

Addictions Counselling Inverness

Report and Financial Statements

31 March 2017



Addictions Counselling Inverness

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1) Company Information

Director Grahame Cooper

Executive Committee

Grahame Cooper (Chair)
Mark Tucker (Treasurer)
Sean Cowan (ACI)
Iver Forsyth (Highland Council)
Karen Patience (H HT Gateway)
Mick Longton

Management Team

Elaine Fetherston (Manager – resigned October 2016)
Erica Hansen (Administrative Assistant)

Registered Office

70 Tomnahurich Street
Inverness
IV3 5DT

Registered Charity Number

SC000233

Company Number

97508

Company Bankers

The Royal Bank of Scotland
29 Harbour Road
Inverness
IV1 1NU

Independent Examiner

Donald MacKenzie
Independent Examiner
52 Crown Drive
Inverness
IV2 3QG

2. Director's and Executive Committee Report

The director and Executive Committee present their report and the financial statements of the company for the period ended 31 March 2017.

GOVERNANCE

STATEMENT OF DIRECTOR'S & EXECUTIVE COMMITTEE RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently; -
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to do so and assume that the company will not continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detecting of fraud and other irregularities.

MISSION STATEMENT/ VISION

Addictions Counselling Inverness is committed to providing free, confidential, one-to-one counselling for those affected by addiction and substance misuse. Principles of mutual respect, empowerment of clients towards lasting recovery and supporting clients in a truly holistic manner underpin the delivery of this service.

AIMS & OBJECTIVES

- To provide confidential, one-to-one counselling for those affected by addiction and substance misuse
- To ensure agency provide a highly professional service which is grounded in respect, empathy and compassion
- To provide a free, equitable and accessible to all clients
- To work in partnership with professional colleagues to ensure high quality and continuity of client care

GOVERNING DOCUMENT & MEMBERS' LIABILITY

The organisation is a charitable company limited by guarantee, incorporated in Scotland on 25 February 1986. The organisation was registered as a charity on 20 April 2005. 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 £1.

RECRUITMENT & APPOINTMENT OF EXECUTIVE COMMITTEE

The company Director and Executive Members are also charity trustees for the purpose of the charity law and under the company's Articles are known as members of the Executive Management Committee. Under the requirements of the Memorandum and Articles the members of the Executive Management Committee are elected to service for a period of three years after which they must be re-elected.

In an effort to maintain a broad skill mix, members of the Committee are offered the opportunity to be involved in various management processes and procedures to develop, update and enhance their skills. In the event of particular skills being lost due to retirements or resignations, individuals are approached to offer themselves for election to the Committee.

TRUSTEE INDUCTION & TRAINING

New trustees will be given appropriate background information and documentation relating to the history, operations and activities of the organisation.

Documentation includes:

- Memorandum and Articles of Association
- All agency policies and procedures
- Counselling Practice Guidelines

RISK MANAGEMENT

Policies and procedures are in place to ensure the health & safety of staff, volunteer, clients and visitors to the agency and outreach premises. Relevant policies are also in place to facilitate the effective governance and operation of the organisation. The continuing implementation of the agency's Counselling Practice Guidelines and other related policies & procedures, ensure a consistent quality of delivery for all operational aspects of the agency. Policies and procedures are routinely reviewed to ensure that they continue to be effective and relevant. Appropriate measures are also in place to ensure sound financial governance.

ORGANISATIONAL STRUCTURE

ACI has an Executive Committee of eight members who met four times during 2016-17. The group are responsible for the strategic direction and policy of the organisation. Members are from a variety of backgrounds and bring a range of skills, knowledge and perspectives to the group. The Manager attends Executive Committee meetings but has no voting rights.

The Manager has a wide remit of responsibilities including the daily management of service provision, overseeing of Counsellor and Supervisor teams, line-management of Administrative Assistant, development of policies & procedures and identification and achievement of funding. The two paid staff posts are both part-time — Manager 30 hours per week and Administrative Assistant 16 hours per week.

RELATED PARTIES

In so far as it is complimentary to the charity's objects, the organisation is guided by both local and national policy relating to substance misuse and its treatment. Local Alcohol & Drug Partnerships are the partnerships in Scotland charged with the responsibility for ensuring that national drug and alcohol strategy are delivered at local level. These partnerships include

representatives from the NHS, Police and Highland Council. ACI maintains good working relationships with the Highland Alcohol & Drugs Partnership (HADP) and key relevant personnel in NHS Highland & Highland Council.

FUNDING & SERVICE LEVEL AGREEMENTS

The funding allocation review conducted by NHS Highland was concluded during 2016-17 with ACT's allocation being increased according to their findings. The total revised funding level now stands at £55,066 p.a. The agency's Service Level Agreement remains in place from NHS Highland and is currently on an annual "variations of contract" basis.

ACHIEVEMENTS & PERFORMANCE

Counselling Service Provision

During 2016-17 the team consisted of 16 Volunteer Counsellors and 4 Supervisors, all with a wide range of experience, qualification and background. Counselling Diploma remains the "gold standard" for recruitment and the team is supplemented by trainees on placements from the Inverness College Counselling Diploma course. These trainees usually continue to volunteer as qualified counsellors on completion of their course.

The service continues to offer Cognitive Behavioural Therapy & Psychodynamic modalities and Polish-language counselling, alongside the generic, person-centred counselling.

The number of counselling sessions delivered during 2016-17 was 1346 sessions. This represents a 3.6% fall on 2015-16. There was a 12% drop in alcohol referrals but an increase in both drug and gambling referrals.

Advice & information Provision

Provision of advice and information is also an important element in ACI's work and information & resources remain freely available to clients in the counselling rooms and waiting area. The ongoing use of Preparatory Interventions at Triage appointments continues to prove very useful in providing additional support to clients. Such measures also continue to facilitate the 100% achievement of Scottish Government HEAT Waiting Time Targets.

Referrals & Service Activity

ACI remains an integral part of the addictions service provision network and continues to get referrals from a wide number of local sources. Total referrals were decreased by 4.7% (due to no advertising) but the total number of counselling hours delivered dropped by 3.6% compared with 2015-16. Alcohol referrals fell by 12% while drug and gambling referrals rose. The table below details the main statistics relating to client activity in 2016-17. Gambling clients rose by 38% due to Gamcare referrals funded by RCA trust incepted in June 2016.

Outreach Work

There has been no outreach work done in Badenoch & Strathspey, due to mainly to lack of referrals from the relevant areas but also because of capacity pressures within the counselling team. No outreach work was delivered in Nairn due to lack of demand & referrals.

| Client Statistics Summary | 2016-17 | 2015-16 | % inc/dec |
|---------------------------------------|---------|---------|-----------|
| Referrals received | | | |
| Alcohol | 116 | 132 | -12% |
| Drugs | 27 | 24 | +12.5% |
| Gambling/ Other | 18 | 13 | +38.4% |
| Total | 161 | 169 | -4.7% |
| Average referrals per month | 13 | 14 | -7% |
| Counselling Sessions Delivered | | | |
| Total | 1346 | 1397 | -3.6% |
| Average sessions per month | 112 | 116 | -3.4% |
| Discharges | | | |
| Total | 160 | 138 | +15.9% |
| Average discharges per month | 13 | 12 | +8.3% |

Partnership, Networking & Awareness-Raising

The agency continues to enjoy a productive and cooperative working relationship with NHS Highland and there are regular update meetings with Suzy Calder, Substance Misuse Lead for NSH Highland. There has been close work recently on new Scottish Government initiatives such as the introduction of the Quality Principles for addictions services, the Recovery Outcomes Web-tool and the anticipated new DAISY database.

During 2016-17, the profile of ACI continued to grow through involvement in events and meetings. These included Highland Third Sector Interface forums & events, Highland Alcohol & Drug Partnership Consultation & Stakeholders Event and Highland Cluster group meetings for Third Sector addictions services.

ACI held its Annual General Meeting in the Inshes Church of Scotland in October 2016 and welcomed Mhairi Whyllie, Chief Officer, Highland Third Sector Interface, as guest speaker.

ACI has continued to build productive links with the Highland Third Sector Interface, and continued its relationship with the SMART Recovery Management Group.

Training

The agency continues to offer its volunteers and staff ongoing training and topics covered this year have included LGBT, Medial Model of addiction and Child and Vulnerable Adult training. Volunteers have also attended external training such as Gamcare training for Gambling clients.

Agency Infrastructure

The agency's infrastructure continues to develop in order to ensure that the organisation provides an effective and efficient service which genuinely responds to the needs of its clients. The volunteer counselling team has continued to expand and develop, with standards of training, practice and experience consistently increasing.

The supervisor team of three continues to work well, with appropriate levels and frequency of supervision to the counselling team and manager. The organisation continues to employ two paid part-time staff, the Manager and Administrative Assistant.

FUTURE OUTLOOK

ACI's current level of funding (£55,066 per annum) provides relative financial stability to continue to deliver the existing level of addiction counselling provision. The Organization's aspiration for the future is to develop/access new strands of funding, out with its core NHS funding and to continue to develop working relationships within the sector.

Additional external funding, possibly from NHS Highland but more likely from grant funders, will have to be secured in order to make this aspiration a reality. The collaboration of NHS Highland would be important in this to ensure that developments remain aligned and integrated with local & national service planning & implementation.

FINANCE & BUDGET

GOING CONCERN

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and to other irregularities.

POLITICAL & CHARITABLE CONTRIBUTIONS

The organisation made no political or charitable contributions during the year.

FINANCIAL REVIEW

Against the backdrop of limited resourced and insecurities over funding, the agency has continued to develop its services.

PRINCIPAL FUNDING SOURCE

Since the integration of Health and Social Care, the principal funding sources for the charity are currently by way of grant and contract income from NHS Highland. Several factors impact on the agency's financial position. These include the ongoing review of funding allocations amongst similar Third Sector counselling agencies.

PLANS FOR FUTURE PERIODS

The organisation plans to continue and develop future activities in forthcoming years, subject to satisfactory funding arrangements and financial stability.

INVESTMENT POLICY

In the year 2016-17, funding levels remained unchanged following the NHS Highland allocation review.

RESERVES POLICY

This year the agency has seen a financial surplus of £6,572.

EXEMPTIONS

The report of the Director has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By order of the Board



Date 31/8/17

3. Statement of Financial Activities (including Income & Expenditure Account)

For the year ended 31 March 2017

| | <i>Unrestricted funds</i> | <i>Restricted funds</i> | <i>Total</i> | <i>Total</i> |
|---|-------------------------------|-----------------------------|---------------|----------------|
| | <i>2017</i> | <i>2017</i> | <i>2017</i> | <i>2016</i> |
| <i>Notes</i> | <i>f</i> | <i>E</i> | <i>f</i> | <i>f</i> |
| <i>Incoming resources</i> | | | | |
| <i>Incoming resources from generated</i> | | | | |
| <i>Voluntary income:</i> | | | | |
| Donations | 325 | | 325 | |
| Grants | | 3,972 | 3,972 | |
| NHS Funding | 55,066 | | 55,066 | 48,332 |
| Miscellaneous | 639 | | 639 | |
| <i>Total incoming resources</i> | 56,030 | 3,972 | 60,002 | 48,332 |
| <i>Resources expended</i> | | | | |
| <i>Costs of generating funds</i> | | | | |
| Staff Costs | 25,094 | | 25,094 | 30,391 |
| Property Costs | 7,339 | | 7,339 | 7,259 |
| Administration Costs | 17,457 | | 17,457 | 11,254 |
| Governance costs | | 3,540 | 3,540 | 4,375 |
| <i>Total resources expended</i> | 49,890 | 3,540 | 53,430 | 53,280 |
| <i>Net incoming resources for the year</i> | 6,140 | 432 | 6,572 | (4,948) |
| <i>Total funds brought forward at 1 April</i> | 5,448 | 6,148 | 11,596 | 16,544 |
| <i>Total funds carried forward at 31 March</i> | 11,588 | 6,580 | 18,168 | 11,596 |

4. Balance sheet

As at 31 March 2017

| | <i>Notes</i> | <i>2017</i> <i>f</i> | <i>2016</i> <i>f</i> |
|---|--------------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 591 | 859 |
| Current assets | | | |
| Debtors | 7 | 539 | 557 |
| Cash at bank and in hand | | 45,209 | 37,813 |
| | | 46,339 | 38,370 |
| Creditors: amounts falling due within one year | 8 | (28,171) | (27,633) |
| Net current assets | | 18,168 | 10,737 |
| Net assets | | 18,759 | 11,596 |
| Funds | | | |
| Unrestricted funds | 9 | 11,588 | 5,448 |
| Restricted funds | 9 | 6,580 | 6,148 |
| | | 18,168 | 11,596 |

For the period ended 31 March 2017 the company was entitled to exemption from an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit under section 476 of the Companies Act 2006.

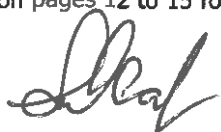
The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Executive Committee and were signed on its behalf by Grahame Cooper, Chairperson

The notes on pages 12 to 15 form part of these financial statements.

Chairman



Date

31/8/17

5. Notes to the Financial Statement

1) Accounting Policies

The following principal accounting policies have been applied consistently in dealing with items which are considered to be material to the financial statements for the year under review and the preceding year.

a) Basis of Preparation of Accounts

The financial statements are prepared in accordance with applicable accounting standards using the historical cost convention and in accordance with the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements reflect the requirements of the Statement of Recommended Practice: Charity and Trustee Investment (Scotland) Act 2005 and in conjunction with the Charities Accounts (Scotland) Regulations 2006.

The company has taken advantage of the exemption in Financial reporting Standard Not from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Funds

The Funds of Addictions Counselling Inverness consist of the following:

- i) Restricted Funds £3,972 (from specific grant funding) and
- ii) Unrestricted Funds £56,030

c) Incoming Resources

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

- i) Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration in its performance.
- ii) Unless incapable of financial measurement, donations and other income are credited as income in the year in which they are receivable.
- iii) The value of services provided by volunteers has not been included in these accounts.
- iv) Interest received is included when receivable.

d) Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred.

- i) Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include training expenditure and costs linked to the strategic management of the charity.
- ii) Property and administration costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource Costs relating to a particular activity are allocated directly, other are apportioned on an appropriate basis.

e) Depreciation

Depreciation is provided at rated calculated to write off the cost of fixed tangible assets less their estimated residual value, over their expected useful lives on the following basis:

| | |
|--------------------|-------------------------|
| Office Equipment | 33% Straight Line Basis |
| Fixture & Fittings | 33% Straight Line Basis |

f) Taxation

As a charity, Addictions Counselling Inverness is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 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.

2) Total resources expended

| | <i>Unrestricted funds</i> | <i>Restricted funds</i> | <i>Total 2017</i> | <i>Total 2016</i> |
|-----------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | <i>£</i> | <i>£</i> | <i>£</i> | <i>£</i> |
| <i>Support costs</i> | | | | |
| Wages & Salaries | 25,021 | | 25,021 | 30,391 |
| Pension Contributions | 73 | | 73 | 0 |
| Advertising | 257 | | 257 | 431 |
| Photocopier | 799 | | 799 | 889 |
| Repairs & Maintenance | 339 | | 339 | 259 |
| Phone & IT | 1,436 | | 1,436 | 1,501 |
| Rent | 7,000 | | 7,000 | 7,000 |
| Bank Charges | 96 | | 96 | 93 |
| Utilities | 1,199 | | 1,199 | 1,298 |
| Volunteer Expenses | 5,235 | | 5,235 | 3,571 |
| Staff Training | 0 | | 0 | 790 |
| Insurance | 710 | | 710 | 735 |
| Supervision Fees | | 3,540 | 3,540 | 4,375 |
| Professional Fees | 1,822 | 4,138 | 5,960 | 235 |
| Office Sundries | 1,118 | | 1,118 | 1,129 |
| Depreciation | 648 | | 648 | 583 |
| | 45,752 | 7,678 | 53,430 | 53,280 |

3) Net incoming resources

This is stated after charging/(crediting):

| | <i>2017</i> | <i>2016</i> |
|---------------------------------------|-------------|-------------|
| | <i>£</i> | <i>£</i> |
| Depreciation of tangible fixed assets | 648 | 583 |

4) Trustees' remuneration

The trustees have received £nil reimbursement for expenses (2016 — £nil).

5) Staff costs

| | <i>2017</i> | <i>2016</i> |
|-----------------------|---------------|---------------|
| | <i>£</i> | <i>£</i> |
| Wages and salaries | 21,947 | 25,711 |
| Social security costs | 3,074 | 4,680 |
| | <u>25,021</u> | <u>30,391</u> |

No employees' remuneration exceeded £60,000.

The average monthly number of employees during the year was made up as follows:

| | <i>No.</i> | <i>No.</i> |
|-----------|------------|------------|
| Employees | <u>2</u> | <u>2</u> |

6) Tangible fixed assets

| | <i>Office Equipment</i> | <i>Fixtures and Fittings</i> | <i>Total</i> |
|-----------------------|-------------------------|------------------------------|---------------|
| | <i>£</i> | <i>£</i> | <i>£</i> |
| Cost: | | | |
| At 1 April 2016 | 8,163 | 2,127 | 10,290 |
| Additions | 380 | | |
| Disposals | | | |
| At 31 March 2017 | <u>8,543</u> | <u>2,127</u> | <u>10,670</u> |
| Depreciation: | | | |
| At 1 April 2016 | 7,619 | 1,812 | 9,431 |
| Charge for year | 400 | 248 | 648 |
| Relating to disposals | | | |
| At 31 March 2017 | <u>8,019</u> | <u>2,060</u> | <u>10,079</u> |
| Net book value: | | | |
| At 31 March 2017 | <u>524</u> | <u>67</u> | <u>591</u> |
| At 1 April 2016 | <u>544</u> | <u>315</u> | <u>859</u> |

7) Debtors

| | <i>2017</i> | <i>2016</i> |
|---------------|-------------|-------------|
| | <i>£</i> | <i>£</i> |
| Other debtors | 0 | 0 |
| Prepayments | 539 | 557 |
| | <u>539</u> | <u>557</u> |

8) Creditors: amounts falling due within one year

| | <i>2017</i> | <i>2016</i> |
|-----------------|---------------|---------------|
| | <i>£</i> | <i>£</i> |
| Other Creditors | 638 | 100 |
| Deferred Income | 27,533 | 27,533 |
| | <u>28,171</u> | <u>27,633</u> |

9) Analysis of Charity Funds

| | <i>Restricted</i> | <i>Unrestricted</i> | <i>Total 2017</i> | <i>Total 2016</i> |
|-----------------------------------|-------------------|---------------------|-------------------|-------------------|
| | <i>£</i> | <i>£</i> | <i>£</i> | <i>£</i> |
| Funds Brought Forward at 01/04/16 | 6,148 | 5,448 | 11,596 | 16,544 |
| Surplus/(Deficit) for the Year | 432 | 6,140 | 6,572 | (4,948) |
| Funds Carried Forward at 31/03/17 | <u>6,580</u> | <u>11,588</u> | <u>18,168</u> | <u>11,596</u> |

10) Related party transactions

There were no related party transactions during the year.

**Independent Examiner's Report to the Trustees of
Addictions Counselling Inverness
Scottish Charity number SCO 000233**

I report on the accounts of the charity for the year ended 31st March 2017 which are set out on page 9 to page 14.

Respective responsibilities of trustee and examiner

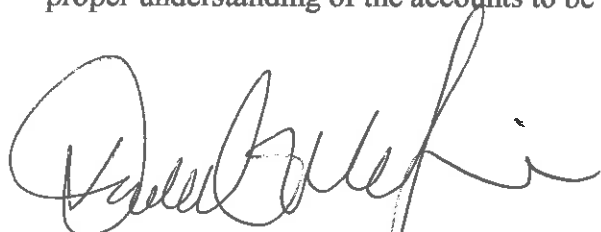
The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)c of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations have not been met, or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Donald MacKenzie BSc CA
Drive Business Services Ltd
52 Crown Drive
Inverness
IV 23QG

1st August 2017