

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

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2019**



**EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

<b>CONTENTS</b>	<b>Page</b>
Reference and administrative details	1
Directors' report	2 - 7
Independent Examiner's report to the Directors and members	8
Statement of financial activities (incorporating income and expenditure account)	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 22

# EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

## REFERENCE AND ADMINISTRATIVE DETAILS

### FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report together with the financial statements for the year ended 31 March 2019.

#### Reference and administrative details

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	**
	Shona Smith Cowan	
	Elaine Ellis	

\* 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>Independent Examiner</u>	Barry Truswell CA Chiene + Tait 61 Dublin Street Edinburgh EH3 6NL
-----------------------------	---

<u>Solicitors</u>	Lindsays Caledonian Exchange 19a Canning Street Edinburgh EH3 8HE
-------------------	--

<u>Accountant</u>	Thomson Cooper Chartered Accountants 22 Stafford Street Edinburgh EH3 7BD
-------------------	---

<u>Company number</u>	SC093818
-----------------------	----------

<u>Charity Number</u>	SC004192
-----------------------	----------

<u>Registered Office</u>	91 Rose Street Edinburgh EH2 3DT
--------------------------	--

# EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL

## ANNUAL DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

### Objectives and Activities

#### Objectives

The key objectives of ELCA are to:

- Ensure that our services are accessible to service users throughout the Lothians
- Promote and provide education about alcohol and the misuse of alcohol
- Provide a range of services which include advice, information, counselling and support to service users
- Encourage the rights and involvement of service users in the development of our services
- Maintain high quality standards of service
- Value the staff and commitment that they give to the organisation
- Promote and offer training and continual professional development in the alcohol field to all staff
- To listen to and act on the views of our internal and external stakeholders
- Play an active part in influencing local, national and social policies in relation to alcohol issues

#### Activities

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

### Achievements and Performance

In 2018/2019 ELCA's Management Committee identified the following key achievements:

- Offered **7312** counselling sessions throughout Edinburgh and the Lothians
- Received **715** new referrals for ELCA's Counselling Service throughout the Lothians
- Received **811** new referrals for our service HMP Edinburgh
- Continued to provide counselling to Polish speaking Clients and received **33** new referrals
- Continued to provide ELCA's Women's Alcohol Recovery Group and Men's Recovery Group
- Provided a small number of voluntary counselling placements
- Continued to provide awareness sessions at various local events throughout the Lothians
- Continued to work collaboratively with Crew, Simpson House and WLDAS as well as building upon our partnership/networking links with other related agencies throughout the Lothians

The Directors' have set out below some of the key achievements and performances by specific areas/services.

### COUNSELLING & SUPPORT EDINBURGH

#### Drop-In

ELCA's Drop-In still operates on Monday afternoon, Wednesday afternoon and Saturday mornings. Over the year **132** people accessed this service with 112 being referred in to ELCA's Counselling Service; **9** attending for Information and Advice only; **6** were signposted to other services and **5** were referred on to ELCA's Telephone Support Service. Feedback from the Drop-In Service over the years has been very positive, with people stating that they find it very useful in the early stages of their recovery to be able to access a service immediately and find out the range of services available to them. It was also noted as being a valuable opportunity to off-load worries and problems in a supportive and safe environment.

## **EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**

### **ANNUAL DIRECTORS' REPORT (*continued*)**

**FOR THE YEAR ENDED 31 MARCH 2019**

#### **1-1 Counselling & Support**

A team of paid, voluntary and placement counsellors; trained to high standards provide ELCA's 1-1 Counselling and Support Service throughout Edinburgh. During the year ELCA offered **4121** counselling sessions at its main base in Rose Street and received **427** new referrals. Our Rose Street premises can offer daytime, evening and Saturday morning appointments and feedback from our clients supports the need to continue offering as flexible a range of appointment times as possible.

ELCA's locality based service is now well established in the North East, North West, South East and South West of Edinburgh. Being present in these areas has made it more accessible for service users; as well as developing closer working relationships with other agencies/professionals in the area and in particular the Recovery Hubs. The current premises that we operate within are:

- Craigmillar Medical Practice
- Crewe Medical Centre
- Dunedin Canmore
- Edinburgh Women's Rape Crisis Centre
- Fort Community Centre until July 2018
- Gracemount Medical Centre
- Kirkliston Health Centre
- Link Up
- Mountcastle Health Centre
- North East Recovery Hub
- Pennywell All Care until July 2018
- Sighthill Health Centre
- South Queensferry Medical Centre
- Wester Hailes Healthy Living Centre

During the year ELCA offered **833** counselling sessions and received **67** new referrals for counselling and support to residents in their own localities. This was lower than the previous year due to one of ELCA's counsellors being on long-term sick leave.

We would like to take this opportunity to thank the staff from the above premises for supporting our organisation and allowing ELCA to use rooms on a regular basis to provide our locality based services.

#### **Polish Counselling Service**

ELCA continues to provide a Polish Counselling Service. This service has proved to be enormously beneficial to the Polish community allowing them access to our service in their own language. During the year we received **33** new referrals for 1-1 counselling.

#### **Women's Alcohol Recovery Group**

ELCA's Women's Alcohol Recovery Group is now firmly established and continues to provide an excellent resource for women in recovery.

#### **Men's Recovery Group**

During the year we decided to move away from offering a SMART Group; to offering a Men's Recovery Group; similar in format to our Women's Group.

## **EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**

### **ANNUAL DIRECTORS' REPORT *(continued)***

**FOR THE YEAR ENDED 31 MARCH 2019**

#### **OUTREACH COUNSELLING SERVICES**

##### **East Lothian**

ELCA's Services in East Lothian are based within the following premises: Dunbar Health Centre, the Primary Care Centre and The Esk Centre in Musselburgh. We would like to thank all the staff within the above premises for their continued support and assistance.

During the year we offered **1227** counselling sessions and received **142** new referrals for counselling and support; a small increase on the previous year's referrals. Clients from East Lothian also continue to access our Edinburgh services for support; this is due to various factors e.g. more flexible appointments, working in Edinburgh and because of their anonymity.

We would like to thank East Lothian Council, NHS Lothian and Mid and East Lothian Drug & Alcohol Partnership (MELDAP) for their continued support.

##### **Midlothian**

ELCA's Services in Midlothian are based with the following premises: Bonnyrigg Health Centre, Dalkeith Health Centre and East Field Medical Practice, Penicuik. We would like to thank all the staff within the above premises for their continued support and assistance.

During the year we received a steady flow of referrals to the service offering **448** counselling sessions and received **35** new referrals.

We would like to thank Mid Lothian Council, NHS Lothian and Mid and East Lothian Drug & Alcohol Partnership (MELDAP) for their continued support.

##### **West Lothian**

ELCA's Services in West Lothian are based within the following premises: Bathgate Primary Care Centre, Lanthorn Community Centre Livingston, Cyrenians Bathgate and Strathbrock Partnership Centre.

During the year we offered **506** counselling sessions; receiving **27** new referrals for counselling and support. We also continued to provide our 'Drop-In' Advice and Information Service in Livingston and have taken part in various promotional and health awareness raising sessions throughout West Lothian.

The funding for this service changed and ELCA is now part of a partnership between West Lothian Drug & Alcohol Service and NHS Lothian to provide a Therapeutic Support Service for people living in West Lothian.

#### **ELCA's PRISON COUNSELLING SERVICES – HMP EDINBURGH**

During the year ELCA received **358** new referrals to our service of which **181** new prisoners attended our service: 117 males, 64 females. **69** attended for short term support 69 (between 1-4 brief interventions); **74** going forward for 1-1 counselling; **32** had one Brief Intervention and **6** were signposted to other agencies.

We would like to take this opportunity to thank all the staff/agencies we work with in partnership within HMP Edinburgh and our funders City of Edinburgh Council.

##### **Telephone Support Service**

ELCA continues to provide our Telephone Support Service on a small scale. Feedback from people who have used this service has been very positive.

## EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL

### ANNUAL DIRECTORS' REPORT *(continued)*

#### FOR THE YEAR ENDED 31 MARCH 2019

#### Outcomes and Feedback from Clients

The key outcomes that ELCA is commissioned by the EADP, MELDAP, WLADP and NHS Lothian to measure for our overall Counselling Services including our Prison Contract are:

- Reduction in alcohol consumption
- Improvement in physical health
- Improvement in psychological health
- Improvement in confidence and self-esteem
- Improvement in relationships
- Improvement in self-efficacy (prison only)

ELCA measures these outcomes by taking a baseline at assessment, carrying out regular client reviews and completing an End of Counselling Form when cases are closed.

In 2018/2019 there were a total of **504** counselling cases closed (including our prison service); **255** were planned closures and **249** were unplanned. Of the planned closures the outcomes achieved were:

- 255 clients reported a reduction in alcohol consumption or were abstinent from alcohol
- 239 reported an improvement in physical health
- 250 reported an improvement in psychological health
- 248 reported an improvement in confidence and self-esteem
- 247 reported an improvement in relationships
- 49 prisoners saw an improvement in self-efficacy

ELCA also asks clients for their feedback on our Counselling Services by sending out an End of Counselling Client Evaluation Questionnaire. We ask them for feedback on how satisfied they were with the service they received; how helpful did they find staff on their first contact; how satisfied were they on the time they waited for their first appointment; how helpful was counselling in helping them resolve their issues around alcohol and also in improving their circumstances. In 2018/2019 we received **94** returned questionnaires and a few of the comments that we received from clients were:

*"It was good to be able to chat to a neutral third party. Some helpful suggestions to help me avoid alcohol"*

*"I was seen quickly. The staff were great; I was given a short assessment and felt at ease. My counsellor helped me understand the reasons for my drinking. She helped me to develop coping techniques to avoid turning to drink to deal with problems"*

*"Was seen within a week – excellent. Resolved numerous issues & found coping strategies e.g. anxiety, being nicer to myself, trying abstinence"*

*"Excellent, non-judgemental, opportunity to work through issues and address them"*

*"Extremely helpful and understanding, instrumental in the decision to seek medical and hospital help which I am still receiving, very helpful and very professional"*

*"Since coming to ELCA I haven't drank any alcohol for two years! The service provided incredible support to me"*

*"My counsellor was extremely helpful and was a good listener. She also had constructive opinions which were valuable to me"*

*"My counsellor was supportive, insightful without being judgemental or telling me what to do"*

*"Helped me see the 'light'. Alcohol not a medicine. Now use other tools to cope. Helped me through a very difficult time"*

## **EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL**

### **ANNUAL DIRECTORS' REPORT (*continued*)**

#### **FOR THE YEAR ENDED 31 MARCH 2019**

##### **Plans for Future Periods**

Some of the areas for development for the coming year are:

- Finalise ELCA's Risk Register
- Continue to work in collaboration and strengthen our partnership working throughout the Lothians
- Continue to offer training & development opportunities for all staff
- Identifying other opportunities for development and growth
- Celebrate ELCA's 50<sup>th</sup> Year

##### **Financial Review**

Incoming resources for the year ending 31 March 2019 totalled £339,636 (2018: £442,290)

Total resources expended for the year were £388,371 (2018: £429,844)

The net surplus for the year on unrestricted funds was £59,065 (2018: £23,363). There was also a net deficit on restricted funds of £47,800 (2018: deficit £10,917)

Funds carried forward at the balance sheet date totalled £97,744 (2018: £86,479)

##### Principal Funding Sources

Grants are the major source of 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 and West Lothian Alcohol and Drug Partnership 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 Hope Trust, the Cruden Foundation Limited, The Nancie Massie Charitable Trust, The North British Distillery Company Ltd, an anonymous corporate donor and an anonymous individual donor who all continue to help fund ELCA's Core Service. We would also like to say a big thank you to all the individual donations we received throughout the year from clients who accessed our services.

##### **Structure, Governance and Management**

###### Governing Document

Edinburgh and 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 £1.00.

###### Appointment 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.



# EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

## ANNUAL DIRECTORS' REPORT (*continued*)

### FOR THE YEAR ENDED 31 MARCH 2019

#### Organisational Structure

The organisation is governed overall by the Management Committee who 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 the General Manager. There are 3 administrators; 1 full-time and 2 part-time along with 2 part-time receptionists who provide the administration support for the whole organisation. In relation to ELCA's Counselling and Support Services during the year we had a team of 22 paid counselling staff (equivalent to 12 full-time workers) and 10 volunteers/placement counsellors. We also have a small team of 5 Practice Supervisors.

#### 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.

#### **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 of three months running costs for the organisation.

#### **Statement of Directors' Responsibilities**

The directors (who are also trustees of the Edinburgh and 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 of 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.

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 Trustees 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.

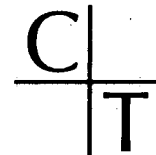
#### **BY ORDER OF THE MANAGEMENT COMMITTEE**



**Diane Ashton, Director**

7 October 2019

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS AND MEMBERS OF  
EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**



I report on the accounts of the charity for the year ended 31 March 2019 which are set out on pages 9 to 22.

**Respective responsibilities of trustees and examiner**

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

**Basis of independent examiner's statement**

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

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare accounts which accord with the accounting records and comply with Regulation [8]2 / [9]3 of the 2006 Accounts Regulations;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Barry Truswell CA**

**For and on behalf of  
CHIENE + TAIT LLP  
Chartered Accountants and Independent Examiner  
61 Dublin Street  
Edinburgh  
EH3 6NL**

7 October 2019

# EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

## STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Income and endowments from:</b>					
<i><b>Donations and legacies:</b></i>					
Donations	2	10,765	-	10,765	14,511
Subscriptions		155	-	155	145
<i><b>Charitable activities</b></i>	3	313,168	15,284	328,452	427,579
<i><b>Investments</b></i>					
Bank interest receivable		264	-	264	55
<b>Total income</b>		<u>324,352</u>	<u>15,284</u>	<u>339,636</u>	<u>442,290</u>
<b>Expenditure on:</b>					
<i><b>Raising funds</b></i>	4(a)	2,286	-	2,286	2,282
<i><b>Charitable activities</b></i>	4(b)	266,167	59,918	326,085	427,562
<b>Total expenditure</b>		<u>268,453</u>	<u>59,918</u>	<u>328,371</u>	<u>429,844</u>
<b>Net income/(expenditure) for the year</b>		55,899	(44,634)	11,265	12,446
Transfers between funds		3,166	(3,166)	-	-
<b>Net movement in funds</b>		59,065	(47,800)	11,265	12,446
<i><b>Reconciliation of funds</b></i>					
Total funds brought forward		15,957	70,522	86,479	74,033
<b>Total funds carried forward</b>	12	<u>75,022</u>	<u>22,722</u>	<u>97,744</u>	<u>86,479</u>

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

The notes on pages 12 to 22 form part of these financial statements

# EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

## BALANCE SHEET

AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	9		-		716
<b>Current assets</b>					
Debtors	10	12,367		7,865	
Cash at bank and in hand		289,264		351,774	
		301,631		359,639	
<b>Creditors:</b> amounts falling due within one year	11	82,887		81,876	
<b>Net current assets</b>			218,744		277,763
Total assets less current liabilities			218,744		277,763
Creditors: amounts falling due after one year	14		121,000		192,000
<b>Net assets</b>			97,744		86,479
<b>The funds of the charity</b>					
Unrestricted funds:	12				
General			186,522		197,457
Pension deficit reserve			(139,000)		(209,000)
Designated			27,500		27,500
Total unrestricted funds			75,022		15,957
Restricted funds	12		22,722		70,522
<b>Total funds</b>			97,744		86,479

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Approved by the Directors on 7 October 2019 and signed on their behalf by:



**Diane Ashton**

**Convener**

Company No: SC093818

The notes on pages 12 to 22 form part of these financial statements.

**EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2019**

	<b>Note</b>	<b>Total Funds 2019 £</b>	<b>Total Funds 2018 £</b>
<b>Net cash provided by operating activities</b>	17	(62,774)	(45,780)
<b>Cash flows from investing activities:</b>			
Interest and dividends		264	55
<b>Net cash provided by investing activities</b>		264	55
Change in cash and cash equivalents in the year		(62,510)	(45,725)
Cash and cash equivalents brought forward		351,774	397,499
<b>Cash and cash equivalents carried forward</b>		<u>289,264</u>	<u>351,774</u>

The notes on pages 12 to 22 form part of these financial statements

# EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

### 1. Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Edinburgh and Lothian Council on Alcohol meets the definition of a public benefit entity under FRS 102.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### 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).

#### Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, grants and contract income are recognised when the Charity has been notified of both the amount and the anticipated settlement date. In the event that income is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

The Charity is the lead contact on a consortium contract from the City of Edinburgh Council. Therefore, the income under this contract is recognised by Edinburgh and Lothian Council on Alcohol only to the extent of its share with the balance transferred to other consortium entities.

#### Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, inclusive of VAT.

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 raising 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, which are included within support costs and 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.

**EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**1. Accounting policies (*continued*)**

**Depreciation**

Depreciation is provided on tangible fixed assets (generally capitalised if cost exceeds £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. A provision has been made for the present value of the future contributions due under an agreement to make past service deficit contributions.

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.

**2. Donations**

**General fund – unrestricted income**

***Charitable trusts, voluntary and other organisations and individuals:***

	<b>2019</b>	<b>2018</b>
	£	£
The Nancie Massey Charitable Trust	5,000	5,000
The Hope Trust	1,000	1,000
Cruden Foundation Limited	1,000	1,000
Individual donors	2,302	6,261
Tax recoverable	463	-
	<u>9,765</u>	<u>13,261</u>

***Corporate:***

Anonymous	-	250
The North British Distillery Company Ltd	1,000	1,000
	<u>10,765</u>	<u>14,511</u>

**EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

<b>3. Income from charitable activities</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Activities undertaken</b>				
Counselling and support services – Edinburgh	259,042	-	259,042	280,032
Outreach Counselling services – East Lothian	26,510	-	26,510	26,510
Midlothian	27,466	-	27,466	27,466
Therapeutic Support Service – West Lothian	-	4,000	4,000	37,198
NHS Prison Service – Addiewell	-	11,284	11,284	56,278
	<u>313,018</u>	<u>15,284</u>	<u>328,302</u>	<u>427,484</u>
Criminal Justice income	150	-	150	95
Employee Assistance	-	-	-	-
	<u>313,168</u>	<u>15,284</u>	<u>328,452</u>	<u>427,579</u>
	=====	=====	=====	=====
<b>2018</b>	<b>334,103</b>	<b>93,476</b>	<b>427,579</b>	
	=====	=====	=====	
<b>Funding sources</b>				
<b>Contract income</b>				
Local authority contract income	259,042	-	259,042	314,306
NHS Lothian	-	11,284	11,284	64,943
Mid & East Lothian Drug & Alcohol Partnership (MELDAP) and West Lothian Drug & Alcohol Service (WLDAS)	53,976	4,000	57,976	48,235
	<u>313,018</u>	<u>15,284</u>	<u>328,302</u>	<u>427,484</u>
<b>Grant income</b>				
Employee Assistance	-	-	-	-
Criminal Justice income	150	-	150	95
	<u>313,168</u>	<u>15,284</u>	<u>328,452</u>	<u>427,579</u>
	=====	=====	=====	=====

The nature of the funding of ELCA's service provision is, in the main, contract income as defined by the Charities SORP being payments from government or public authorities which fund the provision of particular services. Further, as these services are the main charitable purposes of the charity these income streams are unrestricted income.



# EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted Edinburgh Counselling Services £	Outreach Community Based Services £	West Lothian Therapeutic Service £	Restricted NHS Prison Service Addiewell £	Total 2019 £	Total 2018 £
<b>4. Expenditure</b>						
<b>(a) Costs of raising funds:</b>						
Personnel costs	2,245	-	-	-	2,245	2,221
Publicity	41	-	-	-	41	61
	<u>2,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,286</u>	<u>2,282</u>
	=====	=====	=====	=====	=====	=====
2018	<u>2,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,282</u>	<u>-</u>
	=====	=====	=====	=====	=====	=====
<b>(b) Charitable Activities:</b>						
<b>Direct costs</b>						
Personnel costs	223,916	44,059	24,982	27,039	319,996	367,569
Additional pension (credits)/costs (note 14)	(74,000)	-	-	-	(74,000)	(20,000)
Volunteer costs	3,343	-	-	-	3,343	4,419
Travel	1,415	764	841	-	3,020	3,145
	<u>154,674</u>	<u>44,823</u>	<u>25,823</u>	<u>27,039</u>	<u>252,359</u>	<u>443,356</u>
	=====	=====	=====	=====	=====	=====
<b>Support costs</b>						
Management staff costs	11,225	-	-	-	11,225	11,103
Premises	29,906	7,309	3,904	-	41,119	38,099
Telephone	1,674	-	-	-	1,674	1,988
Post, printing & stationery	1,396	-	700	-	2,096	2,360
General expenses	6,648	-	-	952	7,600	9,102
Pension finance cost (note 14)	4,000	-	-	-	4,000	4,000
Professional fees	2,330	-	250	-	2,580	2,231
	<u>57,179</u>	<u>7,309</u>	<u>4,854</u>	<u>952</u>	<u>70,294</u>	<u>68,883</u>
	=====	=====	=====	=====	=====	=====
<b>Governance costs</b>						
AGM and management committee costs	179	-	-	-	179	201
Legal costs	13	-	-	-	13	13
External scrutiny costs	1,990	-	250	1,000	3,240	3,332
	<u>2,182</u>	<u>-</u>	<u>250</u>	<u>1,000</u>	<u>3,432</u>	<u>3,546</u>
	=====	=====	=====	=====	=====	=====
<b>Overall Support Costs</b>	<u>59,361</u>	<u>7,309</u>	<u>5,104</u>	<u>1,952</u>	<u>73,726</u>	<u>72,429</u>
	=====	=====	=====	=====	=====	=====
	214,035	52,132	30,927	28,991	326,085	427,562
	=====	=====	=====	=====	=====	=====
2018	<u>272,437</u>	<u>50,732</u>	<u>30,914</u>	<u>73,479</u>	<u>427,562</u>	<u>-</u>
	=====	=====	=====	=====	=====	=====

A value for the services provided by 18 (2018: 18) volunteers in the year is not included in the above expenditure.

# EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2019

5. Operating lease commitments	2019 £	2018 £
Total commitments (including VAT) of property leases due within:		
Not more than one year	20,691	22,762
Between one and two years	20,000	40,691

6. Staff numbers and costs	2019 £	2018 £
Salaries	278,094	332,338
Social security costs	11,746	17,647
Pension costs - Defined contribution	4,163	5,060
Defined benefit	(793)	(682)
Redundancy costs	13,648	-
	<u>306,858</u>	<u>444,284</u>

The average monthly number of employees during the year was:		
Charitable activities	25	27
Fundraising and publicity	1	1
	<u>26</u>	<u>28</u>

No employee received remuneration of more than £60,000 (2018: none). The key management personnel are defined as the Directors, the Company Secretary, the General and the Counselling Practice Managers. No remuneration was payable or expenses reimbursed to any of the Directors and the remuneration of the General and the Counselling Practice Managers was £44,899 (2018: £44,413) including employers' national insurance contributions and employer pension contributions of £6,346 (2018: £2,186). Total redundancy payments amount to £13,648 (2018: none) and related to 2 staff members being made redundant due to services at HMP Addiewell ceasing during the year.

## 7. Related party transactions

There were no related party transactions in the year.

## 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 £
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	<u>3,576</u>
<b>Depreciation</b>	
At 1 April 2018	2,860
Charge for the year	716
At 31 March 2019	<u>3,576</u>
<b>Net book value</b>	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>716</u>

**EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

<b>10. Debtors</b>	<b>2019 £</b>	<b>2018 £</b>
Grants receivable	7,939	3,939
Other debtors and prepayments	4,428	3,926
	<u>12,367</u>	<u>7,865</u>

<b>11. Creditors: amounts falling due within one year</b>	<b>2019 £</b>	<b>2018 £</b>
Taxation and social security	6,781	5,695
Other creditors and accruals	58,106	47,897
Deferred income	-	11,284
Pension provision (note 14)	18,000	17,000
	<u>82,887</u>	<u>81,876</u>

**12. Analysis of charitable funds**

**(a) Analysis of unrestricted fund movements**

	<b>1 April 2018 £</b>	<b>Income £</b>	<b>Exp- enditure £</b>	<b>Transfers £</b>	<b>31 March 2019 £</b>
General funds	197,457	324,352	(338,453)	3,166	186,522
Pension deficit reserve	(209,000)	-	70,000	-	(139,000)
<b>General Fund</b>	<u>(11,543)</u>	<u>324,352</u>	<u>(268,453)</u>	<u>3,166</u>	<u>47,522</u>
<b>Designated funds</b>					
Development fund	15,000	-	-	-	15,000
Property maintenance fund	5,000	-	-	-	5,000
Staff training and development	7,500	-	-	-	7,500
	<u>15,957</u>	<u>324,352</u>	<u>(268,453)</u>	<u>3,166</u>	<u>75,022</u>

**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 unrestricted funds to set up a Development Fund to be used for new initiatives such as the installation of a new database.

Property maintenance fund: The Management Committee agreed to set aside 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 new lease.

Staff training and development fund: The Management Committee agreed to set aside 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.

**EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12. Analysis of charitable funds (continued)**

**(b) Analysis of restricted funds movements**

	1 April 2018 £	Income £	Expenditure £	Transfers £	31 March 2019 £
West Lothian – Therapeutic Support Service	49,649	4,000	(30,927)	-	22,722
NHS Prison Service- Addiewell	20,873	11,284	(28,991)	(3,166)	-
	<u>70,522</u>	<u>15,284</u>	<u>(59,918)</u>	<u>(3,166)</u>	<u>22,722</u>

**Purposes of restricted funds**

West Lothian – Therapeutic Support Service: Partnership with West Lothian Drug & Alcohol Service, NHS Lothian and ELCA to provide a Therapeutic Support Service in West Lothian.

NHS Prison Service - Addiewell: Contract with NHS Lothian to develop and provide a Substance Misuse Counselling Service in HMP Addiewell. Funds at 1 April 2016 relating to the service in HMP Edinburgh have been transferred to the General Fund and are now covered by the Edinburgh City Council Consortium funding stream.

13. Analysis of net assets between funds	Fixed assets £	Net current assets £	Long term liabilities £	Net assets £
General funds	-	168,522	(121,000)	47,522
Designated funds	-	27,500	-	27,500
Restricted funds	-	22,722	-	22,722
	<u>-</u>	<u>218,744</u>	<u>(121,000)</u>	<u>97,744</u>

**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:**

**SCHEME: The Pensions Trust – Scottish Voluntary Sector Pension Scheme**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

# EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 MARCH 2019

#### 14. Pension commitments and contingent liabilities *(continued)*

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### Deficit contributions

<b>From 1 April 2019 to 30 September 2026:</b>	£1.5m per annum (payable monthly and increasing by 3% each year on 1 <sup>st</sup> April)
<b>From 1 April 2019 to 31 March 2024:</b>	£82,000 per annum (payable monthly and increasing by 3% each year on 1 <sup>st</sup> April)

Unless a concession has been agreed with the Trustee the term to 30 September 2026 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

#### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2019 (£000s)	Period Ending 31 March 2018 (£000s)
Provision at start of period	209	225
Unwinding of the discount factor (interest expense)	4	4
Deficit contribution paid	(17)	(17)
Remeasurements - impact of any change in assumptions	3	(3)
Remeasurements - amendments to the contribution schedule	(60)	-
Provision at end of period	139	209

**EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**14. Pension commitments and contingent liabilities (continued)**

**(a) Defined benefit pension scheme (continued):**

**INCOME AND EXPENDITURE IMPACT**

	<b>Period Ending 31 March 2019 (£000s)</b>	<b>Period Ending 31 March 2018 (£000s)</b>
<b>Interest expense</b>	4	4
<b>Remeasurements – impact of any change in assumptions</b>	3	(3)
<b>Remeasurements – amendments to the contribution schedule</b>	(60)	-
<b>Contributions paid in respect of future service*</b>	4	5
<b>Deficit contributions</b>	3	3
<b>Costs recognised in income and expenditure account</b>	(46)	9

\*includes future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**ASSUMPTIONS**

	<b>31 March 2019 % per annum</b>	<b>31 March 2018 % per annum</b>	<b>31 March 2017 % per annum</b>
<b>Rate of discount</b>	1.46	2.01	1.76

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**DEFICIT CONTRIBUTIONS SCHEDULE**

<b>Year ending</b>	<b>31 March 2019 (£000s)</b>	<b>31 March 2018 (£000s)</b>	<b>31 March 2017 (£000s)</b>
Year 1	18	17	17
Year 2	18	18	17
Year 3	19	18	18
Year 4	19	19	18
Year 5	20	19	19
Year 6	21	20	19
Year 7	21	21	20
Year 8	11	21	21
Year 9	-	22	21
Year 10	-	23	22
Year 11	-	23	23
Year 12	-	14	23
Year 13	-	-	14

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

# EDINBURGH AND Lothian COUNCIL ON ALCOHOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2019

### 14. Pension commitments and contingent liabilities *(continued)*

#### **(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 £4,163 (2018: £5,060) represents contributions payable by ELCA during the year.

At 31 March 2019 £793 (2018: £681) of employer contributions were outstanding and included in other creditors and accruals (note 11).

### 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 2019 and, whilst the level of funding is forecast to decrease, the Directors expect funding to continue beyond that date. Budgets and forecasts have been prepared indicating that ELCA will be able to continue to operate as a going concern within the constraints of the reduced funding available.

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 and 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.

### 17. Reconciliation of net (expenditure)/income to cash flow from operating activities

	2019 £	2018 £
Net (expenditure) for the year	11,265	12,446
<b>Adjustments for:</b>		
Defined benefit pension scheme adjustments	(70,000)	(16,000)
Depreciation charges	716	715
Deduct interest income shown in investing activities	(264)	(55)
Decrease in debtors	(4,502)	(162)
Increase/(Decrease) in creditors	11	(42,724)
<b>Net cash provided by operating activities</b>	<b>(62,774)</b>	<b>15,572</b>

EDINBURGH AND LoTHIAN COUNCIL ON ALCOHOL  
NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
<b>18. Comparative Statement of Financial Activities</b>			
<b>Income and endowments from:</b>			
<i><b>Donations and legacies:</b></i>			
Donations	14,511	-	14,511
Subscriptions	145	-	145
<i><b>Charitable activities</b></i>	334,103	93,476	427,579
<i><b>Investments</b></i>			
Bank interest receivable	55	-	55
<b>Total income</b>	<u>348,814</u>	<u>93,476</u>	<u>442,290</u>
<b>Expenditure on:</b>			
<i><b>Raising funds</b></i>	2,282	-	2,282
<i><b>Charitable activities</b></i>	323,169	104,393	427,562
<b>Total expenditure</b>	<u>325,451</u>	<u>104,393</u>	<u>429,844</u>
<b>Net (expenditure)</b>	<u>23,363</u>	<u>(10,917)</u>	<u>12,446</u>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<u>23,363</u>	<u>(10,917)</u>	<u>12,446</u>
<i><b>Reconciliation of funds</b></i>			
Total funds brought forward	(7,406)	81,439	74,033
<b>Total funds carried forward</b>	<u><u>15,957</u></u>	<u><u>70,522</u></u>	<u><u>86,479</u></u>