

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

(REGISTERED NO.: 02634372)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

MYRUS SMITH
Chartered Accountants

Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

COMMUNITY DRUG SERVICE FOR SOUTH LONDON
(A company limited by guarantee)
Charity number 1028663
Company number 2634372

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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COMMUNITY DRUG SERVICE FOR SOUTH LONDON

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2015

The Management Committee presents its report and audited financial statements for the year ended 31 March 2015.

Reference and Administrative Information

Charity registration number: 1028663
Company registration number: 2634372

Registered Office and operational address:
20, Woodcote Road
Wallington, Surrey SM6 ONN

Management Committee (Trustees/Directors)

Mr Salem Ahmed
Mr Richard Lennard
Rev. Andrew Roland
Mrs Jenny Rowley
Mr David Knight
Mr Mark Ingram
Mrs. Anna Whitfield

Secretary

Mrs Jenny Rowley

Chair

Mr. David Knight

Deputy Chair

Rev. Andrew Roland

Senior Management Team

Mr Franco Toma, Managing Director
Mr Rakesh Sharma, Finance Manager
Mr Simon Bunch, Data and Performance Manager
Mrs Jacky Setchell, Office Manager

Auditors

Myrus Smith, Norman House
8, Burnell Road, Sutton, Surrey SM1 4BW

Bankers

HSBC Plc,
54 Woodcote Road
Wallington
Surrey SM6 ON5

CAF Bank Ltd.,
25 Kings Hill Avenue, Kings Hill,
West Malling, Kent ME19 4JQ

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2015

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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 substance misuse, and
- To treat those suffering from substance misuse
- Supporting family affected family members

The aims of our charity are to reduce the levels of substance misuse and to educate residents and professionals about the risks involved in the use of illegal and legal substances. From our inception, we have also endeavoured to provide strong support for family members who are affected by those with abuse problems. Not only do they in turn face difficult problems but, by creating a strong network of other people who share similar experiences, they can be helped to become an important part of the rehabilitation process.

Our aspirations are also to provide:

- Integrated, holistic, psychosocial and medical, whole family system approach service.
- Full support to service users, presenting with substance and/or alcohol misuse problems, their carers and family members, based on the concept of recovery capital, strong aftercare and re-integration within the community.
- Support to service users and their families to achieve full functionality and full integration in the local community.

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 aims 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.

Services

The organization comprises, at the end of March 2015, of three drug and alcohol projects, plus a new "Day Programme" service, in the Borough of Wandsworth, as a result of a successful tender bid, in partnership with SWLSTG - these are:

- Recovery Team for Sutton (CDSSL), Wallington, covering the Borough of Sutton. Opening times: Monday, Wednesday and Thursday 10.00am-8.00pm; Tuesday and Friday 10.00am-6.00pm; Saturday 10.00am-2.00pm.

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REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2015

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Services/contd...

- Recovery Team for Merton (Ex MACS), Wimbledon Chase, covering the Borough of Merton. Opening times: Tuesday and Thursday 10.00am - 8.00pm; Monday, Wednesday and Friday 10.00am - 6.00pm; Saturday 10.00am - 2.00pm.
- CDS Abstinent Stage 2 Programme, based at 35, Manor Road, Wallington. Opening times: Monday, 9.30am - 8.00pm, and from Tuesday to Friday, 9.30am - 5.50pm.
- CDS Wandsworth Day Programme, from 4, Palmerston Court, Battersea, Opening times: Monday, Wednesday and Friday, 9.30am - 5.00pm. Tuesday and Thursday, 9.30am - 8.00pm.

The focus of our work

Our main objectives for the year continued to be the promotion and prevention of the misuse of illegal and legal substances and the rehabilitation of substance misusers

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 substance misuse.
- Focussing upon limiting the harm which comes with substance abuse, not only for the individual but also their family and friends and the wider community.
- 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

Stage 1 and Stage 2 Services

At CDSSL, we have been a pioneer and owe a great deal of our success to the innovative design of our "aftercare stage 2 services". Our services are divided into: Stage 1, where our clients are helped to achieve sobriety and abstinence from the drug of their choice or alcohol and Stage 2, where our clients are helped to achieve reintegration in the local community, through jobs, voluntary work, further education and other aspirations they might have.

The Services Delivered at Stage 1 are:

- Advice and information
- Comprehensive assessment
- Counselling
- Key work
- Group therapy
- Outreach
- Family support, Multi-Systemic Family Therapy, Couples Counselling
- Day programme
- DIP services (Prison link, Police custody, Probation link, ORR, IOM, PPO, Court link)
- Community and ethnic minorities' links (particular emphasis on black and Asian communities and eastern European communities).

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FOR THE YEAR ENDED 31 MARCH 2015

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The Services Delivered at Stage 2 are:

- Aftercare
- Outreach
- ETE skills development, Employment, Community engagement and Work Placements
- Parenting skills development, Family Support & Childcare
- Budgeting & Money Management
- Education & Training, Personal Development
- Relationship building
- Counselling and Key Work
- General Health Services, Health Promotion, Mental, Physical and Intellectual Disabilities Support
- Housing, Tenancy Support & Independent Living
- Community integration
- Recovery capital and Mutual Aid Support

The Specialist Design Staff Structure

We also have developed what we term the “specialist design”, this is a creative design within our staff structure, which permits us to assess and treat service users very fast and minimize attrition rate at the same time. This essentially consists of having staff who are specialized in working with a particular group of substances, such as alcohol specialists, opiate specialists and non-opiate specialists, this means that when clients approach our services, they start assessment and then move on within their treatment, with the same worker, without switching from one worker to another. This makes the treatment process faster, reduce waiting time considerably and minimize attrition rate, having a significant positive impact on success rate.

Partnership between CDSSL and SWLSTG

CDSSL has entered into a very successful partnership with the St George's Trust (SWLSGT), sharing provision of services covering alcohol and substance misuse. This is as a result of a successful tendering process, first in the two Boroughs of Sutton and Merton, then more recently with the successful tender bid of a Day Programme in the Borough of Wandsworth. This has been a development of significant relevance for CDSSL as much as for the improvement in the standard of the services provided in these Boroughs.

Services have expanded significantly, for example, to people with a primary alcohol problem, as well as to young people starting from 11 years of age.

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This is a very innovative partnership, with creative strategies, which allow us to offer fast and effective services to our service users. e.g. Assertive outreach with use of company cars, escorting clients to detox and rehabilitation units and keeping much closer to our clients even after they complete their treatment. Within the partnership CDSSL provides all the psychosocial services, while SWLSGT provides all the medical services. As a direct result of this partnership there has been also a considerable increase in the number of clients who have accessed the services, as shown in the figures provided later in this report.

Who uses and benefits from our services?

The tables below show the number of the service users who have attended our services during the year 2014/15, and related successful outcomes, compared to the national average. This is measured by the National Drug Treatment Monitoring System formula.

Table 1 - Generic Clients

	Sutton	Merton
Number in treatment in the last 12 months	1,223	825
Number of successful completions in the last 12 months	492	342
Successful completions as a proportion of all in treatment	40.2%	41.5%

Table 2 - Clients Presenting with Opiates Primary Problem

	Sutton	Merton
Number in treatment in the last 12 months	361	208
Number of successful completions in the last 12 months	54	41
Successful completions as a proportion of all in treatment	15.0%	19.7%

Table 3 - Clients with Non-Opiates Primary Problem

	Sutton	Merton
Number in treatment in the last 12 months	214	128
Number of successful completions in the last 12 months	111	74
Successful completions as a proportion of all in treatment	51.9%	57.8%

Table 4 - Clients with Primary Alcohol Misuse Problem

	Sutton	Merton
Number in treatment in the last 12 months	648	489
Number of successful completions in the last 12 months	327	227
Successful completions as a proportion of all in treatment	50.5%	46.4%

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The data reported above shows that we have achieved, for the fifth consecutive year, a much higher successful completion rate than the national average for substance misuse clients in both Opiate and Non-Opiate groups, who have been discharged during the year 2014/15 for both Merton and Sutton. Both boroughs are placed in the top quartile in the whole country for successful completions.

Many of our clients present with severe criminal justice issues, severe chaotic backgrounds, and are in the most disadvantaged groups in our local community. For example 1 in 4 of our clients has been diagnosed with formally recognized mental health problems. Our policies make sure that services are inclusive and offered in the fairest manner possible.

On top of the figures given above, we have supported as well during last year over 400 carers and family members of people with substance misuse problems.

Our separate young people service in Sutton has worked with approximately a further 140 young people with a success rate of over 80%.

What our clients say about our services

At CDSSL we always been very attentive to get feedback and suggestions from our clients and integrate these within our continuous service development, we regularly ask service users to fill satisfaction questionnaires and give us other forms of feedback, through forums, service users groups, and less informal ways, such as suggestion cards, that are placed in the counselling rooms. Some of the feedback that has been collected recently from our service users is reported below:

"I was able to go in different groups. This gave me structure which I badly needed. I am now a recovery champion and this has played a huge part in my recovery. I have made many new friends and have a very good life. I think it is a wonderful service with caring staff and volunteers."

"You have been a life saver for me just to know that the doors have been and are always open even after I completed my treatment"

"I cannot imagine how I could have got myself to some kind of normality without the service I received by CDS."

"The aftercare, the groups, and one to one I attended is the main reason why I stuck it out to sobriety. Also the fact that the service would not forget me, if I did not attend for a period and so really felt like a partner in my recovery."

"I felt that they really had time for me; I felt cared for; I felt heard for the first time in a long time."

"Positive impact on carers; snowball effect; reduce crime & vandalism; bring community together; better communication. Reduce isolation for carers."

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Plans and New Developments

The partnership works very closely together with our commissioners and other stakeholders and the feedback that we are given by our service users, in regular focus groups and needs assessments, are followed through in the redesign and development of services. The following are established priorities that come as a result of the above and are some of the areas in which we are focusing at the present.

Wandsworth Day Programme

Vision for Wandsworth day service - The Client Journey

The vision of the new day programme provided in Wandsworth, operational from the 1st of April 2015, is outlined in the diagram below.

CDSSL - A Programme for Re-Integration



This is in line with the ethos and principles of CDSSL general services, a programme divided in two main stages, a stage to support clients to achieve sobriety and abstinence and a second stage to support clients to integrate in the local community.

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The two stages are delivered as two separate day programme services from two separate buildings:

- Non-abstinent service - 12 week first stage of service. Supports service users who are still using drugs and alcohol to become abstinent through offering an integrated package of activities, holistic and tailored. Service users choose the activities to attend after an assessment and an agreed recovery plan, based on their needs, wishes and circumstances. The level of intensity desired is determined together with the service user.
- Abstinent Service - Offers ongoing menu of activities to those service users who have become abstinent, but might be at risk of relapse. These service users are likely to be non-chaotic but still need tailored help from staff and recovery champions to begin the road to full recovery. Again, the level of intensity desired is determined together with the service user. The level of support by staff is specifically tailored for users depending upon their particular needs and is provided on an ongoing basis.

Legal Highs Programme

At CDSSL we do recognize that drug use in the UK and society in general is constantly changing and that is hugely important to keep track with new trends of use and misuse of new substances on the market. According to recent surveys from the National Treatment Agency for Substance Misuse (2012), over 1 million adults use club drugs every year in the UK.

Also the European Monitoring Centre for Drugs and Drug Addiction, 2012, states that club and/or legal highs substance users are reporting consistently serious harm related issues, such as: "extreme toxic reactions, heart irregularities, damage to internal organs, overdose and hospital admission, mental health problems and the development of longer-term physical and psychological dependency" (Bowden-Jones, 2013).

Evidence shows that the demand for treatment related to misuse from legal highs substances is growing considerably. In fact the National Drug Treatment Monitoring Service (2013a) reports that 5% of all adult presentations for drug treatment, and 14% of all presentations by those under 18 (National Drug Treatment Monitoring Service, 2013b) are related to misuse of legal highs.

At CDSSL we are very attentive to changes within the substance misuse arena and we always try to be a "step ahead" in tackling new emerging trends, such as the misuse of "legal highs" substances. With the support of our commissioners, we have started a new evening clinic for people presenting with "legal highs". At the present, starting from the 1st of June 2015, we are offering two weekly Evening Clinics, from 16.00 to 20.00 at 35, Manor Road, Wallington.

In the clinics we do offer face-to-face support as well as telephone and online support to help users of legal highs and or club drugs to make informed choices about their use. We do work with the clients whether they are ready to stop completely, or achieve greater control over their use. We offer a walk-in open access service, in which clients can have an immediate assessment; they can just come along without an appointment and have a confidential and informal chat about any concerns regarding legal highs or club drugs use.

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Two of our experienced and qualified specialist workers are available to assist at the clinic.

Services offered will include:

1. Comprehensive Assessment
2. Referral for Medical Assessment
3. Motivational interviewing
4. Cognitive and behavioural therapies
5. ITEP techniques
6. Neuro Linguistic Programming techniques
7. Support groups
8. Harm reduction advice
9. Counselling

Enhanced Criminal Justice Programme

The scheme in question is strongly based on the 'Reducing Re-Offending by Ex-Prisoners' (2002)", document as released by Home Office, which identifies this area of work as a main priority across the country.

The pilot project has started in January 2015 and consists in having a specialist CJIS worker focusing on working on a long term basis with those most damaged and prolific offenders in the local community, many of whom with severe mental health, who supports this client group to achieve long term abstinence, a crime free lifestyle, as well as becoming employable and employed. The worker provides interventions both in Custody and in the Community, as well as re-settlement of offenders alongside general offender management, by working closely and attached as well to the Probation system, and acting as a Prison Link Worker.

Services aim to pro-actively support and encourage this very "hard to reach" and "prolific" group of clients, to look at the 'dynamic' factors that are generally linked to re-offending and to work towards eliminating them, these have been indented as :

- Accommodation
- Education, Training & Employment
- Children & Families
- Finance, Benefit & Debt
- Attitudes, Thinking & Behaviour
- Drugs & Alcohol
- Health

The services delivered as part of this pilot project are:

- 1-2-1 key work sessions
- Outreach Visits
- Prison Visits
- Probation Appointments
- Court Work
- Group Work (Moving Beyond Offending Group)

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The services delivered as part of this pilot project are:/contd.....

- Accompany clients to appointments around Housing, Education, Training and Employment and also Benefit Claims.
- Identify areas of potential Recovery Capital within the client to achieve change.

So far the specialist worker has worked with 18 severe hard to reach clients in this pilot scheme and over 50% of them have achieved and maintained sobriety, crime free lifestyle; while 20% of them have achieved so far some forms of employment.

Outreach Alcohol Specialist at St Helier A & E

Another pilot project, which we at CDSSL have started in March 2015, is the "Outreach Alcohol Specialist at St Helier A & E Hospital. The programme again has been commissioned by Sutton Public Health and consists of having the presence of our outreach team within the A & E of St Helier hospital.

Within this pilot project, our workers assess and screen patients arriving at A & E for alcohol related issues. They offer Brief Intervention sessions and then refer them to our structured services at CDSSL or our partners from SWLSTG. The pilot so far has been very successful, in the first three months of the pilot, we have assessed and offered Brief intervention sessions to over 74 patients with an alcohol problem and 62 of them have engaged as a result with our structured services, or other forms of structured services, such as a residential rehabilitation programme.

Financial Review

Securing adequate funding is a constant challenge as the charity faces ever-growing demands for its services in an increasingly difficult economic environment.

Nevertheless, with the aid of sound financial management and the support of both its staff and volunteers, a very positive financial outcome for the period was generated with a surplus of £22,201.

Principal Funding Sources

The charity is very grateful to our funders, with the new funding system implemented from April 2013, the main funding streams are managed by Public Health Sutton and Public Health Merton, attached to the London Borough of Merton. Starting from the 1st April 2015 with the new Day Programme in Wandsworth, the London Borough of Wandsworth.

Other funders are listed later in the report.

Reserves Policy

CDSSL has a reserves policy which states that a reserve equivalent to at least one quarter of the total annual expenditure should be held in case of a non-predicted fall in funding or financial changes. For the year ended 31 March 2015 the total expenditure amounted to £1,307,613. A sum of at least £326,903 should therefore be set aside as a reserve. Total unrestricted reserves held at 31 March 2015 amounted to £395,505.

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Risk Review

CDSSL adopts a policy on risks assessment and risks review for financial and funding matters whereby every three years a business plan is produced, where potential risks of a financial nature are highlighted. The management committee meets every eight weeks with the Managing Director and other staff members as appropriate. At these meetings, potential risks are assessed and reviewed by all committee members and course of action are decided upon as necessary.

Structure, Governance and Management

Governing Document

Community Drug Service for South London (CDSSL) is a registered charity (No. 1028663). It is a company limited by guarantee (No. 02634372), which does not have a share capital. Every member of the charity undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such members at 31 March 2015 was 33 (2014 - 33).

The company was established in August 1991 under a Memorandum of Association, which sets out, its objects and powers. Its Articles of Association governs it. Under those Articles, the members of the Executive Committee are elected at an Annual General Meeting to serve for a period of two years.

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 two years after which they must be re-elected at the next Annual General Meeting.

All members of the Management Committee give their time voluntarily and received no remuneration from the charity. Any expenses reclaimed from the charity are set out in the accounts. The Management Committee seeks to ensure that the needs of the client group are appropriately reflected through the diversity of the trustee body. To enhance the potential pool of trustees including rehabilitated substance misusers who would be willing to become members of the centre and use their own experience to assist the charity.

The organisation aims to fully represent and maintain as far as possible a broad mix of skills at Management Committee level. In the event of particular skills being lost, the organisation has a system in place to replace the required skills.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity. Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates.

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These are jointly led by the Chair of the Management Committee and the Managing Director 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.

An information pack and guidance book prepared from Charity Commission publication, the Commission's guide "the Essential Trustee". This is distributed to all new trustees along with the Memorandum and Articles and the latest financial statements.

Risk Management

The Management Committee conducts regular reviews of the major risks to which the charity is exposed. A risk register has been established and is updated annually. Where appropriate, systems or procedures are established to mitigate the risks the charity faces 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.

The charity is compliant with various quality management systems, as listed further below. As well is audited regularly by its funders, generally annually. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Organisational Structure

The Community Drug Service for South London has a Management Committee who meet every 8 weeks and are responsible for the strategic direction and policy of the charity. At present the Committee has six members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Managing Director along with the Data and Finance and Administration Managers. The Managing Director is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met, also has responsibility for the day to day operational management of the organisation, 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.

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Related Parties

In so far as it is complementary to the charity's objects, the charity is guided by both local and national policy. At a national level, under guidance and monitoring of the National Treatment Agency (NTA), while at a local level under guidance and monitoring of the local Public Health, amalgamated now within local Social Services, at local level, charged with responsibility for delivering the National Drug Strategy and commissioning services.

Quality systems that we employ include:

- Drugs and Alcohol National Occupational Standards
- National Institute for Clinical Excellence Guidelines
- Standards for Better health
- International Organisation for Standardisation - ISO 9001
- International Organisation for Standardisation - ISO 14001
- International Organisation for Standardisation - ISO 27001
- Investors in Volunteers
- Federation for Drugs and Alcohol Professionals Guidelines
- Chartered Institute of Management code of conduct
- Contractors Health and Safety Assessment Scheme (CHAS)
- Local authority contract targets
- Regular client surveys
- Safeguarding, health and safety and around 85 other policies
- Complaints system

Responsibilities of the Management Committee

The trustees (who are also directors of Community Drug Service for South London for the purposes of company law) are responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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The trustees are responsible for keeping adequate 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. 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Myrus Smith have expressed their willingness to continue as the charitable company's auditors.

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 15 of the Companies Act 2006 relating to small companies.

Approved by the Management Committee on 15 July 2015 and signed on its behalf by:



Mrs. J. Rowley
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Community Drug Service for South London for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement 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.

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 (APB'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 Report of the Management Committee to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF:

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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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and 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 from the requirement to prepare a strategic report or in preparing the Report of the Management Committee.



S.A. Jones (*Senior Statutory Auditor*)

For and on behalf of Myrus Smith, Statutory Auditor

Norman House,
8 Burnell Road,
Sutton, Surrey
SM1 4BW

Date: 15 July 2015

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
INCOME AND EXPENDITURE					
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	2	-	-	-	(3,750)
Investment income	3	707	-	707	317
Incoming resources from charitable activities	2	1,321,607	7,500	1,329,107	1,286,526
Total incoming resources		<u>1,322,314</u>	<u>7,500</u>	<u>1,329,814</u>	<u>1,283,093</u>
Resources expended					
Charitable activities					
Direct costs		966,538	30,795	997,333	919,298
Support costs		299,554	1,453	301,007	276,102
Governance costs		9,273	-	9,273	8,245
Total resources expended	4	<u>1,275,365</u>	<u>32,248</u>	<u>1,307,613</u>	<u>1,203,645</u>
Net incoming/(outgoing) resources before transfers		46,949	(24,748)	22,201	79,448
Transfers between funds		<u>(13,200)</u>	<u>13,200</u>	-	-
Net incoming/(outgoing) resources after transfers		33,749	(11,548)	22,201	79,448
Fund balance brought forward at 1 April 2014	12	361,756	66,088	427,844	348,396
Fund balance carried forward at 31 March 2015	12	<u><u>£395,505</u></u>	<u><u>£54,540</u></u>	<u><u>£450,045</u></u>	<u><u>£427,844</u></u>

The notes form part of the financial statements.

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

BALANCE SHEET

AT 31 MARCH 2015

	Notes	2015	2014
		£	£
FIXED ASSETS			
Tangible assets	8	54,540	57,135
CURRENT ASSETS			
Debtors	9	15,993	29,764
Cash at bank and in hand		413,277	353,188
		<u>429,270</u>	<u>382,952</u>
CREDITORS: Amounts falling due within one year	10	<u>33,765</u>	<u>12,243</u>
NET CURRENT ASSETS		<u>395,505</u>	<u>370,709</u>
NET ASSETS		<u><u>£450,045</u></u>	<u><u>£427,844</u></u>
CAPITAL AND RESERVES			
Accumulated funds	11		
Unrestricted		395,505	361,756
Restricted		54,540	66,088
		<u>450,045</u>	<u>427,844</u>

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

The financial statements were approved by the Management Committee on 15 July 2015 and signed on its behalf by:



D. Knight
Chair

)
)
) Members of the Management Committee



Mrs. J. Rowley
Trustee

)
)

The notes form part of the financial statements.

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

a. Accounting basis and standards

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

b. Incoming resources

All incoming resources are recognised in the year in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty.

c. Charitable activities

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Those costs which do not relate to a particular activity such as the general running costs of the Charity are apportioned on a reasonable basis to each activity based on staff time.

d. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a reducing balance basis at the following annual rate in order to write off each asset over its estimated useful life:

Office equipment	20%
Motor vehicles	25%

e. Pensions

The charity operates a defined contribution stakeholder pension scheme. The assets of the scheme are invested and managed independently of the finances of the Charity. The pension cost charged represents contributions payable in the year.

In addition the Charity has obligations under TUPE provisions in respect of two employees who are enrolled in a local government defined benefit pension scheme. The pension cost charged represents the contributions payable in the year.

f. Fund accounting

Unrestricted general funds are for the general use of the Charity and include donations and grants towards core services and all contract based service income.

Restricted funds are to be used only as specified by the donor/grant provider.

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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5. OPERATING SURPLUS	2015	2014
The operating surplus is stated after charging:		
Operating lease rentals	£75,840	£76,496
Auditor's remuneration	£4,120	£3,300
Depreciation	£15,795	£17,163
	<u> </u>	<u> </u>

No member of the Management Committee received any remuneration or reimbursed expenses during the year.

6. STAFF COSTS (including officers)	2015	2014
	£	£
Salaries	871,425	789,554
Social security costs	79,604	73,731
Pension contributions	<u>49,844</u>	<u>43,765</u>
	<u>£1,000,873</u>	<u>£907,050</u>

Pension contributions of £49,844 (2014: £43,765) are stated after the receipt of a contribution of £10,500 (2014: £10,500) from London Borough of Sutton in respect of two employees transferred from the local authority under TUPE regulations

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

The average number of employees during the year based on full-time equivalents was as follows:

	No.	No.
Office and management	4	4
Clinical staff	<u>30</u>	<u>23</u>
	<u>34</u>	<u>27</u>

7. TAXATION

The Charity is exempt from Corporation Tax on its charitable activities.

8. TANGIBLE FIXED ASSETS

	Office Equipment £	Motor Vehicles £	Total £
Cost			
At 31 st March 2015	43,879	58,399	102,278
Additions	13,200	-	13,200
Disposals	<u>(3,738)</u>	<u>-</u>	<u>(3,738)</u>
	<u>53,341</u>	<u>58,399</u>	<u>111,740</u>
Depreciation			
At 1 April 2014	21,294	23,849	45,143
Charge for year	7,157	8,638	15,795
Eliminated disposal	<u>(3,738)</u>	<u>-</u>	<u>(3,738)</u>
At 31 March 2015	<u>24,713</u>	<u>32,487</u>	<u>57,200</u>
Net book value:			
At 31 March 2015	<u>£28,628</u>	<u>£25,912</u>	<u>£54,540</u>
At 31 March 2014	<u>£22,585</u>	<u>£34,550</u>	<u>£57,135</u>

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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	2015	2014
	£	£
9. DEBTORS		
Prepayments and accrued income	£15,993	£29,764
	<u> </u>	<u> </u>
10. CREDITORS: Amounts falling due within one year	£	£
Trade creditors	399	-
Other creditors and accruals	10,866	12,243
Deferred income	22,500	-
	<u> </u>	<u> </u>
	£33,765	£12,243
	<u> </u>	<u> </u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	2015	2014
	£	£	£	£
Tangible fixed assets	-	54,540	54,540	57,135
Current assets	429,270	-	429,270	382,952
Current liabilities	(33,765)	-	(33,765)	(12,243)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£395,505	£54,540	£450,045	£427,844
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12. MOVEMENT IN FUNDS

	Balance at 01/04/2014	Incoming Resources	Outgoing Resources	Transfers	Balance at 31/03/2015
	£	£	£	£	£
Unrestricted Funds					
General funds	361,756	1,322,314	1,275,365	(13,200)	395,505
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted Funds					
Social Investment Business	25,142	-	7,084	-	18,058
Help into Employment Project	7,500	7,500	15,000	-	-
Fixed Assets Fund	33,446	-	10,164	13,200	36,482
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	66,088	7,500	32,248	13,200	£54,540
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Funds	£427,844	£1,329,814	£1,307,613	£Nil	£450,045
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

COMMUNITY DRUG SERVICE FOR SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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13. CONTINGENT LIABILITIES

At 31st March 2015, the Charity had ongoing contingent liabilities of approximately £212,500 (2014 - £178,000) in respect of its obligations under operating leases. Such an amount would have to be paid to ensure the Charity was released from its obligations were it to cease its operations.

The Charity has pension obligations in respect of two employees transferred from the local authority under TUPE regulations. An insurance bond has been taken out to cover any potential deficit arising on the pension scheme in respect of these employees.

14. OPERATING LEASE COMMITMENTS

The Charity has commitments due within one year under non-cancellable operating lease agreements, as follows:

	2015		2014	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire:				
Less than 1 year	7,042	-	-	-
Within 2 – 5 years	76,424	7,435	44,000	7,435
More than 5 years	24,000	-	24,000	-
	<u>£107,466</u>	<u>£7,435</u>	<u>£68,000</u>	<u>£7,435</u>