Company No: SC093818
Charity Registration No: SC004192

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

(A Company Limited by Guarantee with Charitable Status)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

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EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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EDINBURGH & LOTHIAN COUNCIL ON ALCOHOL

ANNUAL & DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report together with the financial statements for the year ended 31 March 2022.

Reference and administrative details

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

Convener	Diane Ashton	*	**
Vice-Convener	Billy Bowes		
Other Committee Members			
	Kate Kennedy		**
	Shona Smith Cowan		
	Elaine Ellis		
	Craig Chatwin		

* Member of Finance & General Purposes Committee
** Member of Personnel Committee

Company Secretary	Meichelle Walker
Treasurer	Craig Chatwin
Bankers	Royal Bank of Scotland plc 142-144 Princes Street Edinburgh EH2 4EQ
Auditors	Chiene + Tait 61 Dublin Street Edinburgh EH3 6NL
Solicitors	Lindsays Caledonian Exchange 19a Canning Street Edinburgh EH3 8HE
Accountant	Thomson Cooper Chartered Accountants 22 Stafford Street Edinburgh EH3 7BJ
Company number	SC093818
Charity Number	SC004192
Registered Office	91 Rose Street Edinburgh EH2 3DT

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 is 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

COVID-19 restrictions were still impacting on the way in which ELCA delivered its services during 2021-22. Whilst we were able to start offering some face-to-face sessions in Edinburgh and East Lothian. Most of the service was still being delivered via telephone or online.

After carrying out Risk Assessments, developing protocols and taking into consideration the Government's Covid Guidelines, we started to plan our phased return to our main office in the New Year. Our office is now open Mondays, Tuesdays, and Thursdays.

Achievements within the reporting year are as follows:

- Offered **5805** counselling sessions throughout Edinburgh & the Lothians (excluding HMP Edinburgh): an increase of **16%** from the previous year

- Received **507** new referrals for ELCA's Counselling Service throughout the Lothians, this was an increase on the previous year of **144%**

- Received **180** new referrals for our service in HMP Edinburgh: an increase of **68%**

- Continued to provide counselling to Polish speaking Clients and received **38** new referrals: an increase of **137%** from the previous year

- ELCA's Women's Alcohol Recovery Group Recovery Group continued via Zoom

- 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

Achievements and Performance (continued)

The key outcomes that ELCA is commissioned to deliver 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 2021/2022 there were a total of **288** counselling cases closed (excluding our prison service); **162** were planned closures and **126** were unplanned. Of the planned closures the outcomes achieved were:

- 100 clients reported a reduction in alcohol consumption or were abstinent from alcohol
- 162 reported an improvement in physical health
- 146 reported an improvement in psychological health
- 151 reported an improvement in confidence and self-esteem
- 150 reported an improvement in relationships

Our current contract with the City of Edinburgh Council was due to end on 30th September 2022. We were advised earlier in the year by the Council that they would be putting it out for Tender. We are pleased to note, that we were awarded the new contract as part of a consortium bid with ELCA being the lead organisation. The new contract is for 3 years with an option for a further 3 years. It commenced on 1st October 2022.

Risk Register

During the year, ELCA's Management Committee reviewed and updated the Risk Register in-line with emerging changes, particularly COVID-19. The Register is a standing item on the Committee's agenda.

Plans for Future Periods

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

- Continue to deliver a safe and effective service in line with current COVID-19 restrictions
- 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

Financial Review

Incoming resources for the year ending 31 March 2022 totalled £351,592 (2021: £367,413)

Total resources expended for the year were £335,741 (2021: £339,554)

The net surplus for the year on unrestricted funds was £74,804 (2021: surplus of £28,705). There was a net deficit on restricted funds of £5,377 (2021: deficit of £5,720)

Funds carried forward at the balance sheet date totalled £187,801 (2021: £118,374)

<u>Principal Funding Sources</u>
Grants and Contracts are the major source of income, and we would like to record our thanks for the ongoing support from the Edinburgh Alcohol and Drug Partnership, East Lothian Council, Mid and East Lothian Drug and Alcohol Partnership, Midlothian Council, and West Lothian Drug and Alcohol Service.

<u>Charitable Funders</u>
ELCA is truly fortunate in having charitable funders who support our work, and we are incredibly grateful to them for their continued support. Thanks, are recorded to The Hope Trust, the Cruden Foundation Limited and the Nancie Massey Charitable Trust. 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

<u>Governing Document</u>
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 £1.00.

<u>Appointment of Directors</u>
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.

<u>Organisational Structure</u>
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 ELCA's services is delegated to the General Manager. There are 2 part-time administrators, along with 1 part-time receptionist 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 4 volunteers/placement counsellors. We also have a small team of 4 Practice Supervisors.

<u>Related Parties</u>
Details of related party transactions are included in note 7 of the financial statements.

Structure, Governance and Management (continued)

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 appropriate systems are in place to mitigate exposure of those risks.

Reserves Policy
The Directors have examined the charity's requirements for reserves considering 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 & 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

Diane Ashton, Director

13 December 2022

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS AND MEMBERS OF

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

FOR THE YEAR ENDED 31 MARCH 2022

I report on the accounts of the charity for the year ended 31 March 2022 which are set out on pages 7 to 21.

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 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) 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 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

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

13 December 2022

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:					
Donations and legacies:					
Donations & Grants	2	9,151	-	9,151	14,667
Subscriptions		45	-	45	50
Charitable activities	3	334,421	7,953	342,374	352,606
Investments					
Bank interest receivable		22	-	22	90
Total income		343,639	7,953	351,592	367,413
Expenditure on:					
Raising funds	4(a)	3,312	-	3,312	2,472
Charitable activities	4(b)	319,099	13,330	332,429	337,083
Total expenditure		322,411	13,330	335,741	339,554
Net income/(expenditure) for the year		21,228	(5,377)	15,851	27,859
Transfers between funds		-	-	-	-
		21,228	(5,377)	15,851	27,859
Actuarial gains on pension scheme		53,576	-	53,576	(4,874)
Net movement in funds		74,804	(5,377)	69,427	22,985
Reconciliation of funds					
Total funds brought forward		99,321	19,053	118,374	95,389
Total funds carried forward	12	174,125	13,676	187,801	118,374

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 10 to 21 form part of these financial statements

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

BALANCE SHEET

AS AT 31 MARCH 2022

	Note		2022		2021
		£	£	£	£
Fixed assets					
Tangible assets	9		5,333		5,358
Current assets					
Debtors	10	4,326		4,123	
Cash at bank and in hand		272,841		270,648	
		277,167		274,771	
Creditors: amounts falling due within one year	11	75,018		72,305	
Net current assets			202,149		202,466
Total assets less current liabilities			207,482		207,824
Creditors: amounts falling due after one year	14		19,681		89,450
Net assets			187,801		118,374
The funds of the charity					
Unrestricted funds:	12				
General			183,349		180,100
Pension deficit reserve			(36,724)		(108,279)
Designated			27,500		27,500
Total unrestricted funds			174,125		99,321
Restricted funds	12		13,676		19,053
Total funds			187,801		118,374

For the year ending 31 March 2022 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 of the Companies Act 2006;
- 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 13 December 2022 and signed on their behalf by:

Diane Ashton

Diane Ashton
Convener
Company No: SC093818

The notes on pages 10 to 21 form part of these financial statements.

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Total Funds 2022 £	Total Funds 2021 £
Net cash provided by operating activities	17	3,815	48,114
Cash flows from investing activities:			
Interest and dividends		22	90
Purchase of tangible assets		(1,644)	(6,697)
Net cash provided by investing activities		(1,622)	(6,607)
Change in cash and cash equivalents in the year		2,193	41,507
Cash and cash equivalents brought forward		270,648	229,141
Cash and cash equivalents carried forward		272,841	270,648

Analysis of Changes in Net Debt

	At 1 April 2021 £	Cash-flows £	At 31 March 2022 £
Cash and cash equivalents	270,648	2,193	272,842
Total net debt	270,648	2,193	272,842

The notes on pages 10 to 21 form part of these financial statements

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) (second edition – October 2019), 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.

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	**2022**	**2021**
	£	£
General fund – unrestricted income		
Charitable trusts, voluntary and other organisations and individuals:		
The Nancie Massey Charitable Trust	5,000	5,000
The Hope Trust	2,500	3,000
Cruden Foundation Limited	1,500	1,500
Individual donors	151	87
Tax recoverable	-	390
	9,151	9,977
Grant income	-	4,690
	9,151	14,667

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2022

3. Income from charitable activities	**Unrestricted**	**Restricted**	**2022**	**2021**
	£	£	£	£
Activities undertaken				
Counselling and support services – Edinburgh	277,766	-	277,766	286,408
Outreach Counselling services –				
East Lothian	27,516	-	27,516	26,715
Midlothian	29,139	-	29,139	28,290
Therapeutic Support Service – West Lothian	-	7,953	7,953	11,193
	334,421	7,953	342,374	352,606
2021	341,413	11,193	352,606	
Funding sources				
Contract income				
Local authority contract income	277,766	-	277,766	286,408
NHS Lothian	-	-	-	-
Mid & East Lothian Drug & Alcohol Partnership (MELDAP) and West Lothian Drug & Alcohol Service (WLDAS)	56,655	7,953	64,608	66,198
	334,421	7,953	342,374	352,606

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 2022

4. Expenditure	Unrestricted Edinburgh Counselling Services £	Outreach Community Based Services £	Restricted West Lothian Therapeutic Service £	NHS Prison Service Addiewell £	Total 2022 £	Total 2021 £
(a) Costs of raising funds:						
Personnel costs	3,312	-	-	-	3,312	2,466
Publicity	-	-	-	-	-	6
	3,312	-	-	-	3,312	2,472
2021	2,472	-	-	-	2,472	
(b) Charitable Activities:						
Direct costs						
Personnel costs	228,777	39,889	12,340	-	281,006	285,222
Additional pension (credits)/costs (note 14)	(18,829)	-	-	-	(18,829)	(18,281)
Volunteer costs	170	-	-	-	170	2,477
Travel	-	625	-	-	625	143
	210,118	40,514	12,340	-	262,972	269,561
Support costs						
Management staff costs	11,944	-	-	-	11,944	12,329
Premises	30,532	7,309	150	-	37,991	36,284
Telephone	2,281	-	190	-	2,471	2,414
Post, printing & stationery	1,046	-	150	-	1,196	1,032
General expenses	6,631	-	-	-	6,631	5,812
Pension finance cost (note 14)	850	-	-	-	850	2,802
Leasing charges	1,431	-	-	-	1,431	1,353
Professional fees	2,676	-	250	-	2,926	2,592
Sub-total of Support Costs	57,392	7,309	740	-	65,441	64,617
Governance costs						
AGM and management committee costs	-	-	-	-	-	12
Legal costs	1,016	-	-	-	1,016	13
External scrutiny costs	2,750	-	250	-	3,000	2,880
Sub-total of Governance	3,766	-	250	-	4,016	2,905
Overall Support Costs	61,158	7,309	990	-	69,457	67,522
	271,276	47,823	13,330	-	332,429	337,083
2021	269,494	50,676	16,913	-	337,083	

A value for the services provided by 4 (2021: 5) 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 2022

5. Operating lease commitments	**2022** £	**2021** £
Total commitments (including VAT) of property leases due within:		
Not more than one year	11,667	20,000
Between one and two years	-	-

6. Staff numbers and costs	**2022** £	**2021** £
Salaries	255,666	262,828
Social security costs	8,358	8,691
Pension costs - Defined contribution	3,991	4,252
Defined benefit	2,771	2,689
	270,786	278,460
The average monthly number of employees during the year was:		
Charitable activities	20	22
Fundraising and publicity	1	1
	21	23

No employee received remuneration of more than £60,000 (2021: none). The key management personnel are defined as the Directors, the Company Secretary and the General Practice Managers. No remuneration was payable to directors and no expenses (2021: £Nil) were reimbursed to Directors (2021: none) and the remuneration of the General Practice Managers was £51,771 (2021: £49,309) including employers' national insurance contributions and employer pension contributions of £7,079 (2021: £6,796).

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** £
Cost	
At 1 April 2021	10,273
Additions in the period	1,644
At 31 March 2022	11,917
Depreciation	
At 1 April 2021	4,915
Provision for period	1,669
At 31 March 2022	6,584
Net book value	
At 31 March 2021	5,358
At 31 March 2022	5,333

10. Debtors

	2022 £	2021 £
Grants receivable	-	-
Other debtors and prepayments	4,326	4,123
	4,326	4,123

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation and social security	4,977	5,010
Other creditors and accruals	52,998	48,466
Pension provision (note 14)	17,043	18,829
	75,018	72,305

12. Analysis of charitable funds

(a) Analysis of unrestricted fund movements

	1 April 2021 £	Income £	Exp-enditure £	Transfers £	31 March 2022 £
General funds	180,100	343,639	(321,561)	(18,829)	183,349
Pension deficit reserve	(108,279)	53,576	(850)	18,829	(36,724)
General Fund	71,821	397,215	(322,411)	-	146,625
Designated funds					
Development fund	15,000	-	-	-	15,000
Property maintenance fund	5,000	-	-	-	5,000
Staff training and development	7,500	-	-	-	7,500
	99,321	397,215	(322,411)	-	174,125

2021 Comparative	1 April 2020 £	Income £	Exp-enditure £	Transfers £	31 March 2021 £
General funds	162,000	356,220	(319,842)	(18,281)	180,100
Pension deficit reserve	(118,884)	-	(7,676)	18,281	(108,279)
General Fund	43,116	356,220	(327,516)	-	71,821
Designated funds					
Development fund	15,000	-	-	-	15,000
Property maintenance fund	5,000	-	-	-	5,000
Staff training and development	7,500	-	-	-	7,500
	70,500	356,220	(327,516)	-	99,321

12. Analysis of charitable funds (continued)

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.

(b) Analysis of restricted funds movements

	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
West Lothian – Therapeutic Support Service	19,053	7,953	(13,330)	-	13,676

2021 Comparative	1 April 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
West Lothian – Therapeutic Support Service	24,773	11,193	(16,913)	-	19,053

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.

13. Analysis of net assets between funds - 2022	**Fixed assets** £	**Net current assets** £	**Long term liabilities** £	**Net assets** £
General funds	5,333	160,973	(19,681)	146,625
Designated funds	-	27,500	-	27,500
Restricted funds	-	13,676	-	13,676
	5,333	202,149	(19,681)	187,801

2021 comparative	**Fixed assets** £	**Net current assets** £	**Long term liabilities** £	**Net assets** £
General funds	5,358	155,913	(89,450)	71,821
Designated funds	-	27,500	-	27,500
Restricted funds	-	19,053	-	19,053
	5,358	202,466	(89,450)	118,374

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.

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 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. 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	
From 1 April 2022 to 31 May 2024:	£1,507,960 per annum (payable monthly and increasing by 3% each year on 1st April)

14. Pension commitments and contingent liabilities (continued)

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2026:	£1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2019 to 30 September 2027:	£136,701 per annum (payable monthly and increasing by 3% each on 1st April)

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 2022 (£000s)	Period Ending 31 March 2021 (£000s)
Provision at start of period	108	119
Unwinding of the discount factor (interest expense)	1	3
Deficit contribution paid	(19)	(18)
Remeasurements - impact of any change in assumptions	(1)	5
Remeasurements - amendments to the contribution schedule	(53)	-
Provision at end of period	37	108

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2022

14. Pension commitments and contingent liabilities (continued)

(a) Defined benefit pension scheme (continued):

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2022 (£000s)	Period Ending 31 March 2021 (£000s)
Interest expense	1	3
Remeasurements – impact of any change in assumptions	(1)	5
Remeasurements – amendments to the contribution schedule	(53)	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

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

ASSUMPTIONS

	31 March 2022 % per annum	31 March 2021 % per annum	31 March 2020 % per annum
Rate of discount	2.30	0.86	2.57

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

Year ending	31 March 2022 (£000s)	31 March 2021 (£000s)	31 March 2020 (£000s)
Year 1	17	19	18
Year 2	17	19	19
Year 3	3	20	19
Year 4		21	20
Year 5		21	21
Year 6		11	21
Year 7		-	11
Year 8		-	-
Year 9		-	-
Year 10		-	-
Year 11		-	-
Year 12		-	-
Year 13		-	-

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.

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 £3,991 (2021: £4,252) represents contributions payable by ELCA during the year.

At 31 March 2022 £535 (2021: £697) 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 2023 and, whilst the level of funding is forecast to remain stable, 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

	2022 £	2021 £
Net (expenditure) for the year	69,427	22,985
Adjustments for:		
Defined benefit pension scheme adjustments	(71,555)	(10,605)
Depreciation charges	1,669	1,339
Deduct interest income shown in investing activities	(22)	(90)
Decrease in debtors	(203)	45,826
Increase/(Decrease) in creditors	4,499	(11,341)
Net cash provided by operating activities	3,815	48,114

EDINBURGH AND LOTHIAN COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2022

Comparative Statement of Financial Activities	**Unrestricted Funds £**	**Restricted Funds £**	**Total Funds 2021 £**
Income and endowments from:			
Donations and legacies:			
Donations & Grants	14,667	-	14,667
Subscriptions	50	-	50
Charitable activities	341,413	11,193	352,606
Investments			
Bank interest receivable	90	-	90
Total income	356,220	11,193	367,413
Expenditure on:			
Raising funds	2,472	-	2,472
Charitable activities	320,169	16,913	337,082
Total expenditure	322,641	16,913	339,554
Net (expenditure)/income for the year	33,579	(5,720)	27,859
Transfers between funds	-	-	-
	33,579	(5,720)	27,859
Actuarial gains on pension scheme	(4,874)	-	(4,874)
Net movement in funds	28,705	(5,720)	22,985
Reconciliation of funds			
Total funds brought forward	70,616	24,773	95,389
Total funds carried forward	99,321	19,053	118,374