

COMPANY REGISTRATION NUMBER: SC357883
CHARITY REGISTRATION NUMBER: SC023317

Drugs, Alcohol and Psychotherapies Limited
Company Limited by Guarantee
Financial Statements
31 March 2022



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PATERSON BOYD &
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Chartered Accountants

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2022

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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 2022

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 2022.

Reference and administrative details

Registered charity name Drugs, Alcohol and Psychotherapies Limited

Charity registration number SC023317

Company registration number SC357883

Principal office and registered office 1 - 2 Parkdale Avenue
Leven
Fife
KY8 5AQ

The trustees Steven Walker
Geoffrey Cartwright
Kathleen McCleary
Pat Greenhaugh
Lynn Marshall

Key management personnel

Service Manager Martin Denholm
Business Manager Liam Thomson

Auditor Paterson Boyd & Co
Chartered Accountants & Statutory Auditor
8 Mitchell Street
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PO Box 1000
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Solicitors Jas S Grosset
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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 2022

Structure, governance and management

Governing document

Drugs, Alcohol and Psychotherapies Limited (DAPL) 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 2022

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 them.

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

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

Year Ended 31 March 2022

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.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

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

Year Ended 31 March 2022

Achievements and performance

Another year has gone by and again we have felt the impact of the COVID pandemic and the resultant restrictions. Given the situation, we feel DAPL Management, Admin and Therapists alike have shown tremendous resilience and resolve to continue to offer a valuable and much needed service to the residents of Fife.

Funding or rather the uncertainty of this has been constant throughout the last year, and has made the prospect of maintaining this level of provision even more difficult.

Having said that, DAPL has continued to deliver a quality service and has met all our requirements regarding our Service Level Agreements with our funders. The enhanced reporting infrastructure we have in place can only add to our ability to offer clear evidence of our effectiveness.

There have been many highlights of the past year with some outstanding work being carried out. We have been particularly delighted with the roll out of the 'Digital Drop In' programme across all Fife secondary schools after a successful pilot. This service allows young people in high schools to contact DAPL directly via text or email to request counselling rather than having to have a referral made by guidance staff, and this unquestionably is an excellent development.

This next year will no doubt throw up its challenges, funding and otherwise, as always some we will be prepared for, others will take insight and on-going commitment from the Board, Management, and the staff group.

The Board offer great thanks to the management team for their continued hard work, the staff and volunteers for their commitment, and our Patrons for their support.

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.

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

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

Year Ended 31 March 2022

Financial review

The Statement of Financial Position of the charity as detailed on page 15 shows total funds of the charity of £1,737,353 as at 31 March 2022. Net movement in funds for the year was £498,504 as detailed in the Statement of Financial Activities on page 14. It should be noted that the above figure was after recognition of an actuarial gain of £504,000 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 level 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.

Plans for future periods

The organisation has received additional investment to provide counselling in schools as demand has grown considerably. DAPL currently works in all Fife secondary schools as well as many primary schools. Over the next 12 months we will also be piloting offering art therapy to under 10's.

DAPL continues to have a huge demand for counselling for adults using substances and the organisation will continue to give significant attention to this area. Coming out of the pandemic, we are seeing an increased number of referrals and requests for support.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

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

Year Ended 31 March 2022

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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Drugs, Alcohol and Psychotherapies Limited

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

Year Ended 31 March 2022

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.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 11 November 2022 and signed on behalf of the board of trustees by:

Steven Walker

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 2022

Opinion

We have audited the financial statements of Drugs, Alcohol and Psychotherapies Limited (the 'charity') for the year ended 31 March 2022 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

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

Year Ended 31 March 2022

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.

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 the returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors reports and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

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

Year Ended 31 March 2022

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulations and prohibited business practices, and we considered that the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override controls), and determined that the principal risks were related to the potential posting of inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance including the Board.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.

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 2022

- Identifying and testing journal entries based on risk criteria.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Testing transactions entered into outside of normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Reviewed accounting estimates for evidence of bias.
- Performed analytical review and sample testing of income.
- Agreed financial statement disclosures to supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

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

Year Ended 31 March 2022

Use of our report

This report is made solely to the charity's members, as a body, in accordance with 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.

Neil Paterson

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

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

Date: 11 November 2022

Paterson Boyd & Co Limited are eligible to act as auditors under the 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 2022

		2022		2021
		Unrestricted funds	Restricted funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	5	48,320	–	48,320
Charitable activities	6	–	1,102,919	1,102,919
Other income	7	75	–	75
Total income		<u>48,395</u>	<u>1,102,919</u>	<u>1,151,314</u>
Expenditure				
Expenditure on charitable activities	8,9	50,612	1,106,094	1,156,706
Other expenditure	11	–	104	104
Total expenditure		<u>50,612</u>	<u>1,106,198</u>	<u>1,156,810</u>
Net (expenditure)/income		<u>(2,217)</u>	<u>(3,279)</u>	<u>(5,496)</u>
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes		37,800	466,200	504,000
Net movement in funds		<u>35,583</u>	<u>462,921</u>	<u>498,504</u>
Reconciliation of funds				
Total funds brought forward		92,414	1,146,435	1,238,849
Total funds carried forward		<u>127,997</u>	<u>1,609,356</u>	<u>1,737,353</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 17 to 29 form part of these financial statements.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible fixed assets	16	12,560	16,656
Current Assets			
Debtors	17	42,327	16,202
Cash at bank and in hand		1,064,515	957,286
		<u>1,106,842</u>	<u>973,488</u>
Creditors: amounts falling due within one year	18	<u>10,049</u>	<u>7,295</u>
Net Current Assets		<u>1,096,793</u>	<u>966,193</u>
Total Assets Less Current Liabilities		<u>1,109,353</u>	<u>982,849</u>
Net Assets Excluding Defined Benefit Pension Plan Asset		<u>1,109,353</u>	<u>982,849</u>
Defined benefit pension plan asset	19	628,000	256,000
Net Assets Including Defined Benefit Pension Plan Asset		<u>1,737,353</u>	<u>1,238,849</u>
Funds of the Charity			
Restricted funds		1,609,356	1,146,435
Unrestricted funds:			
Defined benefit pension reserve		37,800	38,400
Other unrestricted income funds		90,197	54,014
Total unrestricted funds		<u>127,997</u>	<u>92,414</u>
Total charity funds	20	<u>1,737,353</u>	<u>1,238,849</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 11 November 2022, and are signed on behalf of the board by:

Steven Walker

Steven Walker
Chairperson

The notes on pages 17 to 29 form part of these financial statements.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Statement of Cash Flows

Year Ended 31 March 2022

	2022 £	2021 £
Cash Flows from Operating Activities		
Net (expenditure)/income	(5,496)	207,899
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	12,762	11,202
Interest payable and similar charges	(3,000)	(8,000)
Loss on disposal of tangible fixed assets	104	–
Accrued (income)/expenses	(22,666)	10,036
Actuarial gain on defined benefit scheme	504,000	(38,000)
Decrease in provisions	(372,000)	92,000
<i>Changes in:</i>		
Trade and other debtors	(704)	1,552
Cash generated from operations	113,000	276,689
Interest paid	3,000	8,000
Net cash from operating activities	<u>116,000</u>	<u>284,689</u>
Cash Flows from Investing Activities		
Purchase of tangible assets	(8,771)	(11,479)
Net cash used in investing activities	<u>(8,771)</u>	<u>(11,479)</u>
Net Increase in Cash and Cash Equivalents	107,229	273,210
Cash and Cash Equivalents at Beginning of Year	957,286	684,076
Cash and Cash Equivalents at End of Year	<u>1,064,515</u>	<u>957,286</u>

The notes on pages 17 to 29 form part of these financial statements.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

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

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

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.

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 2022

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 2022

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

Defined Benefit Plans

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

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

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

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 £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	511	—	511
Grants			
Fife Council - Section 10 grant	47,809	—	47,809
	<u>48,320</u>	<u>—</u>	<u>48,320</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

5. Donations and Legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	2,560	450	3,010
Grants			
Fife Council - Section 10 grant	95,618	–	95,618
	<u>98,178</u>	<u>450</u>	<u>98,628</u>

6. Charitable Activities

	Restricted Funds £	Total Funds 2022 £	Restricted Funds £	Total Funds 2021 £
NHS Fife: Counselling support	308,856	308,856	280,250	280,250
Fife Council: Changing Children's Services Fund	228,363	228,363	206,726	206,726
Fife Council: Education Schools & Counselling Service	450,000	450,000	450,000	450,000
Pupil Equity Fund	115,700	115,700	142,300	142,300
	<u>1,102,919</u>	<u>1,102,919</u>	<u>1,079,276</u>	<u>1,079,276</u>

7. Other Income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Court report	75	75	75	75

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

8. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activities	46,466	826,759	873,225
Support costs	4,146	279,335	283,481
	<u>50,612</u>	<u>1,106,094</u>	<u>1,156,706</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charitable activities	47,583	653,369	700,954
Support costs	35,896	233,232	269,126
	<u>83,479</u>	<u>886,601</u>	<u>970,080</u>

9. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Charitable activities	873,225	275,528	1,148,753	962,481
Governance costs	–	7,953	7,953	7,599
	<u>873,225</u>	<u>283,481</u>	<u>1,156,706</u>	<u>970,080</u>

10. Analysis of Support Costs

	Charitable activities £	Total 2022 £	Total 2021 £
Staff costs	179,034	179,034	165,680
Premises	23,906	23,906	19,387
Communications and IT	17,043	17,043	20,247
General office	55,545	55,545	56,213
Governance costs	7,953	7,953	7,599
	<u>283,481</u>	<u>283,481</u>	<u>269,126</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

11. Other Expenditure

	Restricted Funds £	Total Funds 2022 £	Restricted Funds £	Total Funds 2021 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>104</u>	<u>104</u>	<u>—</u>	<u>—</u>

12. Net (Expenditure)/Income

Net (expenditure)/income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	12,762	11,202
Loss on disposal of tangible fixed assets	104	—
Operating lease rentals	<u>8,667</u>	<u>8,550</u>

13. Auditor's Remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>5,220</u>	<u>5,100</u>

14. Staff Costs

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

	2022 £	2021 £
Wages and salaries	698,240	635,174
Social security costs	54,765	49,437
Employer contributions to pension plans	258,254	155,008
	<u>1,011,259</u>	<u>839,619</u>

The average head count of employees during the year was 31 (2021: 29).

No employee received employee benefits of more than £60,000 during the year (2021: 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 £104,993 (2021: £100,250).

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

15. Trustee Remuneration and Expenses

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

16. Tangible Fixed Assets

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 Apr 2021	17,847	14,603	49,440	81,890
Additions	—	523	8,248	8,771
Disposals	—	(657)	(14,227)	(14,884)
At 31 Mar 2022	17,847	14,469	43,461	75,777
Depreciation				
At 1 Apr 2021	17,847	11,215	36,172	65,234
Charge for the year	—	571	12,191	12,762
Disposals	—	(552)	(14,227)	(14,779)
At 31 Mar 2022	17,847	11,234	34,136	63,217
Carrying amount				
At 31 Mar 2022	—	3,235	9,325	12,560
At 31 Mar 2021	—	3,388	13,268	16,656

17. Debtors

	2022 £	2021 £
Prepayments and accrued income	42,327	16,202

18. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	10,049	7,295

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

19. Pension and Other Post Retirement Benefits

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 charity. 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 2022.

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

	2022	2021
	£	£
Present value of defined benefit obligations	(3,863,000)	(3,870,000)
Fair value of plan assets	4,491,000	4,126,000
	<u>628,000</u>	<u>256,000</u>

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

	2022
	£
At 1 Apr 2021	3,870,000
Current service cost	258,000
Interest expense	80,000
Benefits paid	(50,000)
Contributions by plan participants	29,000
Remeasurements:	
Actuarial gains and losses	(324,000)
At 31 Mar 2022	<u>3,863,000</u>

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

	2022
	£
At 1 Apr 2021	4,126,000
Interest income	83,000
Benefits paid	(50,000)
Contributions by employer	123,000
Contributions by plan participants	29,000
Remeasurements:	
Return on plan assets, excluding amount included in interest income	180,000
At 31 Mar 2022	<u>4,491,000</u>

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

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

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

	2022	2021
	£	£
Recognised in income or expenditure:		
Current service cost	258,000	155,000

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

	2022	2021
	%	%
Equity instruments	63.00	66.00
Property	7.00	6.00
Cash and cash equivalents	5.00	5.00
Bonds	25.00	23.00

The return on plan assets are as follows:

	2022	2021
	£	£
Return on assets of benefit plan	83,000	71,000
Return on reimbursement rights assets in benefit plan	180,000	932,000
	263,000	1,003,000

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

	2022	2021
	%	%
Discount rate	2.70	2.00
Expected rate of salary increase	3.70	3.35
Expected rate of increase in pensions	3.20	2.85
Mortality rates:		
Current pensioners at 65 - male	20.10	20.30
Current pensioners at 65 - female	22.90	23.10
Future pensioners at 65 - male	21.20	21.50
Future pensioners at 65 - female	24.90	25.10

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

20. Analysis of Charitable Funds

Unrestricted funds

	At 1 Apr 2021	Income	Expenditure	Gains and losses	At 31 Mar 2022
	£	£	£	£	£
General funds	92,414	48,395	(50,612)	–	90,197
Pension	–	–	–	37,800	37,800
	<u>92,414</u>	<u>48,395</u>	<u>(50,612)</u>	<u>37,800</u>	<u>127,997</u>

	At 1 Apr 2020	Income	Expenditure	Gains and losses	At 31 Mar 2021
	£	£	£	£	£
General funds	31,140	97,053	(74,179)	–	54,014
Pension	52,200	1,200	(9,300)	(5,700)	38,400
	<u>83,340</u>	<u>98,253</u>	<u>(83,479)</u>	<u>(5,700)</u>	<u>92,414</u>

Restricted funds

	At 1 Apr 2021	Income	Expenditure	Gains and losses	At 31 Mar 2022
	£	£	£	£	£
Restricted Funds	1,146,435	1,102,919	(1,106,198)	–	1,143,156
Pension	–	–	–	466,200	466,200
	<u>1,146,435</u>	<u>1,102,919</u>	<u>(1,106,198)</u>	<u>466,200</u>	<u>1,609,356</u>

	At 1 Apr 2020	Income	Expenditure	Gains and losses	At 31 Mar 2021
	£	£	£	£	£
Restricted Funds	689,810	1,072,926	(833,901)	–	928,835
Pension	295,800	6,800	(52,700)	(32,300)	217,600
	<u>985,610</u>	<u>1,079,726</u>	<u>(886,601)</u>	<u>(32,300)</u>	<u>1,146,435</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 2022

21. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	–	12,560	12,560
Current assets	90,951	1,015,891	1,106,842
Creditors less than 1 year	(754)	(9,295)	(10,049)
Defined benefit pension	37,800	590,200	628,000
Net assets	127,997	1,609,356	1,737,353

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	–	16,656	16,656
Current assets	55,108	918,380	973,488
Creditors less than 1 year	(1,094)	(6,201)	(7,295)
Defined benefit pension	38,400	217,600	256,000
Net assets	92,414	1,146,435	1,238,849

22. Financial Instruments

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

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	1,106,842	973,488
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	10,049	7,295

23. Analysis of Changes in Net Debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	957,286	107,229	1,064,515

Drugs, Alcohol and Psychotherapies Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

24. Operating Lease Commitments

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

	2022	2021
	£	£
Not later than 1 year	<u>8,000</u>	<u>8,000</u>

25. 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.