25,707	266,844
Additions	-	22,155	9,606	17,169	4,643	53,573
At 31 March 2006	<u>144,875</u>	<u>71,609</u>	<u>56,414</u>	<u>17,169</u>	<u>30,350</u>	<u>320,417</u>
Depreciation						
At 1 April 2005	86,925	37,315	25,455	-	14,932	164,627
Charge for the year	28,975	17,902	5,642	4,292	3,035	59,846
At 31 March 2006	<u>115,900</u>	<u>55,217</u>	<u>31,097</u>	<u>4,292</u>	<u>17,967</u>	<u>224,473</u>
Net book value						
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>
At 31 March 2005	<u>57,950</u>	<u>12,139</u>	<u>21,353</u>	-	<u>10,775</u>	<u>102,217</u>
7 Debtors			2,006	2,005		
Amounts due within one year			£	£		
Grants receivable			206,845	58,893		
Prepayments			8,059	-		
			<u>214,904</u>	<u>19,561</u>		
8 Creditors: amounts falling due within one year			2005	2004		
			£	£		
Sundry creditors and accruals			<u>15,539</u>	<u>6,031</u>		

9 Analysis of net assets between funds	Designated funds £	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	95,944	-	95,944
Current assets	28,975	440,713	65,960	535,648
Current liabilities	-	(15,539)	-	(15,539)
	<u>28,975</u>	<u>521,118</u>	<u>65,960</u>	<u>616,053</u>

10 Movements in funds	At 1 April 2005 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2006 £
Unrestricted funds					
Designated Oldway house project	57,950	-	28,975	-	28,975
General funds	379,218	1,455,571	1,313,671	-	521,118
Total unrestricted funds	<u>437,168</u>	<u>1,455,571</u>	<u>1,342,646</u>	<u>-</u>	<u>550,093</u>
Restricted funds	-	202,097	136,137	-	65,960
Total funds	<u>437,168</u>	<u>1,657,668</u>	<u>1,478,783</u>	<u>-</u>	<u>616,053</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. 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.