

Commentary on the model Trustees' Annual Report and accounts: Dorsetshire Drugs Advice Centre

This example is for a company limited by guarantee that provides drugs rehabilitation and prevention programmes. Its activities include operating a café and a charity shop. The company has to comply with the Companies Act 1985 (the accounting provisions of the Companies Act 2006 applying to period starting on or after 6 April 2008), the SORP and new public benefit reporting requirements. The majority of its funding is received from the County Council and the local Primary Care Trust.

The charity meets the Companies Act 1985 definition of a small company and does not exceed the Companies Act 1985 audit threshold. The trustees, in this example, may therefore claim exemption from an audit under subsection (1) of section 249A of the Companies Act 1985 provided the audit exemption statement required by 249B (4) is made on the balance sheet. However, if exemption is claimed from an audit under the Companies Act then an audit of the charity's accounts will be required under the Charities Act 1993. The trustees, in this example, have therefore chosen not to claim audit exemption under the Companies Act and therefore no audit exemption statement is provided on the balance sheet. The accounts are therefore audited the Companies Act 1985 and no audit is then required under the Charities Act 1993. Auditors can find further guidance on the format of charity audit reports on the Auditing Practices Boards website - www.frc.org.uk/apb/publications/pub1891.html

The Trustees' Annual Report

The report does not follow the order set out in the SORP and demonstrates how the order of presentation of the annual report can be varied. Paragraph headings continue to highlighting each key disclosure required by the SORP, including trustee induction and training.

The annual report has been updated for new public benefit reporting requirements. In particular, the report explains how the trustees have used our public benefit guidance and explains in more detail which groups used and benefited from the charities services.

The report includes a *risk management statement* which also refers to compliance with the applicable national standards. The charity's objects, aim, strategy and major activities undertaken are summarised in the *objectives and activities* section. The *achievements and performance* section provides a detailed information about the nature of the activities undertaken, including performance information, for each of the main areas of charitable activity. These areas of charitable activity map to note 4 to the accounts.

Note the *reserves policy* includes an explanation of the target level of reserves, the reserves held, and the charity's plans to increase its reserves (paragraph 55).

The report concludes with a statement of trustees' responsibilities in relation to the financial statements which has been included in accordance with APB Audit Standards, although this statement is not a requirement of the SORP. The example is amended to include the disclosure of information to auditors.

Business Review

Where the charity does not qualify as a small company, the trustees should, when preparing a combined Trustees' and company charity Director's annual report (SORP paragraph 40), ensure that the report covers the mandatory disclosures required for the Business Review section of that report.

The Accounts

The Statement of Financial Activities reports the charitable activities as single line with an expanded analysis in note 4 to the accounts (paragraph 89).

Governance costs and support costs and their allocation is analysed in note 4.

On the face of the balance sheet, the types of fund are disclosed including designated funds with the revaluation fund shown separately, as required by Company Law.



Dorsetshire Drugs Advice Centre
(A company limited by guarantee)

Report and Financial Statements
For the Year Ended 31 March 2009

Charity number 1253687
Company number 1032145

Dorsetshire Drugs Advice Centre
(A company limited by guarantee)

Financial Statements
For the Year Ended 31 March 2009

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Dorsetshire Drugs Advice Centre

Report of the Management Committee for the year ended 31 March 2009

The Management Committee presents its directors' report and audited financial statements for the year ended 31 March 2009.

Reference and Administrative Information

Charity Name: Dorsetshire Drugs Advice Centre

Charity registration number: 1253687

Company registration number: 1032145

Registered Office and
operational address: 10 High Street,
Dorchester,
Dorsetshire.
BA1 6PR

Management Committee

Mr P Smith	Chair
Mrs L Jones	Vice Chair
Mrs M Haliwell	Treasurer
PC N Francis	
Mr J Blackmore	
Mrs S Thorne	(resigned 24 September 2008)
Mr T Forester	(resigned 11 November 2008)
Mr G Peterson	(appointed 22 October 2008)
Miss C Snow	

Secretary

Miss L Gupta

Senior Management Team

Mrs V Hunter	Chief Executive
Mr R Snick	Services Manager
Mrs C Cash	Finance and Administration Manager

Auditors - Risk & Co, 10 Poole Street, Dorchester, Dorsetshire BA2 1CE

Bankers - Petty Cash, 33 Wimborne Street, Dorchester, Dorsetshire, BA2 7PC

Solicitors - Ivor Deed & Co, 26 Chesil Road, Dorchester, Dorsetshire B22 1L

Our Aims and objectives

Purposes and Aims

Our charity's purposes as set out in the objects contained in the company's memorandum of association are to:

- benefit the public by promoting the prevention of drug misuse, and
- to treat those suffering from drugs misuse within the area covered by Dorsetshire.

The aims of our charity are to reduce the levels of drug dependency within the county and to educate young people about the risks involved in the use of recreational drugs. Our aims fully reflect the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Our main objectives for the year continued to be the promotion and prevention of the misuse of drugs and the rehabilitation of those drug users. The strategies we used to meet these objectives included:

- Providing a range of services which are reflective of relevant quality standards and address the potential problems related to drug misuse.
- Focussing upon limiting the harm which comes with drug abuse, not only for the individual but also their family and friends and the wider community of Dorsetshire.
- Working towards applying national standards of service and the implementation of the National Occupational Standards.
- Working in partnership with other agencies to secure the widest range of services is available that best matches the needs of its client population.

How our activities deliver public benefit

Our main activities and who we try to help are described below. All our charitable activities focus on the prevention and treatment of drug abuse and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our services?

Our objects and funding limit the services we provide to those resident in Dorsetshire. The number of Problematic Drug Users in Dorsetshire is estimated at some 2700 (0.8% of total population) and the number of people accessing Structured Treatment across Dorset is estimated at

approximately 1250. Our funding limits those we can help, for example, our counselling service can only deal with 50 individual clients at any time. Demand for our services is limited by giving priority to referrals from medical and social services sources and is also based on an initial assessment of an individual's personal commitment to seeking help. All our services are provided free to our clients.

Equal access to our services is an important issue for us. In addition to our current monitoring of access to our services by gender, disability and sexual orientation next year will see the publication of our first ethnicity monitoring study. We are aware from a baseline study undertaken this year, using data available on the Neighbourhood Statistics website, that Black and minority ethnic communities are disproportionately represented in deprived areas of our county. We believe equal access to our services is vital to our success and that successful outcomes must be shared by all communities that use our services.

The peak age for injecting drug users is late 20's with arrests peaking in the 20-25 year age group. It is estimated that males represent 72 per cent of drug users. Our monitoring suggests those that we are able to help broadly reflect these statistics. Our information services are targeted at those between the ages 15 and 30 who are regarded as the age group primarily at risk and represent 18 per cent of Dorsetshire's population. Further information about who benefits directly from our services is explained in the analysis of performance and achievements below.

However, the impact of our work goes far beyond those we help directly and includes reducing the distress suffered by the families and friends of users through to impact on crime where it is estimated that in Dorsetshire up to 40 per cent of crime is drug related.

Some areas of our work, for example the needle exchange programme, gave rise to some local concern last year. Our active liaison with local community group and with local councillors has helped significantly in reducing these concerns and has created better local understanding of our work.

The main areas of charitable activity are the provision of counselling, advice and information; outreach work; and the operation of a café as a training project for former drugs users. These activities and the achievements that flow from our work are described below.

Counselling, Advice and Information

The Counselling, Advice and Information (CAI) project is based at the central office and provides help and advice to drug users, teachers, social workers and others wanting to know more about the effects of drug use. Funding for the CAI project is primarily provided by the Dorsetshire County Council and is sufficient to employ 4 members of staff. The mainstay of our service remains our volunteers who provide advice and distribute information leaflets. In the year under review over 2,000 volunteer hours were donated.

We produced two new leaflets on cocaine use and the dangers of ecstasy in addition to the existing leaflets on cannabis, amphetamines, substance abuse and tranquiliser abuse. Leaflets are made available in doctors' surgeries, Dorsetshire Royal Infirmary, the Citizens' Advice Bureau, the Magistrates' Courts and Probation and Youth Offending Services offices. Feedback from Doctor's surgeries, teachers and social workers is that the plain English style has helped in both giving advice and stimulating conversation and debate. Only through understanding can those at risk and the vulnerable realise the dangers and avoid the pitfalls. Over 5,000 leaflets were distributed in the year.

Individual advice is provided at drop-in times and also by special appointment. Some 220 people regularly used the drop in service during the year with over 1200 individual counselling sessions being held. In addition to breaking social exclusion and stigma, we aim to provide a friendly face and a sympathetic ear. We were able to help in a variety of tangible ways and where appropriate can also arrange referrals to our partners where assistance is needed in relation to housing, debt, or social service related issues. Often drug abuse leads to a life apart from society with associated

problems of depression, crime and poverty. We are pleased that by working with our partners we can offer a holistic approach to the problems arising from drug abuse. Our counselling service is partly funded by Dorsetshire Primary Care Trust on the basis of a performance related grant which is restricted to our counselling work.

As a result of the advice service, a parents' support group has been set up on the Dorchester Green Estate. Over 40 families are currently involved in this project and the demand continues to grow. In addition to providing information, with some 600 leaflets distributed, the group is an opportunity for parents to share experiences and learn about how best to connect with their children. This sharing has reduced the sense of hopelessness and all the families have been able to talk openly with their children in a supported environment. Although success in stopping abuse to date has been limited, 25 children have agreed to undergo treatment or seek medical advice for a variety of drug abuse problems as a result of this work.

The receipt of a donation from the Berrow Estate Charitable Trust, specifically to assist in the provision of counselling services has enabled the purchase of a new computer and database software to be used to organise information and make it more easily accessible for volunteer counsellors.

Outreach

The outreach work of the charity provides support to young people who are vulnerable or falling into drug misuse. This work continued to expand in the year under review. At the beginning of the year, we had set a target to reach 150 young people and to make our other services available to them. Although due to difficulties in recruiting staff our target could not be reached, we were nevertheless able to directly help 118 young people through our programme during the year. Our strategy is to complement the social services and youth worker roles by providing specific staff trained in recognising and talking to young people suffering a drug problem. By a mixture of personal approaches, referrals and partnership working we hope to create the trust needed for children and young people abusing drugs to talk about their problem and seek help without feeling that they are being blamed, or at risk of prosecution. By explaining the services available to them and by developing support networks of former drug abusers we hope to change and rescue lives from the misery of drug abuse.

The outreach service also runs a health clinic including a needle exchange programme and the provision of laundrette facilities. Infection, including HIV, is a significant health issue. By providing clean needles and a laundrette, we reduce the likelihood of infection and avoid the risk of shared needles. Over 6000 needles were issued and collected in the period.

We continue to work in close co-operation with Dorsetshire County Council Social Services department in operating this outreach project. We are grateful for their support. Again, the grant funding received is restricted specifically to this project.

The training project continues to be focused on the operation of the café and drop in centre. This enterprise was initially funded through a contract with Dorsetshire County Council but is now self-funding. The café continues to provide a bright and cheerful atmosphere and hosts all sorts of activities, including art exhibitions, jazz evenings and other theme evenings.

The café has a paid manager and is staffed primarily by former drug users. The disruption to life caused by prolonged abuse often destroys a person's self esteem and life skills and coupled with the stigma of being a former addict, it is often difficult for former drug users to gain employment. The danger is that by being socially disadvantaged coupled with poverty and poor housing, the temptation to relapse into substance abuse and crime is great. The café enables people to regain their life skills and provides a stepping off point into the world of work. To date 12 people have found new work after a spell in the café.

Financial Review

Against the backdrop of limited resources and insecurities over funding, it has continued to be difficult to plan or develop services. Nevertheless the charity, with the aid of sound financial management and the support of both its staff and volunteers generated a very positive financial outcome for the period with a net increase in funds of just over £54,000. Its success in obtaining new funding for 2009/10 from the Dorsetshire Probation Service and Youth Offending Service, to reflect the referrals from these services, will provide much needed additional resources.

Principal Funding Sources

Aside from the income generated by the charity shop, the principal funding sources for the charity are currently by way of grant and contract income from Dorsetshire County Council and the Dorsetshire Primary Care Trust. As a result of increasing constraints on local authority expenditure, the charity has to seek funding from a much broader group of agencies. The involvement of the charity with the Drug Action team (DAT) and the Dorsetshire Drugs Reference Action Group (DDRAG) is proving particularly useful in identifying possible opportunities for a much wider range of funding for the future.

Investment Policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term so there are few funds for long term investment. Having considered the options available, the Management Committee has decided to invest the small amount that it has available in commercial common investment funds. Grants received in advance are invested on the money market. The Management Committee consider the overall return on long term investments and deposits together, at over 4% in the year, to be disappointing. A review of investment policies is therefore planned early in the new financial year.

Reserves Policy

The Management Committee has examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 3 and 6 months of the expenditure. Budgeted expenditure for 2009/10 is £550,000 and therefore the target is £137,500 to £275,000 in general funds. The reserves are needed to meet the working capital requirements of the charity and the Management Committee are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. Whilst income funds stand at £56,792 a designation of £20,000 has been set aside for the purchase of equipment for the training project and a further £22,500 funds the office equipment of the charity. The present level of reserves available to the charity of £14,292 therefore falls significantly short of this target level. Although the strategy is to continue to build reserves through planned operating surpluses, the Management Committee is well aware that it is unlikely that the target range can be reached for at least five years. In the short term the Management Committee has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Plans for Future Periods

The charity plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. Plans are also being developed to work on a number of schemes with local employers and local job centres to place rehabilitated drug users who have been through our training projects on mentoring schemes which it is hoped will lead to long-term gainful employment.

The charity will also continue to work towards the QuADS Standard (Quality Assurance for Drug and Alcohol Services). Developed jointly by Alcohol Concern and DrugScope, it provides a set of quality standards for organisations in the sector. Widely used by alcohol and drug treatment services, they are endorsed by the National Treatment Agency and Drug Action Teams. The charity will also work towards the continuing implementation of the Drugs and Alcohol National Occupational Standards (DANOS).

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 8 August 1992 and registered as a charity on 8 September 1992. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

All member of the Management Committee give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Mr P Smith and Mrs L Haliwell retire by rotation and, being eligible, offer themselves for re-election.

Due to the nature of drug abuse much of the charity's work inevitably focuses upon young people. The Management Committee seeks to ensure that the needs of this group are appropriately reflected through the diversity of the trustee body. To enhance the potential pool of trustees, the charity has, through selective advertising in the Big Issue and networking with local medical practitioners, sought to identify rehabilitated drug addicts who would be willing to become members of the centre and use their own experience to assist the charity.

The more traditional business and medical skills are well represented on the Management Committee. In an effort to maintain this broad skill mix, members of the Management Committee are requested to provide a list of their skills (and update it each year) and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Management Committee.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity having been encouraged to take up the "Cooks Tour" of the Advice Centre and the Outreach Work offered as part of the two "charity membership open days" that are run each year.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions (of no more than an hour) to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Management Committee and the Chief Executive of the charity and cover:

- The obligations of Management Committee members.

- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

A Question & Answer pack has also been prepared drawing information from the various Charity Commission publications signposted through the Commission's guide "the Essential Trustee" as a follow up to these sessions. This is distributed to all new trustees along with the Memorandum and Articles and the latest financial statements. Feedback from new trustees about their induction has been very positive.

Risk Management

The Management Committee has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. The continuing implementation of the Drugs and Alcohol National Occupational Standards (DANOS) and the adoption of the QuADS Standard (Quality Assurance for Drug and Alcohol Services) ensure a consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Organisational Structure

The Dorsetshire Centre has a Management Committee of up to 8 members who meet quarterly and are responsible for the strategic direction and policy of the charity. At present the Committee has seven members from a variety of professional backgrounds relevant to the work of the charity. The Secretary also sits on the Committee but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with the Services and Finance and Administration Managers. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Services Manager has responsibility for the day to day operational management of the Centre, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Related Parties

In so far as it is complimentary to the charity's objects, the charity is guided by both local and national policy. At a national level drug treatment is steered by the ten year strategy "Tackling Drugs to Build a Better Britain" and the Updated Drug Strategy 2005. Drug Action Teams (DATs) are the local partnerships charged with responsibility for delivering the National Drug Strategy and commissioning services at the local level and includes representatives from amongst others, the local authority, health and voluntary sector agencies. The Chairman of Dorsetshire Drugs Advisory Centre is also the chair of the Dorsetshire Drug Reference Action Group (DDRAG). This is a multi agency group with Dorsetshire as its focus. The representation of local organisations within this group has proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Responsibilities of the Management Committee

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis.

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Management Committee is 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.

Members of the Management Committee

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Risk & Co were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Management Committee on 13 September 2009 and signed on its behalf by:

Mr P Smith (Director)

Dorsetshire Drugs Advice Centre
Statement of Financial Activities (including Income & Expenditure Account) for the
year ended 31 March 2009

	Notes	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2008 £	Total Funds 2008 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations and grants	2	4,900	10,000	14,900	13,592
Activities for generating funds:					
Shop income		34,030	-	34,030	34,484
Investment income		1,800	1,530	3,330	2,648
Incoming resources from charitable activities:					
Grants & contracts	3	-	300,000	300,000	252,264
Café and drop-in centre		191,070	-	191,070	162,344
Total incoming resources		231,800	311,530	543,330	465,332
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	4	2,950	-	2,950	3,786
Fundraising trading: cost of goods sold and other costs	4	23,748	-	23,748	22,450
Charitable activities	4	173,000	273,298	446,298	353,596
Governance costs	4	17,332	-	17,332	14,744
Total resources expended		217,030	273,298	490,328	394,576
Net income for the year. (Net incoming resources before other recognised gains)		14,770	38,232	53,002	70,756
Other recognised gains					
Gain on revaluation of investments	10	1,524	-	1,524	404
Net movement in funds		16,294	38,232	54,526	71,160
Reconciliation of funds					
Total funds brought forward		40,498	2,632	43,130	(28,030)
Total funds carried forward		56,792	40,864	97,656	43,130

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

Dorsetshire Drugs Advice Centre

Balance Sheet as at 31 March 2009

	Notes	2009 £	2008 £
Fixed Assets			
Tangible assets	9	22,500	20,000
Investments	10	23,308	21,784
		45,808	41,784
Current Assets			
Stock		334	108
Debtors	11	15,336	11,148
Cash at bank and in hand		52,946	7,594
		68,616	18,850
Creditors: amounts falling due within one year	12	(16,768)	(17,504)
Net Current Assets		51,848	1,346
Net Assets	12	97,656	43,130
Unrestricted funds	14		
• Designated funds		20,000	-
• Revaluation funds		3,658	2,134
• General funds		33,134	38,364
		56,792	40,498
Restricted funds	14	40,864	2,632
Total Funds		97,656	43,130

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the management committee on 13 September 2009 and signed on its behalf by:

M Haliwell, Treasurer

Notes forming part of the Financial Statements for the year ended 31 March 2009

1. Accounting Policies

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

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice : Accounting and Reporting by Charities issued in March 2005.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. 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.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Clothing and other items donated for resale through the charity's shop are included as incoming resources within activities for generating funds when they are sold.
- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- 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 e.g. floor areas, per capita or estimated usage as set out in Note 4.

(e) Fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 4 years. Impairment reviews are carried out as and when evidence comes to light that the recoverable amount of a functional fixed asset is below its net book value due to damage, obsolescence or other relevant factors.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

2. Donations

	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Berrow Estate Charitable Trust	-	10,000	10,000	-
Donations	4,900	-	4,900	13,592
	4,900	10,000	14,900	13,592

3. Incoming Resources from Activities to further the Charity's Objects

	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
<i>Dorsetshire County Council:</i>				
Advice & information	-	140,000	140,000	120,000
Outreach	-	110,000	110,000	132,264
<i>Dorsetshire PCT:</i>				
Counselling	-	50,000	50,000	-
<i>Training Project:</i>				
Income from Café	191,070	-	191,070	162,344
	191,070	300,000	491,070	414,608

4. Total Resources Expended

	Basis of allocation	Voluntary income	Charity shop	Advice & Information	Outreach Work	Café Training Project	Governance	2009 Total	2008 Total
		£	£	£	£	£	£	£	£
Costs directly allocated to activities									
Staff costs	Direct	-	-	115,797	115,493	138,486	-	369,776	295,464
Café supplies	Direct	-	-	-	-	10,420	-	10,420	10,000
Recruitment	Direct	-	-	-	2,852	-	-	2,852	5,634
Travel	Direct	-	-	648	964	792	332	2,736	1,912
Volunteer expenses	Direct	-	3,046	1,728	-	2004	-	6,778	5,040
Audit fees	Direct	-	-	-	-	-	4,000	4,000	3,600
Annual report	Direct	-	-	-	-	-	5,124	5,124	3,650
Support costs allocated to activities									
Premises	Floor Area	2,180	20,560	3,072	7,662	4,168	-	37,642	31,124
General office and finance staff	Staff Time	642	-	7,843	5,643	8,498	3,756	26,382	23,758
Communications	Staff Time	106	-	1,188	1,538	3,000	1,358	7,190	5,632
Consultancy	Usage	--	-	2,000	2,000	2,000	212	6,212	-
Legal & Professional	Usage	-	-	780	766	930	24	2,500	2,858
Depreciation	Usage	-	-	1,250	1,250	2,500	2,500	7,500	5,000
Bank charges	Transactions	22	142	422	402	202	26	1,216	904
Total resources expended		2,950	23,748	134,728	138,570	173,000	17,332	490,328	394,576

5. Net Incoming Resources for the Year

This is stated after charging:	2009	2008
	£	£
Depreciation	7,500	5,000
Auditors' remuneration re external scrutiny	4,000	3,600

	£	£
Salaries and wages	360,144	288,494
Social security costs	<u>36,014</u>	<u>30,728</u>
Total	<u>396,158</u>	<u>319,222</u>

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

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2009 Number	2008 Number
Chief Executive	1	1
Counselling, advice and information	4	4
Outreach work	4	3
Training project	6	5
Administration and support	<u>1</u>	<u>1</u>
Total	<u>16</u>	<u>14</u>

The charity does not operate any pension scheme for its employees but does administer contributions to a stakeholder pension scheme for 5 (2008 – 4) staff. The charity makes no contributions to this scheme.

7. Trustee Remuneration & Related Party Transactions

No members of the management committee received any remuneration during the year. Travel costs amounting to £332 (2008 - £368) were reimbursed to 4 (2008 – 5) members of the management committee.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2008 – Nil).

8. Taxation

As a charity, Dorset Drugs Advice Centre is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

9. Tangible Fixed Assets

	Office Equipment £
Cost	
At 1 April 2008	30,000
Additions	<u>10,000</u>
At 31 March 2009	<u>40,000</u>
Accumulated Depreciation	
At 1 April 2008	10,000
Charge for the year	<u>7,500</u>
At 31 March 2009	<u>17,500</u>
Net book value	
At 31 March 2009	<u>22,500</u>
At 31 March 2008	<u>20,000</u>

10. Investments

	2009 £	2008 £
Charityfund Unit Trust at mid-market value:		
At 1 April 2008	21,784	21,380
Unrealised gain on investments	<u>1,524</u>	<u>404</u>
At 31 March 2009	<u>23,308</u>	<u>21,784</u>

11. Debtors

	2009 £	2008 £
Trade Debtors - contract income receivable	13,084	9,180
Other debtors and prepayments	<u>2,252</u>	<u>1,968</u>
Total	<u>15,336</u>	<u>11,148</u>

12. Creditors: Amounts Falling Due within One Year

	2009 £	2008 £
Taxation and social security	8,916	7,792
Other creditors and accruals	<u>7,852</u>	<u>9,712</u>
Total	<u>16,768</u>	<u>17,504</u>

13. Analysis of Net Assets Between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	15,000	-	7,500	22,500
Investments	19,650	3,658	-	23,308
Current assets	10,340	20,000	38,276	68,616
Current liabilities	<u>(11,856)</u>	<u>-</u>	<u>(4,912)</u>	<u>(16,768)</u>
Net assets at 31 March 2006	<u>33,134</u>	<u>23,658</u>	<u>40,864</u>	<u>97,656</u>

14. Movements in Funds

	At 1 April 2008 £	Incoming Resources (inc.gains) £	Outgoing Resources £	Transfers £	At 31 March 2009 £
Restricted funds:					
Computer equipment – counselling service	-	10,000	(2,500)	-	7,500
Counselling, Advice and information	2,632	140,000	(134,016)	-	8,616
Outreach	-	<u>161,530</u>	<u>(136,782)</u>	-	<u>24,748</u>
Total restricted funds	<u>2,632</u>	<u>311,530</u>	<u>(273,298)</u>	-	<u>40,864</u>
Unrestricted funds:					
Designated training project equipment fund	-	-	-	20,000	20,000
Designated revaluation fund	2,134	1,524	-	-	3,658
General funds	<u>38,364</u>	<u>231,800</u>	<u>(217,030)</u>	<u>(20,000)</u>	<u>33,134</u>
Total unrestricted funds	<u>40,498</u>	<u>233,324</u>	<u>(217,030)</u>	-	<u>56,792</u>
Total funds	<u>43,130</u>	<u>544,854</u>	<u>(490,328)</u>	-	<u>97,656</u>

Purposes of Restricted Funds

Computer equipment: This was a grant for computer equipment used in conjunction with database software to organise information and make it accessible for volunteer counsellors. The balance is reducing as the computers depreciate.

Advice and Information: The fund is for the advice and information activity as explained in the trustees' report.

Outreach: This is a fund for outreach work with young people who are vulnerable or falling into drug misuse. The balance arose from a delay in using grants which were given for the purpose of appointing new staff. Staff were appointed late in the year and all the fund will be utilised in forthcoming months.

Purposes of Designated Funds

Training Project Equipment: The Management Committee has designated funds for purchase of new equipment in the training project.

Revaluation Reserve Fund: The revaluation reserve fund is required by the Companies Act 1985 and represents the amount by which investments exceed their historical cost.