

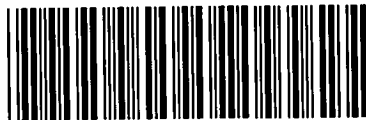
EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL
(A Company Limited by Guarantee with Charitable Status)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2014

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EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2014

The Management Committee members, who are Directors of the Company, during the year, were as follows:

<u>Convener</u>	Diane Ashton	*	**
<u>Vice-Convener</u>	Billy Bowes		
<u>Other Committee Members</u>	Kate Kennedy		**
	Tom Grandage *	(resigned 26/06/14)	
	Shona Smith Cowan		
	Kathleen Laird		
	* Member of Finance & General Purposes Committee		
	** Member of Personnel Committee		
<u>Company Secretary</u>	Meichelle Walker		
<u>Treasurer</u>	Vacant		
<u>Bankers</u>	Royal Bank of Scotland plc 142-144 Princes Street Edinburgh EH2 4EQ		
<u>External Auditor</u>	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL		
<u>Solicitors</u>	Lindsays Caledonian Exchange 19a Canning Street Edinburgh EH3 8HE		
<u>Accountant</u>	<u>From 1 September 2014</u> Thomson Cooper Accountants 24a Melville Street Edinburgh EH3 7NS	<u>Until 31 August 2014</u> Bill Hay & Co Incorporating Gregor Clark & Co Chartered Accountants 54 Manor Place Edinburgh EH3 7EH	
<u>Company number</u>	SC093818		
<u>Charity Number</u>	SC004192		
<u>Registered Office</u>	6 Clifton Terrace Edinburgh EH12 5DR		

EDINBURGH & Lothian Council on Alcohol

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report together with the financial statements for the year ended 31 March 2014.

Structure, Governance and Management

Governing Document

Edinburgh & Lothian Council on Alcohol is a charitable company limited by guarantee, incorporated on 14 June 1985 and recognised as a charity by HM Revenue & Customs. The organisation was established under a Memorandum of Association which established the objects and power of the charitable company and is governed under its Articles of Association. In the event of the organisation being wound up members are required to contribute an amount not exceeding £1.

Appointment and Induction of Directors

Members of ELCA can elect Company Directors at the Annual General Meeting. Those Directors elected at AGMs serve for an initial four year term and are then eligible for re-election for one further four year term. Company Directors may also be co-opted by the Management Committee during the year to serve until the close of the next AGM.

New Directors joining ELCA are offered a short induction programme; there is an opportunity to meet up with key members of staff and other Directors; copies of previous minutes of meetings along with other relevant information deemed appropriate for them to carry out their duties as Company Directors are provided and if appropriate training on becoming a Trustee of an organisation can also be offered via various training providers.

Organisational Structure

The organisation is governed overall by the Management Committee which is responsible for the policy and strategic direction of the charity. The day to day operational responsibility for all of ELCA's services is delegated to a Senior Management Team, comprising of the General Manager and the Counselling Practice Manager.

Related Parties

Details of related party transactions are included in note 7 of the financial statements.

Risk Management

The Management Committee members continue to assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate exposure of those risks.

Objectives and activities

The principal activities of ELCA are the provision of confidential advice, information, counselling and support for people worrying about their own or someone else's drinking. ELCA provides these services in the City of Edinburgh, East Lothian, Midlothian and West Lothian.

In 2013/2014 the ELCA's Management Committee identified the following key achievements:

- Offered 9,205 counselling sessions throughout Edinburgh and the Lothians: a 14% increase on the previous year.
- Received 1,027 new referrals to ELCA's Counselling Services: a 10% increase on the previous year.
- Received a further one year funding to continue our Alcohol Counselling within HMP Addiewell and HMP Edinburgh.
- Secured additional funding to develop our Polish Alcohol Counselling Service.
- Secured additional funding to pilot three new interventions for our client group: Auricular Acupuncture, Mindfulness Based Relapse Prevention and Telephone Support.
- Continued to develop ELCA's Women's Alcohol Recovery Group as well as introducing a new SMART Recovery Group (Self -Management and Recovery Training).
- Provided 4 counselling placements.
- Continued to provide awareness raising sessions, talks, presentations and stalls to various local community events and organisations.
- Continued to develop our partnerships/networking links with agencies across the Lothians.

EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL

DIRECTORS' REPORT (*cont'd*)

FOR THE YEAR ENDED 31 MARCH 2014

Achievements and Performance

The main areas of charitable activity are the provision of advice, information, counselling and support to anyone worried about their own or someone else's alcohol misuse. Over the last year in total, ELCA offered 9,205 counselling sessions throughout Edinburgh and the Lothians and received 1,027 new referrals to the service.

Advice, Information and Counselling - Edinburgh

ELCA offers help, advice and support to anyone worried about their own or someone else's drinking. The service is provided by a team of experienced voluntary and paid alcohol counsellors. During the year ELCA offered 4,233 counselling sessions at its Clifton Terrace base: a 27½% increase on the previous year. There was also a 23% increase in new referrals: receiving 523 for the year.

Thanks go to the City of Edinburgh Council, NHS Lothian, Edinburgh Alcohol and Drug Partnership and various charitable donors who continue to support and fund the above service.

Outreach Counselling Services

East Lothian

ELCA provides its Advice, Information and Counselling Service in East Lothian from the following bases: Dunbar Health Centre, Musselburgh Primary Care Centre and The Esk Centre, Musselburgh. During the year ELCA saw a significant increase in referrals for our services in East Lothian; which resulted in us having to employ additional counsellors to meet the demand. We offered 929 counselling sessions: a 50% increase on the previous year and received 143 new referrals: a 30% increase as well as supporting ongoing clients. Clients from East Lothian also continue to access our Edinburgh premises for a variety of reasons e.g. anonymity, more flexible appointment times to suit their personal circumstances i.e. evenings or Saturdays.

Thanks go to East Lothian Council, NHS Lothian and Mid and East Lothian Drug & Alcohol Partnership (MELDAP) for their continued support; as well as all the staff at the above bases who make our counsellors most welcome.

Midlothian

ELCA provides its Midlothian Services from within Bonnyrigg Health Centre, Dalkeith Health Centre and both Health Centres in Penicuik. Thanks are recorded to all of them for their continued support and for making ELCA's counsellors feel welcomed.

Last year we saw a significant increase in referrals to our Service in Midlothian and thanks to additional funding we managed to increase our counselling staff to meet the demand. During this year we received a steady flow of referrals to the service: 73 new referrals for counselling: 846 counselling sessions being offered.

Thanks go to Midlothian Council, NHS Lothian and MELDAP for their continued financial support

West Lothian

ELCA provides its West Lothian Services from within Bathgate Primary Care Centre, Fauldhouse Health Centre, Whitburn Health Centre, Strathbrock Partnership Centre and the Lanthorn Community Centre in Livingston.

During the year we offered 818 counselling sessions; with 41 new referrals. We also continued to offer our 'Drop-In' Advice and Information Service in Livingston and have taken part in various promotional and health awareness raising sessions throughout West Lothian.

ELCA's West Lothian Service is funded by West Lothian Council, NHS Lothian and the Alcohol and Drug Partnership West Lothian (ADPWL)

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

DIRECTORS' REPORT (*cont'd*)

FOR THE YEAR ENDED 31 MARCH 2014

Achievements and Performance (*cont'd*)

Community Based Counselling Service Edinburgh

ELCA's Community Based Counselling Service is now firmly established in the North East, North West, South East and South West of Edinburgh. Having a presence in local communities has made our services more accessible to our service users as well as developing close working relationships with other related agencies and in particular the Recovery Hubs in Edinburgh.

Thanks must go to Craigmillar Medical Practice, Gracemount Medical Centre, Sighthill Health Centre, Wester Hailes Health Centre, Persevere Community Flat, Crewe Medical Centre, Pennywell Resource Centre, South Queensferry Medical Centre, Kirkliston Health Centre and the South East Recovery Hub for making all our counsellors most welcome.

During 2013/2014 ELCA provided a total of 1,425 counselling sessions and received 187 new referrals to our Community Based Service. This was an 18% increase from the previous year.

This service is funded by the Edinburgh Alcohol and Drug Partnership and thanks are recorded for their continued support.

Advice & Information 'Drop-In' Service

ELCA continues to provide its Advice & Information 'Drop-In' Service on Wednesday afternoons and Saturday mornings. Over the year 194 people accessed this service; 104 were referred on to ELCA's Counselling Service; 88 attended for advice & information only either about their own or someone else's alcohol problem; 1 was referred to another agency and another was referred to ELCA's Telephone Support Service.

Services for Women

ELCA's Service for Women is now well established in local communities and thanks must be recorded to Edinburgh Women's Rape and Sexual Abuse Centre (EWRASAC), Link Up, Dunedin Canmore Group, Mountcastle Health Centre and the Willow Project for allowing ELCA the use of their premises. We also continue to offer additional sessions in our city centre premises for women.

During this year we have provided 954 counselling sessions and received 60 new referrals from women who wanted to access this service only. We also continued to provide our 'Women Only' Drop-In Service with 25 women accessing this during the year: 23 were referred on for Counselling; 1 came for information only and 1 was referred the Women's Group. ELCA's Women's Alcohol Recovery Group is now well established; the group meets on a weekly basis looking at different recovery topics: healthier coping strategies and developing life skills.

Thanks are recorded to the City of Edinburgh Council, NHS Lothian and the Edinburgh Alcohol and Drug Partnership for their continued support of this service.

Alcohol Counselling Service – HMP Addiewell and HMP Edinburgh

ELCA received funding to continue our Service in both HMP Addiewell and HMP Edinburgh for a further year: providing Alcohol Brief Interventions (ABI) and 1-1 counselling with a particular focus on Remand Prisoners.

HMP Addiewell

Alcohol Brief Interventions: during the year 212 prisoners had an ABI; 81 going on to have extended ABI's (up to 4 half hour appointments); 98 were referred on for counselling; 18 signposted to other agencies and 2 referred to ELCA's West Lothian Service. 40% of the ABI's were delivered to prisoners who were on remand; 49% were short-term prisoners and 11% were long-term prisoners.

Counselling Service – during the year we received 121 referrals for 1-1 counselling; 25 were referred on to other agencies to continue counselling in the community upon their release. 23% were remand prisoners; 66% were short-term prisoners and 11% were long-term prisoners.

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

DIRECTORS' REPORT (*cont'd*)

FOR THE YEAR ENDED 31 MARCH 2014

Achievements and Performance (*cont'd*)

HMP Edinburgh

Alcohol Brief Interventions: during the year 235 (163 male, 72 female) prisoners had an ABI; 31 going on to have extended ABI's (up to 4 half hour appointments); 52 were referred on for counselling after their ABI; 13 were signposted to other agencies; 3 were signposted to ELCA's main counselling service. 60% were remand prisoners: 38% were short-term prisoners and 2% were long-term prisoners.

Counselling Service – during the year we received 135 referrals for 1-1 counselling; 109 males and 26 females. 9 prisoners were referred on for through-care to ELCA's Counselling Service in the community.

This service is funded by NHS Lothian and has been continued for a further one year period.

New Interventions

ELCA applied to The Big Lottery via their Awards for All funding stream to pilot three new interventions: Auricular Acupuncture, Mindfulness Based Relapse Prevention and Telephone Support for a one year period from August 2013. During the year to March 2014 we ran 2 eight-week Auricular Acupuncture Groups, 1 eight-week Mindfulness Based Relapse Prevention Group and the Telephone Support Service started in January 2014. Feedback from the groups has been very positive with a further 2 Auricular Acupuncture Groups taking place and 1 Mindfulness Group taking place during the coming months. ELCA will be evaluating all the new Pilot Interventions and looking at future funding streams to continue them.

Financial Review

Incoming resources for the year ending 31 March 2014 totalled £527,823 (2013: £501,732) which is a 42% increase on the previous year, which was largely due to our new Prison Project.

Total resources expended for the year were £491,614 (2013: £470,947), which is a 34% increase on the previous year, which was due to the expenditure on our new Prison Project.

The net surplus for the year on unrestricted funds was £9,969 (2013: surplus £1,579). There was also a net surplus on restricted funds of £26,240 (2013: £29,206).

Funds carried forward at the balance sheet date totalled £321,114 (2013: £284,905).

Principal Funding Sources

Grants are the major source of our income and we would like to record our thanks for the ongoing support from – the City of Edinburgh Council, Edinburgh Alcohol and Drug Partnership, East Lothian Council, Mid and East Lothian Drug and Alcohol Partnership, Midlothian Council, West Lothian Council, Alcohol and Drug Partnership, West Lothian and NHS Lothian.

Charitable Funders

ELCA is very fortunate in having charitable funders who support our work and we are very grateful to them for their continued support. Thanks are recorded to an Anonymous Trust, The Binks Trust, The Hope Trust, the Cruden Foundation Limited, The Nancy Massie Charitable Trust, The Tillyloss Trust, The North British Distillery Company Ltd, an anonymous corporate donor and an anonymous individual donor who continue to help fund our core services. We would also like to say a big thank you to all the individual donations we received throughout the year from clients who have accessed ELCA's services.

Reserves policy

The Directors have examined the charity's requirements for reserves in light of the main risks to the organisation. The Directors have established a policy of maintaining its reserves to a level equivalent to three months running costs for the organisation.

EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL

DIRECTORS' REPORT (*cont'd*)

FOR THE YEAR ENDED 31 MARCH 2014

Achievements and Performance (*cont'd*)

Plans for Future Periods

Some of the developments for the coming year are:

- securing ongoing funding to continue to provide our three Pilot Interventions
- finalising ELCA's Strategic/Business Plan for the next 5 years

Statement of Directors' Responsibilities

The directors (who are also trustees of the Edinburgh & Lothian Council on Alcohol for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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.

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

BY ORDER OF THE MANAGEMENT COMMITTEE


Diane Ashton – Director

23rd Oct 2014

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL

We have audited the financial statements of Edinburgh & Lothian Council on Alcohol for the year ended 31 March 2014 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Annual Report 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 2014, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF

EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL (*cont'd*)


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report.



Kenneth McDowell CA (Senior statutory auditor)
For and on behalf of
CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

5 NOV 2014

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2014

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
<i>Voluntary income:</i>					
Grants	2	162,582	344,321	506,903	485,211
Donations	3	19,452	-	19,452	14,316
Subscriptions		140	-	140	163
<i>Investment income:</i>					
Bank interest receivable		154	-	154	117
<i>Incoming resources from charitable activities</i>	4	1,174	-	1,174	1,925
Total incoming resources		<u>183,502</u>	<u>344,321</u>	<u>527,823</u>	<u>501,732</u>
Resources expended					
<i>Costs of generating funds</i>	5	2,641	-	2,641	2,669
<i>Charitable activities</i>	5	165,891	317,931	483,822	463,362
<i>Governance costs</i>	5	5,001	150	5,151	4,916
Total resources expended		<u>173,533</u>	<u>318,081</u>	<u>491,614</u>	<u>470,947</u>
Net incoming resources before and after transfers		9,969	26,240	36,209	30,785
Net movement of funds in year		<u>9,969</u>	<u>26,240</u>	<u>36,209</u>	<u>30,785</u>
<i>Reconciliation of funds</i>					
Total funds brought forward		111,214	173,691	284,905	254,120
Total funds carried forward	12	<u><u>121,183</u></u>	<u><u>199,931</u></u>	<u><u>321,114</u></u>	<u><u>284,905</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

BALANCE SHEET

AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	9		-		-
Current assets					
Debtors	10	24,116		40,370	
Cash at bank and in hand		321,147		310,050	
		<u>345,263</u>		<u>350,420</u>	
Creditors: amounts falling due within one year	11	24,149		65,515	
Net current assets			321,114		284,905
Net assets			<u>321,114</u>		<u>284,905</u>
The funds of the charity					
Unrestricted funds:	12				
General			85,458		75,489
Designated			35,725		35,725
Total unrestricted funds			121,183		111,214
Restricted funds	12		199,931		173,691
Total funds			<u>321,114</u>		<u>284,905</u>

These 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).

Approved by the directors on 23rd Oct 2014 and signed on their behalf by:



Diane Ashton

Convener

Company No: SC093818

The notes on pages 11 to 19 form part of these financial statements.

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. Accounting policies

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis. The Directors have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements (see also note 15).

Incoming resources

Grants and donations are recognised on an accruals basis for the period that they are receivable.

Resources expended

All expenditure is included on an accruals basis, inclusive of VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.

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, others are apportioned on an estimated usage basis.

Costs of generating funds are those incurred in order to raise funding. Costs of charitable activities consist of those applied by the charity in meeting its charitable objectives, which includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include the costs of general governance of the charity as opposed to direct management inherent in meeting charitable objectives, and are those associated with strategic, constitutional and statutory requirements.

Depreciation

Depreciation is provided on tangible fixed assets over £1,000, at rates calculated to write off the cost of each asset evenly over its expected useful economic life at the following annual rate:-

Computer equipment - 20% straight line

Pensions

The company participates in a multi-employer defined benefit scheme, which is closed to future accrual. Past deficit contributions are charged to the Statement of Financial Activities as these become payable.

The company also contributes to defined contribution pension schemes. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

Fund accounting

The nature and purpose of each fund is explained in note 12.

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL
NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 MARCH 2014

2. Voluntary income: grants

	2014	2013
	£	£
General fund		
The City of Edinburgh Council	113,989	113,989
West Lothian Council/NHS Lothian	14,852	14,572
East Lothian Council/NHS Lothian	10,755	10,756
Midlothian Council/NHS Lothian	14,321	13,287
MELDAP	8,665	8,665
	<u>162,582</u>	<u>161,269</u>
Restricted funds		
Community Based Service - EADP	40,522	40,552
The City of Edinburgh Council - Women's Service	42,479	42,479
West Lothian Tobacco, Alcohol & Drug Partnership	36,880	36,880
EADP	39,856	39,346
MELDAP	20,235	20,235
NHS Lothian - Prisons service	144,449	144,450
Health Foundation	10,000	-
Awards for All	9,900	-
	<u>344,321</u>	<u>323,942</u>
Total Voluntary Income: grants	<u>506,903</u>	<u>485,211</u>

3. Voluntary income: donations

	2014	2013
	£	£
General fund		
Charitable trusts, voluntary and other organisations and individuals:		
The Nancie Massey Charitable Trust	5,000	5,000
The Tillyloss Trust	-	1,000
The Binks Trust	1,000	1,000
The Hope Trust	1,200	1,000
Cruden Foundation	1,000	1,000
Individual donors	4,002	2,816
Anonymous Trust	5,000	-
	<u>17,202</u>	<u>11,816</u>
Corporate:		
Anonymous	250	500
The North British Distillery Company Ltd	2,000	2,000
	<u>19,452</u>	<u>14,316</u>

4. Incoming resources from charitable activities

	2014	2013
	£	£
General fund		
Tax Recoverable	774	-
Criminal justice programme	100	-
Employee Assistance	300	1,925
	<u>1,174</u>	<u>1,925</u>

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2014

5. Resources expended

	Coun- selling Services £	MELDAP £	Community Based Services £	West Lothian £	Women's Service £	EADP £	NHS Lothian - Prisons service £	Polish Alcohol Counselling Service (Health Foundation) £	Awards For All £	Total 2014 £	Total 2013 £
Costs of generating funds:											
Personnel costs	2,128	-	-	-	-	-	-	-	-	2,128	2,088
Publicity	223	-	-	-	-	-	-	-	-	223	286
Fundraising costs	290	-	-	-	-	-	-	-	-	290	210
Annual Report	-	-	-	-	-	-	-	-	-	-	85
	2,641	-	-	-	-	-	-	-	-	2,641	2,669
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Charitable Activities:											
Direct costs											
Personnel costs	120,427	19,497	42,936	28,050	30,117	36,626	129,841	5,345	3,844	416,683	395,649
Volunteer costs	3,428	-	-	-	-	-	-	-	-	3,428	3,323
Travel	493	1,164	392	-	154	-	103	-	-	2,306	3,165
Support costs											
Premises	32,474	-	-	-	-	-	-	-	-	32,474	30,203
Telephone	1,741	-	-	-	-	1,460	-	-	-	3,201	3,791
Post, printing & stationery	950	-	-	616	2,245	-	-	-	-	3,811	4,410
General expenses	5,421	2,995	-	3,530	4,793	-	2,509	500	614	20,362	18,902
Professional	957	-	-	250	350	-	-	-	-	1,557	3,919
Treasurer's fees	-	-	-	-	-	-	-	-	-	-	-
	165,891	23,656	43,328	32,446	37,359	38,086	132,453	5,845	4,458	483,822	463,362
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Governance costs:											
AGM and management committee costs	771	-	-	-	-	-	-	-	-	771	1,172
External scrutiny costs	4,230	-	-	150	-	-	-	-	-	4,380	3,744
	5,001	-	-	150	-	-	-	-	-	5,151	4,916
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
	173,533	23,656	43,328	32,596	37,659	38,086	132,453	5,845	4,458	491,614	470,947
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

A value for the services provided by 18 (2013: 22) volunteers in the year is not included in the above expenditure.

EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2014

6. Operating lease commitments

	2014	2013
	£	£
Annual commitments according to the expiry of property leases:		
Between one and two years	19,500	19,500
	<u> </u>	<u> </u>

7. Staff numbers and costs

	2014	2013
	£	£
Salaries	374,924	360,556
Social security costs	26,476	24,488
Pension costs	19,658	16,040
	<u> </u>	<u> </u>
	421,058	401,084
	<u> </u>	<u> </u>

The average monthly number of employees during the year was:

Charitable activities	30	28
Fundraising and publicity	1	1
	<u> </u>	<u> </u>
	31	29
	<u> </u>	<u> </u>

No employee received remuneration of more than £60,000 (2013: none).

No remuneration was payable or expenses reimbursed to any of the directors.

8. Taxation

As a charity, the company is exempt from tax on income and gains falling within the Corporation Tax Act 2010 and 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 year.

9. Tangible assets

	Computer equipment
	£
Cost	
At 1 April 2013 and 31 March 2014	4,759
	<u> </u>
Depreciation	
At 1 April 2013 and 31 March 2014	4,759
	<u> </u>
Net book value	
At 31 March 2014	-
	<u> </u>
At 31 March 2013	-
	<u> </u>

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2014

10. Debtors	2014	2013
	£	£
Grants receivable	19,429	34,954
Other debtors and prepayments	4,687	5,416
	<u>24,116</u>	<u>40,370</u>

11. Creditors: amounts falling due within one year	2014	2013
	£	£
Taxation and social security	7,724	7,327
Other creditors and accruals	16,425	58,188
	<u>24,149</u>	<u>65,515</u>

12. Analysis of charitable funds

Analysis of unrestricted fund movements

	1 April 2013	Incoming resources	Outgoing resources	31 March 2014
	£	£	£	£
General fund	75,489	183,502	(173,533)	85,458
Designated funds				
Development fund	20,000	-	-	20,000
Property maintenance fund	6,771	-	-	6,771
Staff training and development	8,954	-	-	8,954
	<u>111,214</u>	<u>183,502</u>	<u>(173,533)</u>	<u>121,183</u>

Analysis of restricted fund movements

	1 April 2013	Incoming resources	Outgoing resources	31 March 2014
	£	£	£	£
Community Based Service	33,897	40,522	(43,328)	31,091
The City of Edinburgh Council				
- Women's Service	69,856	42,479	(37,659)	74,676
West Lothian Tobacco, Alcohol				
& Drug Partnership	28,520	36,880	(32,596)	32,804
MELDAP	4,197	20,235	(23,656)	776
EADP	21,794	39,856	(38,086)	23,564
NHS Lothian Prisons Service	15,427	144,449	(132,453)	27,423
Health Foundation	-	10,000	(5,845)	4,155
Awards for All	-	9,900	(4,458)	5,442
	<u>173,691</u>	<u>344,321</u>	<u>(318,081)</u>	<u>199,931</u>

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2014

12. Analysis of charitable funds (cont'd)

Purpose of unrestricted funds

Unrestricted income is income granted, donated to or earned by ELCA to be used at the discretion of ELCA's directors to fund any activity which is in furtherance of ELCA's objectives. The directors have designated a proportion of the unrestricted funds for specific activities which are in line with ELCA's objectives.

Development fund: The Management Committee agreed to set aside some of its unrestricted funds to set up a Development Fund. The fund will be used for any new initiatives that ELCA requires such as the installation of a new database.

Property maintenance fund: The Management Committee agreed to set aside some of its unrestricted funds to set up a Property Maintenance Fund. This will allow ELCA to carry out any property repairs or refurbishment that might be required throughout our lease.

Staff training and development fund: The Management Committee agreed to set aside some of its unrestricted funds to set up a Staff Training and Development Fund. This fund will be used to buy in any specialised training that might be required in order for ELCA's staff to carry out their work effectively.

Purposes of restricted funds

Community Based Service: Grant from EADP to provide information and counselling services throughout the four localities in Edinburgh; North East, North West, South East, South West.

The City of Edinburgh Council - Women's Service: A grant from the City of Edinburgh Council/NHS Lothian to provide a gender specific information and counselling service for women experiencing difficulties with alcohol.

Alcohol & Drug Partnership West Lothian: Contract with Alcohol & Drug Partnership West Lothian to further develop ELCA's information and 1-1 counselling service throughout West Lothian.

MELDAP: Grant from Mid and East Lothian Drug and Alcohol Partnership to help meet the HEAT A111 Target and respond to the increase in referrals from clients wishing to access ELCA's East and Midlothian services.

EADP: Funds from the Edinburgh Alcohol & Drug Partnership to enhance ELCA's provision of counselling and support services for people with alcohol related problems and their families in Edinburgh.

NHS Lothian: Contract with NHS Lothian to develop and provide an Alcohol Counselling Service in HMP Addiewell and HMP Edinburgh.

13. Analysis of net assets between funds

	Current assets £	Current liabilities £	Net assets £
General funds	109,607	(24,149)	85,458
Designated funds	35,725	-	35,725
Restricted funds	199,931	-	199,931
	<u>345,263</u>	<u>(24,149)</u>	<u>321,114</u>

EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2014

14. Pension commitments and contingent liabilities

ELCA operates a defined contribution pension scheme for the benefit of its employees and also contributes to personal pension arrangements. The defined benefit scheme is closed to new members and future accrual.

(a) Defined benefit pension scheme:

ELCA participates in the Scottish Voluntary Sector Pension Scheme ('the Scheme'). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted-out of the State scheme until 31 March 2010, when the Scheme was closed to future accrual.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60th accrual rate and final salary with an 1/80th accrual rate, until the date of Scheme closure on 31 March 2010.

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a
Rate of return pre retirement	5.8
Rate of return post retirement	4.0
Rate of salary increases	4.4
Rate of pension increases pre 5 April 2005	2.4
Rate of pension increases post 5 April 2005	1.9
Rate of price inflation (CPI)	2.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2014

14. Pension commitments and contingent liabilities (cont'd)

From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Under the new recovery plan ELCA is required to make lump sum payments of £15,299 with effect from 1 April 2013, increasing by 3% in April of each year.

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire funding shortfall, by 31 March 2028

A copy of the recovery plan must be sent to The Pensions Regulator after each valuation is finalised. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £81 million (from £73m at 30 September 2012) and indicated a decrease in the shortfall of assets compared to liabilities to approximately £34 million (from £36m at 30 September 2012), equivalent to a past service funding level of 71% (from 67.2% at 30 September 2012).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer becoming insolvent or ceasing to participate in the Scheme, or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

ELCA has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for ELCA was £678,111. The directors are aware that this potential liability exists however, understand that withdrawal debt only crystallises should ELCA cease to be a participating employer. The directors are therefore unable to establish when any potential liability will crystallize and are unable to quantify a reliable estimate for this debt in the future at the year end. As a consequence, and in accordance with FRS12, no provision for any withdrawal debt for the Scheme has been made in the financial statements.

(b) Other defined contribution arrangements:

With the closure of the defined benefit scheme, ELCA now contributes to a defined contribution scheme or personal pension arrangements as appropriate. ELCA pays contributions at a fixed rate for two employees. The pension cost of £4,358 (2013: £4,298) represents contributions payable by ELCA during the year. At 31 March 2014 £1,275 of employer contributions were outstanding and included in other creditors and accruals (note 11).

EDINBURGH & LoTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS *(Cont'd)*

FOR THE YEAR ENDED 31 MARCH 2014

15. Going concern

ELCA depends on grants from outside sources to finance its activities. Support from funding bodies is dependent on ELCA continuing to meet its operational targets. Grant funding arrangements have been agreed to 31 March 2015 and the Directors expect this funding to continue beyond that date.

On this basis, the financial statements have been drawn up on the going concern basis which assumes adequate grant funding will continue to be available.

16. Members' liability

Edinburgh & Lothian Council on Alcohol is a company limited by guarantee and therefore has no share capital. Each member undertakes to contribute £1 to the company's assets in the event of the company being wound up.