

DRUGS ACTION
ANNUAL REPORT & ACCOUNTS
YEAR ENDING 31 MARCH 2011

Company Registration Number 94162
Charity Number SC013582

RITSON SMITH
Chartered Accountants & Registered Auditors
16 Carden Place
Aberdeen
AB10 1FX

DRUGS ACTION

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DRUGS ACTION

LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS

The directors who served the company during the year were as follows:

Wilma Macpherson (Chair)
Doris Campbell (Vice Chair)
Alec Cumming (Treasurer)
Ronald Stark (resigned August 2010)
William Taylor
Barbara Mackay
Douglas Paterson
Colin Brown (appointed 25 January 2011)

SECRETARY W Taylor

GENERAL MANAGER S MacDonald

**REGISTERED OFFICE AND
OPERATION ADDRESS** 7 Hadden Street
Aberdeen
AB11 6NU

CHARITY NUMBER SC013582

AUDITORS Ritson Smith
Chartered Accountants
16 Carden Place
Aberdeen
AB10 1FX

SOLICITORS Plenderleath Runcie Anderson House
24 Rose Street
Aberdeen
AB10 1UA
Just Employment Law
City View
6 Eagle Street
Glasgow
G4 9XA

BANKERS Bank of Scotland
201 Union Street
Aberdeen
AB11 6UG

PRINCIPAL OFFICE 7 Hadden Street
ABERDEEN
AB11 6NU

COMPANY NUMBER SC094162

DRUGS ACTION

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 March 2011. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Drugs Action is a company limited by guarantee and is governed by its Memorandum and Articles of Association. It is a registered charity.

The company is administered by a Board of Directors who are its trustees for the purposes of charity laws. New directors must be elected unanimously by the existing directors and shall retire by rotation over a three year period. The Board of Directors meets every two months to administer the company's activities. The day to day running of the company is the responsibility of the General Manager, Mrs Senga MacDonald. The General Manager reports to the Board on a regular basis.

The directors have reviewed the major risks to which the charity is exposed and systems are in place to manage these risks.

Induction and training of directors is viewed as an ongoing process. Relevant training opportunities are brought to the attention of the directors as required. In addition, input by staff is a means by which Board Members update on practice issues relating to the company's activities.

MISSION STATEMENT

To improve the quality of life of individuals, families and communities by helping people reduce the harms associated with drug use and promote recovery.

OBJECTIVES

- To provide and develop an easily accessible range of specialist counselling, information and advice services to drug users, ex-users, their families and friends.
 - To provide targeted drugs education, interventions training and consultancy to other professionals and agencies.
 - To provide appropriately targeted interventions to prevent and reduce drug related harm at all stages, levels and patterns of drug using behaviour.
 - To provide interventions which encourage and support the maintenance of positive changes in drug use and related behaviour.
 - To provide services which specifically target hard to reach and vulnerable drug users and those at risk of developing drug related problems.
 - To inform the development of a strategic approach to drug related problems at a local and national level.
 - To provide a volunteering buddying programme to enhance appropriate services.
 - To provide capacity within opportunities for peer support and enhancement of capacity within communities.
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Drugs Action has for more than 25 years, made a significant contribution to the development and delivery of services to drug users, their friends and families in the Grampian area. This includes those affected by illicit drugs, over the counter drugs, prescribed medication and alcohol and increasingly widely available range of drugs that are sold via the internet. In addition to the delivery of direct services locally, Drugs Action provides a range of training at a local and national level. We are regularly invited to contribute to national working groups and present at conferences.

STAFFING

The multi-disciplinary staff team comprises of a wide range of skills and expertise to deliver the diverse services provided and effectively meet the complex needs of service users. This includes nursing, mental health, social work, occupational therapy, community learning and counselling. Specialist qualifications and experience include evidence based accredited behavioural & cognitive-behaviour interventions to support relapse prevention and motivational interviewing, Diploma in Addictions, Certificate in Addiction, Occupational Health and complementary therapies including auricular acupuncture (acu-detox) and Indian head massage. The Incite Stimulant Users Service has further enhanced the knowledge base and expertise through the contribution of a specialist psychologist and the development of complimentary therapies. Ongoing training and professional development are available to staff and prioritised according to service requirements. Core skills and training priorities are reviewed on an ongoing basis to support evidence based practice and include specialist knowledge and skills such as Relapse Prevention / CBT, Motivational Enhancement, overdose training, and a range of harm reduction training. Child Protection and ASIST Suicide Prevention are also prioritised as core training. Staff also provide training in the Break the Cycle intervention, which was developed in partnership with Health Scotland.

There are no restrictions on the charity's power to invest. The directors have the power to invest in such assets as they see fit.

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ACHIEVEMENTS AND PERFORMANCE

2010–2011 has been an important year for Drugs Action during which we have made significant developments in a number of areas including the following:

- In 2010-11 we continued to contribute to the Grampian Injecting Equipment Sub-group and provided training to health professionals including community pharmacists.
- Having embedded the work around Break the Cycle into our mainstream practice we have developed a practice model that can be used in all Injecting Equipment Provision (IEP) settings. NHS Health Scotland commissioned us to produce a “training for trainers” package this year which has been rolled out across Scotland. This is the first nationally commissioned service that we have been asked to deliver and is indicative of our reputation for evidence based quality services.
- During 2010-11 the demand for structured counselling remained high. In response to requests from clients we were delighted to publish our self-detox handbook, and this resource is now used in conjunction with counselling. As members of the Scottish Drugs Recovery Consortium we continue to provide client focussed and confidential counselling aimed at promoting and supporting recovery.
- Family Support Group continue to maintain a strong peer support dynamic which remains invaluable in creating the necessary space and time for family members and friends affected by drug use.
- We continue to be at the forefront with our Advice & Information Services providing immediate support, advice & information to anyone affected by drug use in the Aberdeen and Aberdeenshire areas.
- Outreach Services, funded through the Fairer Scotland Fund continue to enhance our mainstream community outreach service and enable us to provide dedicated support to communities in three of the most deprived areas of the city. These services have been extremely successful in engaging some of the most vulnerable individuals at a street level, supporting communities to find their own solutions to drug related issues and enhancing the knowledge and skills of local service providers through training and joint working. It has enabled us to develop an approach that takes forward the National Strategy, 'The Road to Recovery' thus enhancing existing outreach services and counselling in regeneration areas. Fairer Scotland funding will end after the first quarter of 2011 and it has been agreed that Aberdeen City Alcohol and Drug Partnership will fund the services until April 2012.
- An additional service for North Aberdeen linked with Community Learning & Development services was delivered. This model has been seen as an example of best practice.

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- Quay Services has continued to deliver services to women involved in prostitution flexibly, according to the changing needs of women involved. Improved access to Methadone prescribing has had a positive impact with many women reporting reduced involvement in street prostitution. As a result, Quay Services has seen an increase in the proportion of women requiring support focussing more on the maintenance and progression of recovery than in previous years. However, the service also experienced a slight increase in the proportion of women receiving support to deal with relapses into illicit drug use often accompanied by increased alcohol use, highlighting the continued need for easy to access, harm reduction services for this vulnerable group of women. Partnerships have been developed with a range of organisations including NHS Grampian, Criminal Justice Social Work, Grampian Police, the Procurator Fiscal and other voluntary organisations.

Quay Services launched its own website to reach off-street sex workers, in January 2011. The website contains a range of information on health and wellbeing, sex work and the law and other relevant topics. Whilst off-street sex workers remain a difficult group to engage face to face with, the website has experienced a steady increase in hits within its initial few months of operation. We hope that as a result of this website and through using new technology creatively this group of women have access to appropriate information and support to help them make informed choices regarding their safety, wellbeing and wider lifestyle.

- The Families First service continues to work effectively with families where parental drug use is an issue. This service is an example of partnership working between ourselves and Aberlour that addresses many recovery issues identified at a national level. This year two successful 16 week lifestyle groups took place. Previous participants were trained to be peer educators and helped the workers running the groups. The Families First team was invited to present at this year's annual Grampian Substance Misuse Conference.
 - Informed by experience with young people & sex workers it had become apparent that timely and appropriate support to vulnerable teenage girls could prevent them from developing a sex working and drug entrenched lifestyle. It was felt that there was a gap in provision locally and Drugs Action successfully applied to **Comic Relief** for funding to address this. This work, which will commence in 2011/2012, will provide targeted support to high risk young people at risk of sexual exploitation in order to prevent them becoming involved and to provide quick routes out of prostitution when appropriate.
 - Compass, the service for children and young people affected by parental alcohol & drug use in Aberdeenshire, was launched alongside CASA in early 2010/11 at the Fraserburgh office. There was also a further event in Stonehaven to raise awareness of the service across the Aberdeenshire area. This service, which is provided by a dedicated team who work with young people experiencing adversity, works on issues such as self esteem, coping skills, working with the whole family as well as providing information and advice. There has been a steady flow of referrals over the year with many positive outcomes emerging.
 - CASA, the Community Alcohol Service Aberdeenshire began taking referrals from 1st April 2010. This has been a busy first year for the new service with an initial significant focus on the development of a staff training programme, outcome monitoring systems, promotional materials, and policy and procedures for the volunteer aspect of the service. This hard work has paid off with a high number of referrals being received for the service throughout the year, positive outcomes being demonstrated for clients in relation to their health and welfare and positive direct feedback from service users on their satisfaction with the quality of the service. CASA has also experienced success in relation to attracting and retaining Volunteer Buddies in the service through our comprehensive volunteer induction, training and supervision programme.
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- The Incite Stimulant Users Service is one of only two specialist stimulant services in Scotland. This service has continued to develop in Aberdeenshire on an outreach basis. At the beginning of the year the team found themselves exceptionally busy with younger clients experiencing difficulties with Mephedrone and other legal substances purchased via the internet. Once such drugs became illegal there appeared to be a reduction in their use. However, these substances haven't disappeared and a range of chemicals designed as stimulant drugs are still available, therefore the team are regularly updating their knowledge base as well as working with clients of an older age group using the traditional stimulants.

The team continues to provide training and awareness workshops to professionals across Aberdeenshire, information and advice to individuals, parents and schools. The team were present and spoke at the Scottish Drugs Forum conference "Legal Highs" in Perth.

Drugs Action has used its experience with this client group to contribute to the response to this problem in Aberdeen City.

- Drugs Action was the lead agency for one of four Scottish Projects, funded by the Scottish Government, to explore service requirements for Black and Ethnic Minority drug users. This was a joint initiative with Multi-Ethnic Aberdeen Limited (MEAL) supported by Aberdeen City, Alcohol & Drug Partnership. This project ended in 2010 - 2011 and concluded with a report being submitted to Scottish Government. It is hoped the recommendations will be followed up in the future with more awareness and developments made in targeting this hard to reach group.
- Committed to the development of peer education, we have been working in partnership with the Youth Council throughout the year, and in August 2010 GRADE-A (Get Real About Drugs Education in Aberdeen) was set up. We have given the group support with drugs education, delivery of workshops in a non-judgemental way, debate on drugs & youth issues. GRADE-A will be a permanent youth led project creating a forum to provide credible drugs education and inform debate. It is hoped the group will accompany us in our school drugs training work.
- Systems to support on-going monitoring and analysis of service user information, service activity and most importantly, outcome measures continue to be an area of development. A review of requirements for data collection, identification of outcome measures and related paperwork has taken place and this has been used in discussion with commissioners to inform our portfolio of commissioned services. Further training has taken place to facilitate report writing in house in accordance with the outcome requirements mentioned before.
- We have taken a more proactive approach to fundraising throughout the year, and in collaboration with the Centre for Scottish Public Policy and their Adopt an Intern programme employed a PhD student for a limited period to further develop our fundraising strategy. This work included fund finding, fundraising, enterprise and public relations. We were also fortunate to be involved in the Young Philanthropy Initiative supported by the Wood Family Trust, not only did this raise awareness for the organisation but also the winning group from St Machar Academy were awarded with a £3,000 donation for us.

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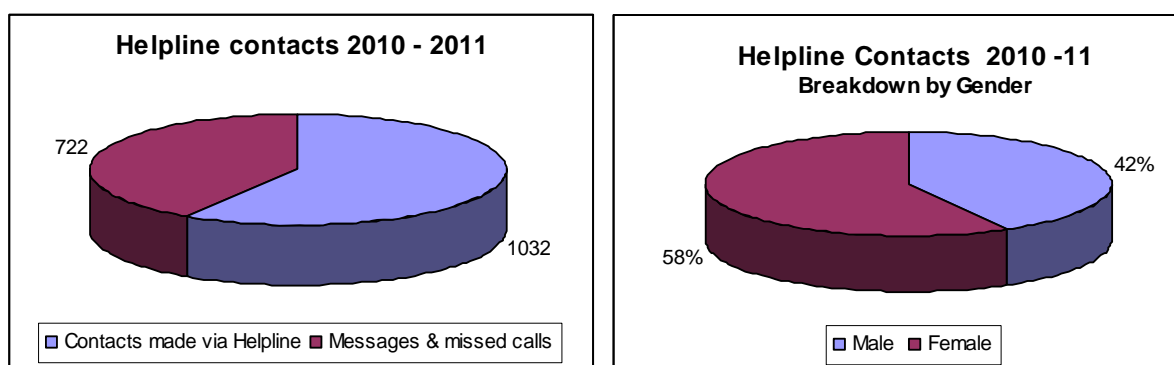
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SUMMARY OF SERVICE ACTIVITY

Telephone Helpline is often the first point of contact for drug users, and their families and friends. Enquiries can range from requests for basic information to detailed advice and support in dealing with dependent drug use and complex personal issues. This is an important gateway service and source of information about services provided by other organisations. This service is also used by a wide range of professionals and organisations who have contact with drug users. We continue to be members of the Telephone Helpline Association.

The following provides a breakdown of calls made to the Helpline.



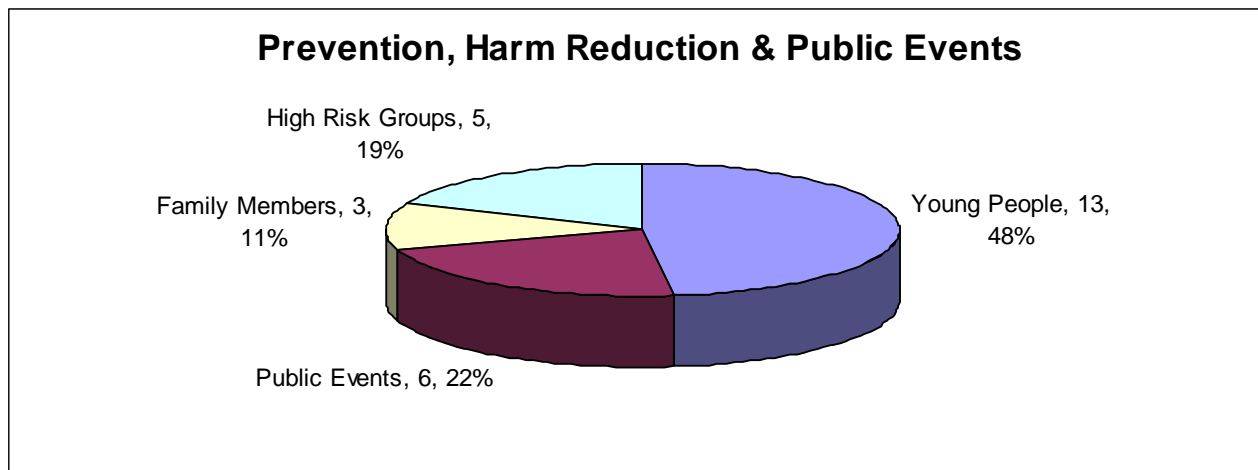
- There has been an increase of 21% helpline contacts compared to 2009-10, thus reflecting an overall increase in demand which includes the addition of the Aberdeenshire alcohol services. The telephone helpline, along with duty appointments and additional support provided on a drop-in basis, through our outreach work, has been used as a means of supporting individuals who are on the waiting list for structured counselling. This has enabled some individuals to receive a service at an earlier stage and thus reduce the need for more treatment or specialist counselling at a later stage.
- 58% of calls are made by females. Research has shown that the number of females accessing drug services is usually significantly smaller than males. These figures demonstrate the opposite trend and therefore indicate the importance of the Helpline service in reducing barriers to accessing information and advice for women.
- 41% of all calls made to the helpline are missed when the helpline is not open or the worker is engaged on a call, and many of these do not leave a message. This demonstrates a need for extended helpline opening hours. A high percentage of these choose not to leave any message.
- In addition to Helpline calls, we are seeing a steady increase in enquiries via our website (2% of total contacts) by email. In response to this we have started to provide additional information through the website. It is important that this does not deter contact which would be more appropriately dealt with through the helpline service.

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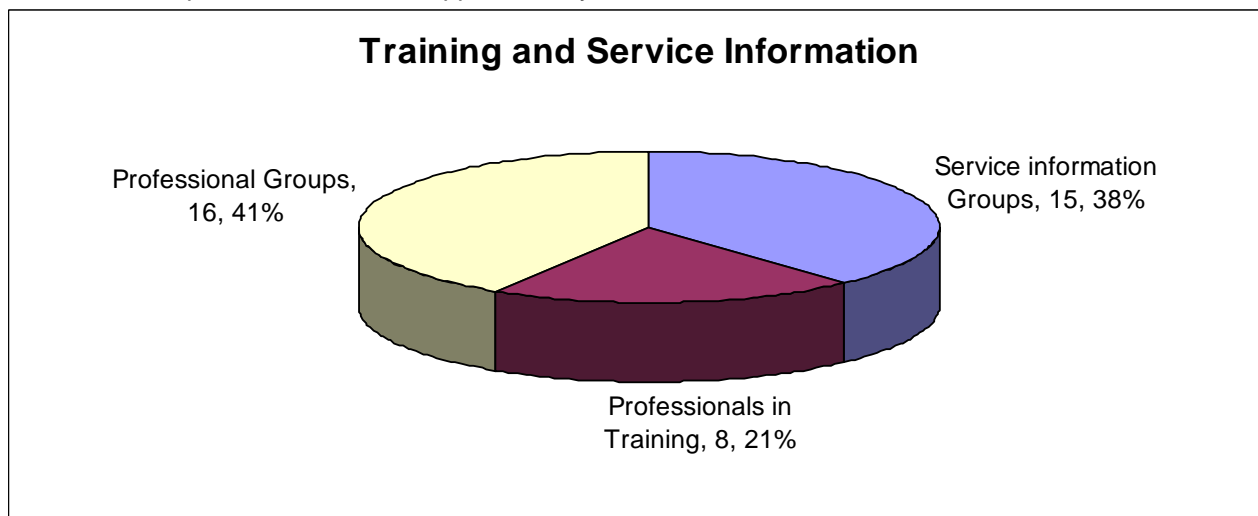
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Education/Training & Information - As part of its core services and remit of specialist projects, Drugs Action delivers training and information to a range of groups in Aberdeen city and Aberdeenshire. This complements other training available and is provided in the context of the Aberdeenshire and Aberdeen City Alcohol and Drugs Partnerships' Strategies.



The above chart shows the number of group sessions and events which took place during the year. The above events represent contact with approximately 750 individuals 2010/11.



The above chart shows the number of training & service information sessions which took place during the year. Approximately 650 individuals 2010/11 participated in the above training and service information sessions.

We won a national tender to provide training across Scotland in partnership with NHS Health Scotland based on the "Break the Cycle" (BTC) model, which aims to prevent people's initiation into injecting. The training was co-designed with NHS Health Scotland with the aims of training and expanding capacities of practitioners in the field as well as developing new trainers on the model. Training events took place in Paisley, Alloa and Ayr with other venues planned for next year.

In addition to the above training and service information, Drugs Action provided specialist input on psychostimulants to the Scottish Government.

With the rollout of Naloxone provision across Scotland, we would intend to facilitate training for trainers in this area as a core requirement for some services.

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Blood Borne Virus Prevention and Injecting Equipment Provision Service

Provided in the context of harm reduction, this service is designed to target hard to reach injecting drug users by reducing barriers to access. The service is provided from Drugs Action's city centre base and a range of outreach locations in local communities as well as on the street. The main aims of the service are:

- To establish effective engagement with injecting drug users and women involved in prostitution;
- To reduce harm associated with injecting drug use;
- To change drug use and other risk behaviours;
- To prevent initiation into injecting by non-injectors;
- To prevent the transmission of BBVs;
- To improve sexual and reproductive health;
- To improve the safety of the women, community safety and reduce violence on the street;
- To provide access to other DA and non-DA services to support recovery;
- To prevent the spread of blood borne viruses and sexually transmitted infection;
- To reduce the spread of BBVs (Hepatitis B & C and HIV) by providing support to those at risk of and affected by BBVs;
- To provide a gateway service for individuals who are ready to make positive changes in their lives.
- To support and promote positive changes in high-risk behaviour and lifestyle (e.g. alcohol/drugs);
- To improve physical and mental health, including confidence and coping skills.

The three functions of the service are:

- Specialist injecting equipment drop-in service;
- BBV specialist counselling, information and support service;
- Street-outreach service for individuals involved in prostitution.

Supported by a comprehensive database, information is collected to inform service planning and evidence outcomes. This includes demographic information such as ethnicity, age, gender, activity data such as number of service users, number of visits, breakdown of interventions provided, injecting equipment provided and referrals to other services. Outcomes in relation to this service are measured against established practice guidance as evidenced by research. This includes both quantitative and qualitative measures. The following information provides an overview of activity. For more detailed information and analysis, a separate report is available.

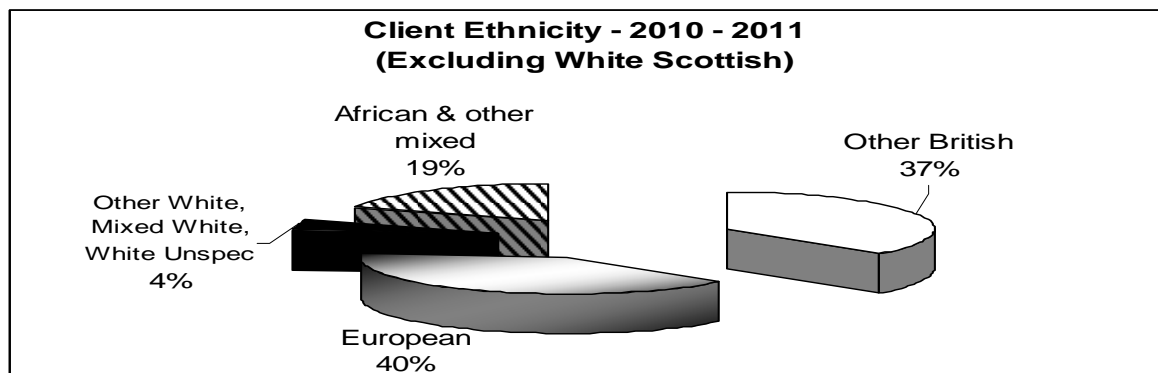
The demographic information provided below illustrates information collated on the service user group throughout 2010-11. The majority of service users are of White Scottish origin, of which the percentage of 93.5% is consistent with the prior year. The remainder of this group are shown in the graph overleaf. This represents only 6.5% of the client base, and shows that we are attracting a wide range of nationalities into the service. It is hoped that the work carried out with Black and Ethnic Minority groups has impacted positively in attracting these groups into the service.

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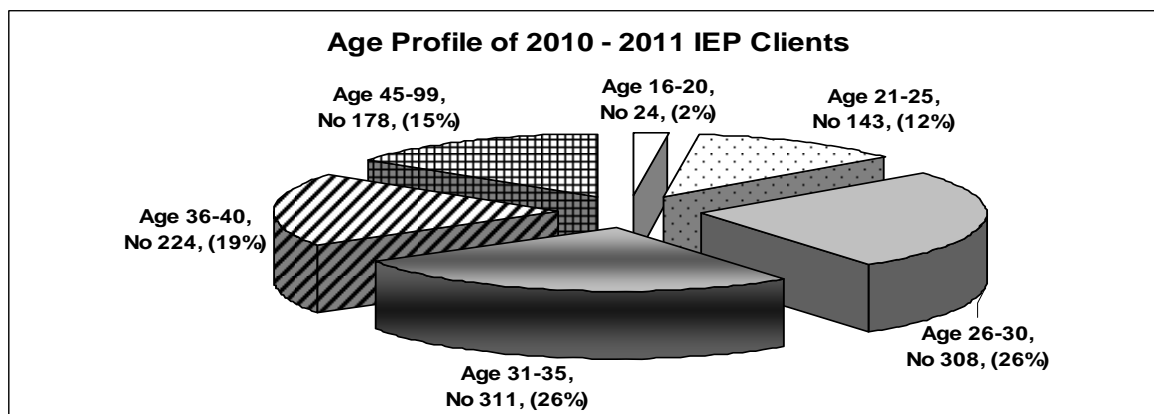
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Ethnicity – excludes White Scottish (93.5%)



The total number of individual clients who accessed this service in 2010-11 was 1,190. The age breakdown of these clients is shown below. It can be seen that the largest client groups are the 26-30 and 31-35 age group, totalling 52% of clients.



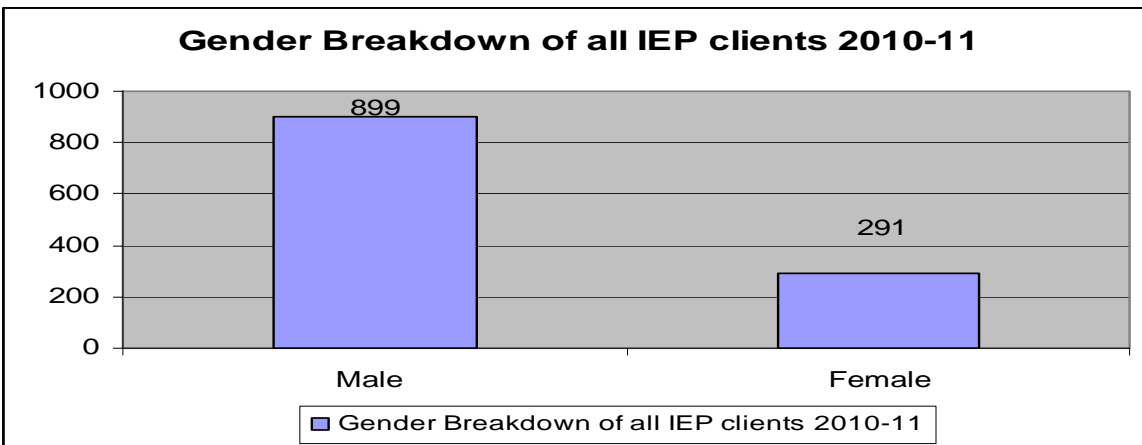
This highlights low numbers in the 16-20 age group (2%) and the importance of continuing to raise awareness with the younger community, service users and their peers. Our data tells us that there is often a significant length of time between self-reported first injecting episode and attending an IEP service. This is an area identified for further investigation.

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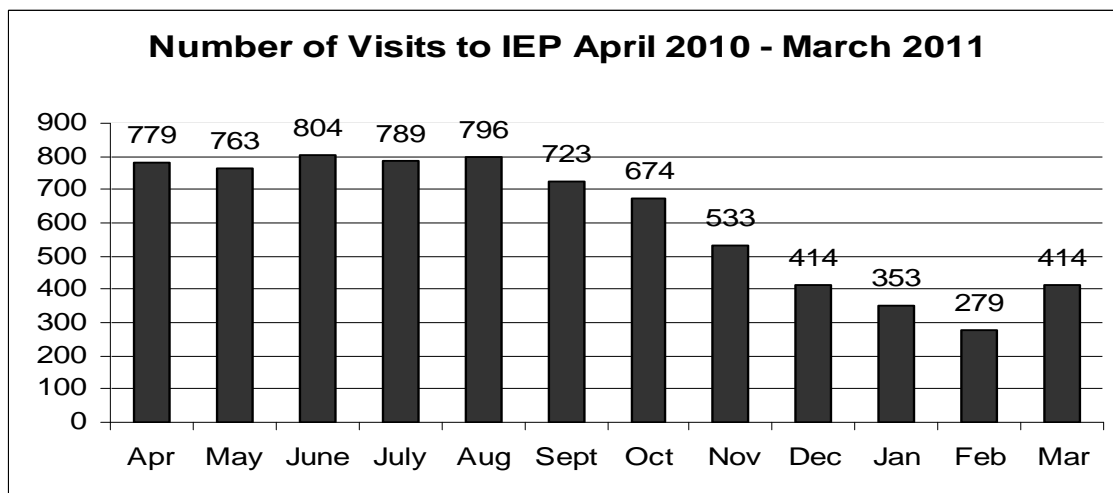
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The gender breakdown shows that 76% of the service user group are male and 24% are female. As in previous years there are more female users in the outreach services, and therefore the significance of attracting and engaging with female users in the outreach areas remains.



The following information illustrates the level of visits over the period. This shows that the number of visits fluctuated over the first half over the year then from October 2010 through to early 2011 decreased substantially. This trend has been seen across all IEP services locally and nationally. We know this decrease has been influenced by the reduction in availability and purity of heroin both locally and nationally, and also the significant improvement in accessing substitute prescribing locally.

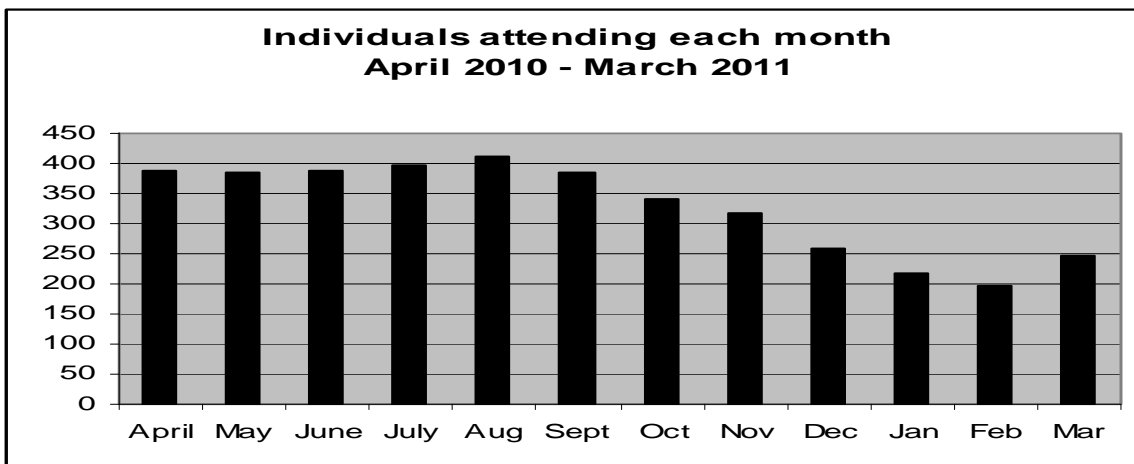


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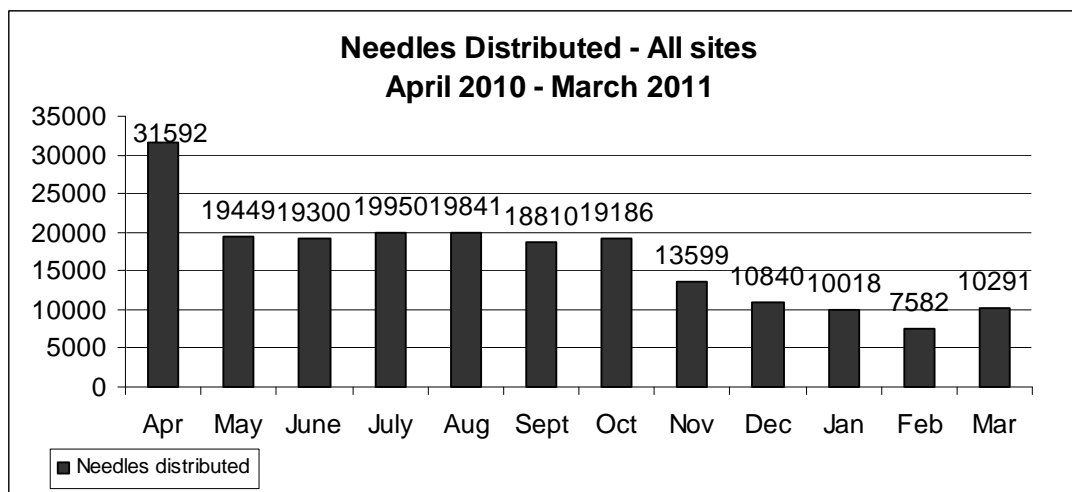
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Similarly the number of individual clients also reduced over the period. The average number of clients per month was 328.



The total number of occasions injecting equipment was provided across all locations in 2010/11 was 7,339. The total number of needles & distributed totalled 188, 538. There was an overall return rate of 72% which was an increase on 4% from the previous year.



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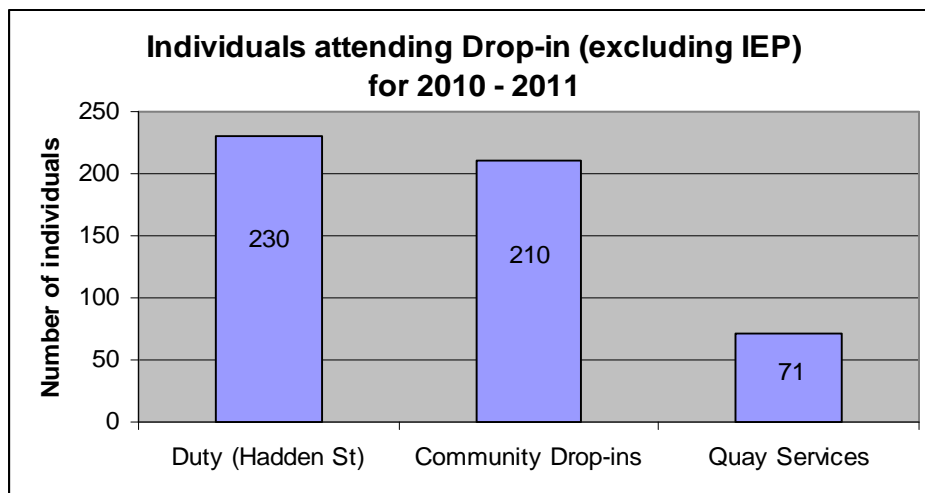
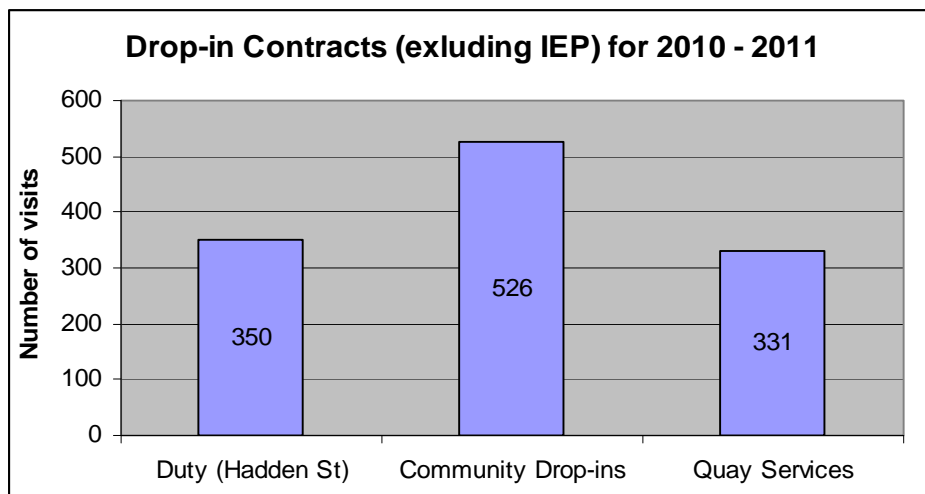
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COUNSELLING & SUPPORT SERVICES

Counselling and support for drug users and others affected by drug use are key activities of Drugs Action and provided through a range of services. The Telephone Helpline and Injecting Equipment Provision services are important gateway services to enable individuals, particularly those who are hard to engage, to access support. Outreach services also play an important part in providing access to services at an early stage. Counselling and support includes a) short term work including motivational enhancement, advice & information, crisis intervention and harm reduction and b) longer term care planned counselling to support recovery including structured relapse prevention using CBT skills, development of recovery capital and support for family members. It should be acknowledged that there is an overlap between the services provided under these categories but this description highlights the emphasis of each.

Short term one to one support / motivational work - A number of services provide a range of early interventions and pre and post counselling as outlined in a) above. The following provides a statistical breakdown by service:



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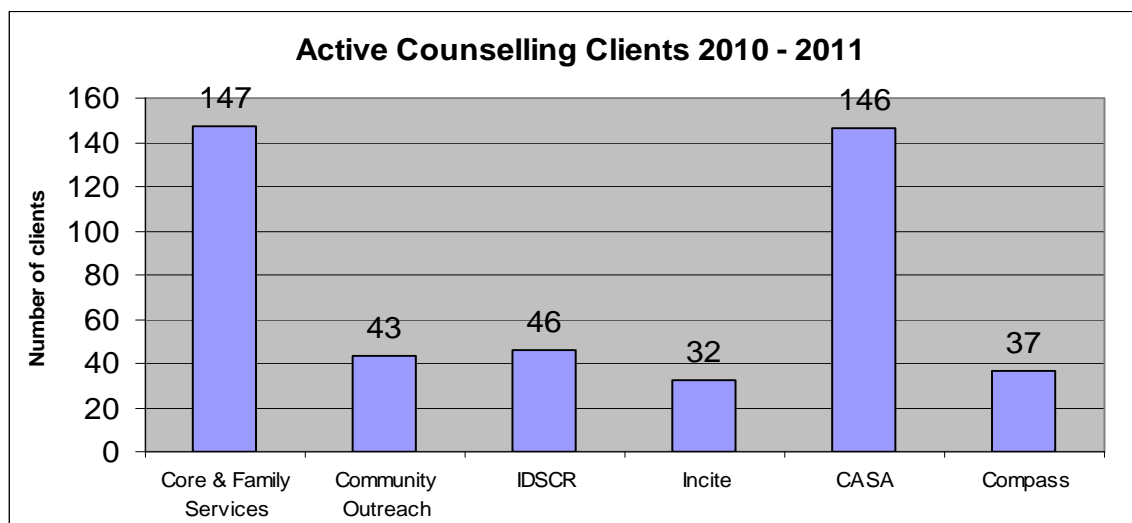
The number of individuals who received brief or single interventions and the total number of contacts has continued on an upward trend since 2006. The main reasons for this increase in activity are due to establishment of the Quay Services drop-in and growth in community outreach services through Fairer Scotland Funding.

COUNSELLING & SUPPORT SERVICES: OVERVIEW OF ALL SERVICES

Specialist drugs counselling, which is available to drug users, and family members, is central to the overall aims and objectives of Drugs Action, and has a pivotal role in assisting individuals to reduce drug related harm and move towards positive changes in their lives.

This service is enhanced by provision of additional support such as access to the family support group, complementary therapies, group work to enhance life skills and development of recovery capital. In addition, referral to other services and partnership working are important to ensure a holistic and co-ordinated service. Further details of the work carried out are contained in separate project reports.

The charts below provide a breakdown of counselling activity by service. For some services, this represents only an element of the work and for others, the entire activity.



The above figures show the breakdown of active clients by service. These figures include only those clients who have been assessed and have engaged with a structured programme of work delivered as part of a care planned process. The following information should be noted with regard to the above figures:

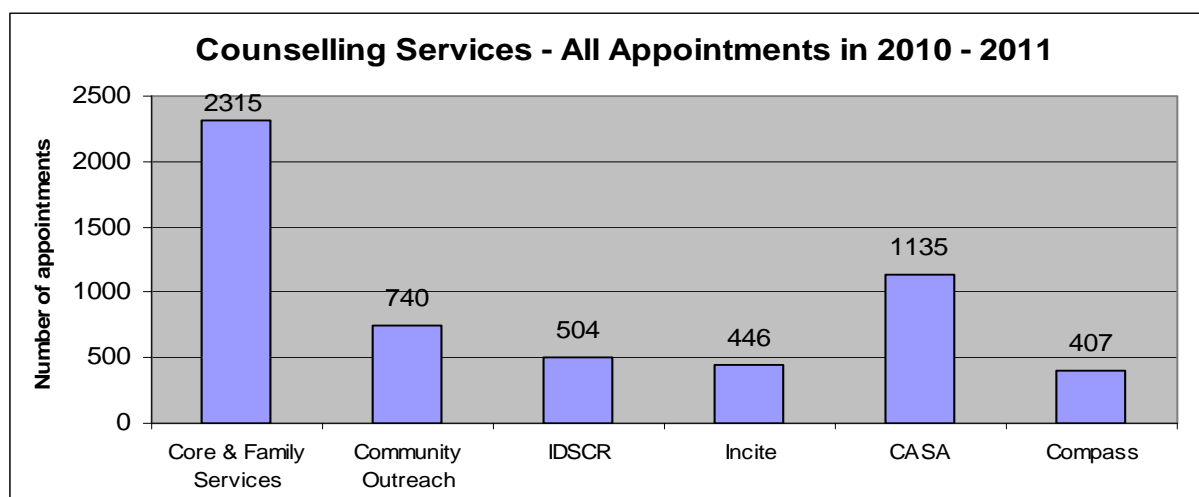
- The base counselling service is our main service with the highest number of individual clients (147) in Aberdeen city. This service is supported by the duty service at Hadden Street. Family Services include the Families First Project, Family Support Group one to one clients, and counselling relating to the Pregnancy & Post Natal Service (6 months of 2010-11).

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- Community Outreach counselling relates to a number of funded services provided in local communities including mainstream and short term funded services. However, it should be noted that the majority of clients receive a service as a direct result of the Fairer Scotland Fund which is a short term funding stream.
- IDSCR clients relate to individuals open to Drugs Action Staff in the context of the multi-agency Community Rehabilitation Service. These may include Key Working and / or specialist drugs work.
- The Incite Stimulant Users Service is provided only to Aberdeenshire residents.
- CASA service is for alcohol users in Aberdeenshire, and had 146 active clients during the year.
- Compass is a young persons service in Aberdeenshire for those affected by parental alcohol & drug use.
- The level of resources dedicated to each service is dependant on relative funding.



The appointments included in the chart above relate to active clients. They do not include appointments that have been arranged for assessment at the referral stage.

MEMBERSHIP OF WORKING GROUPS AND OTHER FORUMS

During the course of the year, Drugs Action has been involved in the following groups:

Aberdeen City

- Chair of Aberdeen City Drugs, Alcohol and BBV Forum and in this capacity, membership of the Aberdeen City ADP & Strategy Group
 - Member of Substance Misuse in Pregnancy Working Group
 - Member of Domestic Abuse Partnership
 - Member of Community partnerships and networks
 - Member of Choose Life Steering Committee
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Aberdeenshire

- Chair of Central Drugs Alcohol and BBV Forum and in this capacity, membership of Aberdeenshire ADP
- Member of North and South Drugs Alcohol and BBV Forums
- Member of Treatment and Care ADP Sub Group
- Member of Community Involvement sub group
- Member of Integrated Care Management Team
- Member of North, Central and South Drugs Alcohol and BBV Forums

Grampian

- Member of Blood Borne Virus Strategy Group
- Member of Needle Exchange Sub Group
- Member of Curriculum for Excellence Development Group

Scottish & UK Groups

- Member of Scottish Drugs Forum
- Member of SDF National Quality Development Programme Steering Group
- Involvement in Health Scotland Focus Groups on Hepatitis C Prevention Peer Development Initiatives
- Member of The Telephone Helpline Association
- Member of the Scottish Drugs Recovery Consortium
- Member of expert group developing Clinical Guidelines for HIV Treatment

FUTURE PLANS

Building on our successes, we look forward to the opportunities and challenges facing us in 2011/12. We will continue our active participation in the review and ongoing delivery of the Aberdeenshire Strategy, Routes to Recovery and also in the introduction of the new strategy being developed by Aberdeen City. In terms of the Scottish Government strategy we will have a developing role in the delivery of the recovery agenda in Grampian and would like to work with other services to promote and support recovery communities at a local level.

Our priorities continue to be to secure the future of services that have evidenced effectiveness. There are many challenges facing Drugs Action and uncertainties relating to a number of short term funded services. These include services such as Quay Services, and part of the Community Outreach Service, all of which target the most vulnerable people. We hope to secure the funding for these services based on the positive outcomes that have been demonstrated. However, we recognise that we are very dependent on statutory funding sources and plan in the future to build on our expertise and credibility, and explore options to develop alternative sources of income to support service development.

Next year will present an important challenge for Drugs Action as a result of Aberdeen City Council and NHS Grampian's decision to re-commission drugs services in the city. We hope that our track record and expertise in the delivery of these services will enable us to secure these contracts and we will continue to be a major player in the area.

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FINANCIAL REVIEW

The surplus for the year amounted to £2,571 (2010: deficit - £13,045). The operating deficit for the year, of £17,321 has been offset by investment income, training & teaching income and donations totaling £19,892 resulting in an overall surplus of £2,571. The operating deficit also includes the depreciation charge on the replacement heating system of £22,616, which has been taken from the Designated fund. Due to the uncertainty in certain areas of future funding, the directors have decided to accelerate the writing off of the Heating System Reserve. This has resulted in an additional £9,993 of deprecation this year.

The Board confirms that on a fund by fund basis the charity's assets are available and adequate to fulfil the obligations of the charity. The board regards all activities as fulfilling the main objective of the charity, therefore all funds are unrestricted.

The directors have addressed the creation of a reserve designed to meet contractual commitments. This will be implemented in stages but will be dependent on negotiations with major funders.

It is the policy of the company to try to maintain a cash reserve level of 30% of annual expenditure.

DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of Drugs Action for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DRUGS ACTION

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all steps that he or she ought to have taken as director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ritson Smith, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Registered office:
7 Hadden Street
ABERDEEN
AB11 6NU

Signed by order of the directors

W Taylor
Company Secretary

Approved by the directors on 13 December 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF DRUGS ACTION

We have audited the financial statements of Drugs Action for the year ended 31 March 2011 on pages 21 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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.

We have been appointed as auditors 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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF DRUGS ACTION

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 Report of the Trustees.

Jean Main (Senior Statutory Auditor)
for and on behalf of Ritson Smith
Chartered Accountants and Registered Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
16 Carden Place
Aberdeen
AB10 1FX

13 December 2011

DRUGS ACTION**STATEMENT OF FINANCIAL ACTIVITIES****YEAR ENDED 31 MARCH 2011**

	Note	Unrestricted funds 2011	Unrestricted funds 2010
		£	£
Incoming resources			
Voluntary income	2	185,321	192,621
Activities for generating funds	3	16,401	6,354
Investment income		146	523
Incoming resources from charitable activities	4	870,089	697,328
Total incoming resources		1,071,957	896,826
Resources expended			
Charitable activities	5	1,058,850	905,030
Governance costs	6	10,536	4,841
Total resources expended		1,069,386	909,871
Net incoming/(outgoing) resources	7	2,571	(13,045)
Total unrestricted funds brought forward		255,808	268,853
Total unrestricted funds at 31 March 2011		258,379	255,808

All incoming resources and resources expended derive from continuing activities.

DRUGS ACTION
(Registered Company Number: 94162)
BALANCE SHEET

31 MARCH 2011

	Note	2011	2010
		£	£
FIXED ASSETS			
Tangible assets	9	148,998	171,581
CURRENT ASSETS			
Debtors	10	23,190	47,716
Cash at bank and in hand		215,450	175,643
		<u>238,640</u>	<u>223,359</u>
CREDITORS: Amounts falling due within one year	11	<u>(129,259)</u>	<u>(139,132)</u>
NET CURRENT ASSETS		109,381	84,227
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>258,379</u>	<u>255,808</u>
FUNDS			
Designated funds	14	181,638	201,254
Income and expenditure account - unrestricted fund	14	76,741	54,554
MEMBERS' FUNDS		<u>258,379</u>	<u>255,808</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the directors on 13 December 2011 and are signed on their behalf by:

William Taylor
Director

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (effective January 2005), the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

Tangible fixed assets

Assets are included at cost and depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	50 years straight line
Freehold Property/Tenants Improvements	-	3-5 years straight line
Plant & Machinery	-	3-5 years straight line
Fixtures & Fittings	-	3-5 years straight line
Computer Equipment	-	3-5 years straight line

All assets costing more than £1,000 are capitalised.

Incoming resources

Income is included in incoming resources when receivable, except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods;
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met;
- gifts in kind are included in donations at the charity's best estimate of value

Voluntary income includes grants and sponsorship which provide the core funding for the company.

Activities for generating funds represents the income from training provided by the company to professional and community groups.

Incoming resources from charitable activities includes grants from local authorities under service level agreements.

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

Resources expended

Resources expended are included on an accruals basis, inclusive of any VAT which cannot be recovered.

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the company. Activities undertaken directly include costs which are directly attributable to the specific projects, the primary/main cost being salaries for the drugs workers.

Support costs comprise management and administration staff salaries, together with property expenses and sundry other administrative costs required for the operation of the company.

Governance costs are the costs associated with the governance arrangements of the charity and include fees for audit, legal advice, costs of trustees meetings and preparing statutory accounts.

Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds - these are unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Pensions

The company operates a stakeholder pension scheme. The company also pays contributions to some employees' own personal pension scheme. Contributions payable for the year are charged in the profit and loss account.

Legal status

The charity is a company limited by guarantee and not having share capital. The members' liability is limited by guarantee not exceeding £5 per member.

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

2 VOLUNTARY INCOME

		2011	2010
		£	£
Grants			
Grantor	Purpose		
NHS Grampian	Core Funding	115,271	115,271
Aberdeen City Council	Core Funding	47,493	47,493
Aberdeenshire Council	Core Funding	19,212	19,020
		<hr/>	<hr/>
		181,976	181,784
Donations		3,345	10,837
		<hr/>	<hr/>
Total		185,321	192,621
		<hr/> <hr/>	<hr/> <hr/>

3 ACTIVITIES FOR GENERATING FUNDS

	2011	2010
	£	£
Training/teaching income	16,401	6,354
	<hr/> <hr/>	<hr/> <hr/>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		2011	2010
		£	£
Grants – Service level agreements			
NHS Grampian		271,880	288,408
Aberdeen City Council		277,398	275,434
Aberdeenshire Council		245,364	45,012
Scottish Executive		75,447	88,474
		<hr/>	<hr/>
		870,089	697,328
		<hr/> <hr/>	<hr/> <hr/>

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

5 CHARITABLE ACTIVITIES	2011	2010
	£	£
Activities undertaken directly:		
Salaries – Drugs workers	723,542	588,917
Pension – Drugs workers	29,519	24,538
Membership subscriptions	981	1,290
Training	3,519	1,944
Citric acid sachets/Paraphernalia	5,155	15,458
Equipment	3,497	3,553
BME expenses	3,021	1,912
Sundry expenses	7,166	3,282
Consumables	5,892	5,154
Motor vehicle lease	2,160	2,160
Motor and travel expenses	17,487	8,039
Advertising	-	510
Post and stationery	2,913	3,902
Telephone	4,853	1,971
	<u>809,705</u>	<u>662,630</u>
Support costs:		
Salaries – Management	74,581	76,139
Pension – Management	3,308	3,012
Salaries - Administration	43,891	47,905
Pension – Administration	1,990	2,025
Temporary Staff	7,568	15,563
Recruitment expenses	-	2,875
Redundancy costs	4,285	-
Heat and light	11,916	16,126
Rent, rates and insurance	30,123	26,840
Refuse and cleaning	6,618	3,453
Sundry	6,682	4,859
Repairs and renewals	897	2,408
Hire of equipment	4,265	2,979
Advertising	2,649	2,388
Computer costs	8,822	8,589
Computer software development	1,694	2,574
Post and stationery	3,836	2,492
Telephone	4,479	4,334
Bank charges	180	164
Professional fees	1,727	16
Depreciation	29,634	17,659
	<u>249,145</u>	<u>242,400</u>
Total	<u>1,058,850</u>	<u>905,030</u>

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

6	GOVERNANCE COSTS	2011	2010
		£	£
	Audit fees	4,661	4,841
	Legal and professional fees	5,875	-
		<u>10,536</u>	<u>4,841</u>
7	NET OUTGOING RESOURCES	2011	2010
		£	£
	Net outgoing resources are stated after charging:		
	Directors' emoluments	-	-
	Staff pension contributions	34,817	29,575
	Depreciation	29,633	17,659
	Auditor's fees	4,661	4,570
		<u>69,110</u>	<u>51,704</u>
8	DIRECTORS AND EMPLOYEES	2011	2010
	No payments were made to directors in the year (2010 – £Nil)		
	Average weekly number of employees in the year	36	30
	Staff costs for the above were:	£	£
	Wages	784,181	665,559
	Social security costs	74,401	62,965
	Other pension costs	34,817	29,575
		<u>893,399</u>	<u>758,099</u>

No employees were paid more than £60,000 in the year.

Directors were not reimbursed for any of their expenses in the year (2010: £nil).

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

9 TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Tenants improvements £	Fixtures & fittings £	Computer equipment £	Total £
COST						
At 1 April 2010	211,246	3,948	21,177	12,166	22,573	271,110
Additions	-	7,050	-	-	-	7,050
At 31 March 2011	<u>211,246</u>	<u>10,998</u>	<u>21,177</u>	<u>12,166</u>	<u>22,573</u>	<u>278,160</u>
DEPRECIATION						
At 1 April 2010	41,566	3,948	21,177	12,166	20,672	99,529
Charge for the year	25,578	2,154	-	-	1,901	29,633
At 31 March 2011	<u>67,144</u>	<u>6,102</u>	<u>21,177</u>	<u>12,166</u>	<u>22,573</u>	<u>129,162</u>
NET BOOK VALUE						
At 31 March 2011	<u>144,102</u>	<u>4,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,998</u>
At 31 March 2010	<u>169,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,901</u>	<u>171,581</u>

10 DEBTORS

	2011 £	2010 £
Trade debtors	15,907	39,394
Prepayments and accrued income	7,283	8,322
	<u>23,190</u>	<u>47,716</u>

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

11 CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Bank overdraft	-	300
Trade creditors	21,822	13,007
PAYE and social security	24,283	19,195
Other creditors	6,497	5,328
Accruals and deferred income	76,657	101,302
	<u>129,259</u>	<u>139,132</u>

The bank overdraft is secured by a standard security over the premises at 7 Hadden Street, Aberdeen.

Deferred income comprises:

	Activities for generating funds	Charitable activities	Core services/ donations
	£	£	£
At 1 April 2010	8,954	65,160	322
Amount released to incoming resources	(6,501)	(65,160)	-
Amount deferred in year	9,221	24,819	242
Balance at 31 March 2011	<u>11,674</u>	<u>24,819</u>	<u>564</u>

Deferred income relates to an underspend in the year 2007/08 being carried forward and amounts received in advance for 2011/12.

12 RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities.

13 OPERATING LEASE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below:

	2011	2010
	£	£
Expiring		
Between two and five years :		
Land and buildings	6,804	4,682
Other operating leases	2,160	2,160
	<u>8,964</u>	<u>6,842</u>

DRUGS ACTION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2011

14 FUNDS

	At 1 April 2010	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2011
	£	£	£	£	£
Unrestricted funds					
Designated - Service Development Fund	141,887	-	-	-	141,887
Designated - Sex Industry Drop-In Fund	4,136	-	-	-	4,136
Designated - Heating System Fund	45,231	-	-	(22,616)	22,615
Designated - Share Gift Fund	10,000	-	-	-	10,000
Designated - YPI Support Groups Fund	-	3,000	-	-	3,000
General funds - Income and Expenditure	54,554	1,068,957	(1,069,386)	22,616	76,741
	<u>255,808</u>	<u>1,071,957</u>	<u>(1,069,386)</u>	<u>-</u>	<u>258,379</u>

Following the acquisition of the new premises, a Service Development Fund was set up to meet expenditure requirements for future development of Drugs Action.

A new heating system was purchased for the premises at Hadden Street, using funds from the Service Development Fund.

The net book value of the asset has been allocated to a designated fund as above. This fund will be reduced over the economic life of the asset in line with its depreciation by a transfer from general funds.

In recent years Drugs Action's work with women involved in prostitution has grown and developed. This has been supported by various sources including the Scottish Government, NHS Grampian and a number of small grants. Despite this, with the exception of Aberdeenshire Council support, funding continues to be insecure and short term; therefore the need for a designated fund for this highly vulnerable group continues to be a requirement.

The Share Gift Fund and YPI Support Groups Fund relate to unrestricted donations where the directors wish to set aside the funds for particular services.