

Alcohol Focus Scotland
Report and Financial Statements
for the year ended 31 March 2016

Charity number: SC009538
Company number: SC094096

Alcohol Focus Scotland

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Alcohol Focus Scotland

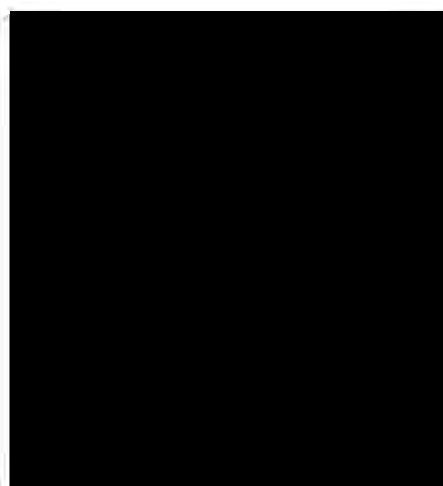
Legal and Administrative Information

Charity name Alcohol Focus Scotland

Charity registration number SC009538

Company registration number SC094096

Directors

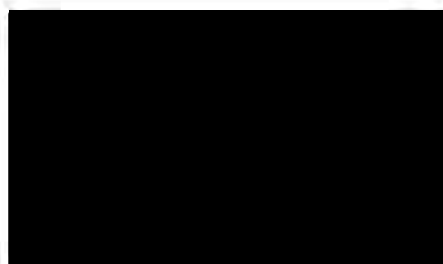


Resigned 23 December 2015

Chairman
Resigned 2 December 2015

Resigned 25 May 2016
Resigned 18 May 2016
Appointed 24 June 2015
Appointed 24 June 2015

Senior management



Chief Executive
(from 1 December 2015)
Acting Chief Executive
(retired 14 October 2015)
Acting Deputy Chief Executive
Financial Controller
Programme Lead

Registered office

166 Buchanan Street
Glasgow
G1 2LW

Website address

www.alcohol-focus-scotland.org.uk

Auditors

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

Bankers

Royal Bank of Scotland
10 Gordon Street
Glasgow
G1 3PL

Alcohol Focus Scotland

Directors' Annual Report for the year ended 31 March 2016

The Directors present their report and the financial statements of the charity for the year ended 31 March 2016.

Directors

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The Directors serving during the year and since the year end are detailed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Alcohol Focus Scotland is a company, limited by guarantee, and has obtained permission from the Registrar of Companies to omit the word "limited" from the company name. Alcohol Focus Scotland has been granted charitable status by O.S.C.R. and H.M. Revenue & Customs.

Under the terms of the Articles of Association, all members of the Board are Directors as defined by the Companies Act 2006.

The Chief Executive is responsible to the Board for the strategic and operational management of the organisation. The Chief Executive and the Senior Managers form a Senior Management Team who make recommendations on strategic and operational matters. The Chief Executive then reports and makes recommendations to the Board.

Appointment of Directors

As set out in the Articles, the directors may at any time appoint someone to be a director on the basis that he/she has specialist experience and/or skills which could benefit the organisation. A director once appointed shall hold office until the AGM held in the calendar year in which the third anniversary of their appointment falls but is eligible for re-election for two further periods of three years. Directors are given an induction pack and training when they are appointed and further training is provided as and when appropriate.

Organisation

The Board of directors, which can have up to 13 members, governs the charity. The Board normally meets quarterly and there are two sub-committees, the Executive Committee and Audit Committee. The Chief Executive is appointed by the directors to manage the charity. The Chief Executive has delegated authority to manage all operational matters including finance and staff management.

Pay policy for senior staff

The pay of senior staff is reviewed annually and approved by the Board. The directors consider the affordability of the pay award taking into account the financial position of the organisation and also benchmark any proposed pay increase against both the public and voluntary sectors.

Alcohol Focus Scotland
Directors' Annual Report
for the year ended 31 March 2016

Risk management

The organisation operates a risk register which assesses all risks to the organisation, including financial risks and identifies the key actions required to mitigate those risks. The risk register is reviewed annually by the Audit Committee and subsequently by the Board.

Senior Management Team

Due to the illness and untimely death of the former Chief Executive, [REDACTED] was Acting Chief Executive until her retirement on 14 October 2015. [REDACTED] was appointed Chief Executive from 1 December 2015. Other members of the senior management team were: Acting Deputy Chief Executive [REDACTED] Programme Lead [REDACTED] and the Financial Controller [REDACTED]

OBJECTIVES AND ACTIVITIES

The objects for which the company is established are the advancement of health and to improve the quality of people's lives by reducing the harm caused by alcohol using effective and evidence based measures.

During the period covered by this report Alcohol Focus Scotland (AFS) has continued the implementation of the strategic plan that was launched in May 2013. The plan outlines the organisational aim and strategic objectives for the period 2013 - 2016. AFS recognises that to reduce alcohol harm in Scotland, a significant reduction in population-level consumption of alcohol is required, and we continue to prioritise our efforts in those areas where the evidence of efficacy is strongest. Therefore, our key areas of strategic priority and focus during 2015/16 were reducing the affordability of alcohol, reducing the availability of alcohol and regulating marketing.

AFS's programme of work to support our strategic priorities is delivered across three core functions comprising communication and information dissemination; policy, research and advocacy; and learning and development.

AFS's day to day activity is organised under three work programmes of Affordability, Availability and Marketing and two cross-cutting/advocacy work programmes of Effective Alcohol Policy and Harm to Others. AFS has identified operational outcomes and indicators for each of these five work programmes, and data on these is routinely collected and analysed in order to effectively monitor their contribution towards our three strategic outcomes.

In order to illustrate the difference made and key benefits to society of the work of AFS over the past year, information on the performance of three key pieces of work undertaken and evaluated in the past 12 months is provided below.

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Directors' Annual Report for the year ended 31 March 2016

Global Alcohol Policy Conference

The Global Alcohol Policy Conference (GAPC) was attended by almost 400 delegates from 60 countries from across the globe, the highest number of countries ever represented at the bi-annual event. The conference included a key-note address from Scotland's First Minister, over 100 presentations, regional meetings and side events involving the World Health Organization, Global Alcohol Policy Alliance and Alcohol Policy Network of Europe alongside international experts. Conference discussions focused on how best to implement effective policies to reduce alcohol related harm and the need for radical action to ensure that children grow up free from alcohol marketing. Discussions and conclusions were summarised and reflected in the conference declaration. The formal evaluation of the conference noted that 98% of delegates reported that the conference met or exceeded their expectations. A central outcome of the conference was the establishment of an international virtual network of experts to allow the ongoing sharing of information and expertise in protecting children from alcohol marketing and make recommendations to the Scottish Government to inform its alcohol strategy refresh.

Advocacy activity on Air Weapons and Licensing (Scotland) Act 2015

During the reporting period the Air Weapons and Licensing (Scotland) Act 2015 was passed by the Scottish Parliament. The legislation includes updates to the Licensing (Scotland) Act 2009 which reflect a number of recommendations made by AFS in the 2011 report Rethinking Alcohol Licensing. During the passage of the legislation through Parliament, AFS presented written and oral evidence to the scrutinising committee and produced briefing papers for each stage of the Bill process. AFS was successful in encouraging the Scottish Government to bring forward an amendment requiring licensing boards to produce annual reports. The inclusion of this provision in legislation should help increase the transparency and accountability of the licensing system which has been a long-term aim of AFS, one shared by colleagues in public health and by local communities.

Children Harmed by Alcohol Toolkit (CHAT) pilots and launch

The resources and training which comprise the CHAT Toolkit were developed in consultation with practitioners from across Scotland who work with children, young people and families harmed by problematic alcohol use. The resources and training were piloted in community and prison settings in two separate pilot projects which were evaluated during 2015/16. Practitioners involved in the pilots identified that the resources could be used effectively to:

- Encourage children/young people/families to identify and talk to someone they trust.
- Build child/young person/families emotional intelligence.
- Build practitioners' awareness of alcohol harm.
- Build practitioners' confidence in identifying children or young people affected by parental drinking; raising the issue of parental drinking with a child, young person or family member; and managing a disclosure about parental drinking.

The CHAT Toolkit was launched at an event in Glasgow in June 2016 and is now available to practitioners. It has been commissioned by NHS Greater Glasgow and Clyde for delivery in community justice settings.

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Directors' Annual Report
for the year ended 31 March 2016

ACHIEVEMENTS AND PERFORMANCE

AFS strives for continuous improvement and long-term sustainability through an innovative and reflective approach to our work. Work programme development follows a cyclical process of development, testing, evaluation and roll-out. This process allows AFS to critique the strength of work and measure impact to ensure programmes are functioning effectively and contributing to strategic outcomes. AFS uses quantitative and qualitative evaluation methods to assess progress towards outcomes.

Summary of Key Outputs April 2015 - March 2016

- Delivery of Global Alcohol Policy Conference 2015. Attended by around 400 delegates from 60 countries.

- Establishment of virtual network of international experts on alcohol marketing.

- Publication of Scottish Ambulance Service survey findings, showing that two thirds of frontline ambulance service staff had been physically assaulted by members of the public who had too much to drink

- Launch of Alcohol Outlet Density and Harm research website.

- Delivery of 14 presentations to Alcohol and Drug Partnerships, Licensing Boards and Forums and Community Planning Partnerships on local density and harm profiles.

- Successful advocacy for an amendment on annual reporting by licensing boards to be included in the Air Weapons & Licensing (Scotland) Act 2015.

- Launch and roll-out of Community Licensing Toolkit. Launch in Edinburgh attended by around 40 licensing stakeholders.

- Pilot of new training resource for local licensing forums delivered with Borders and South Ayrshire Local Licensing Forums.

- Production and dissemination of briefing paper to Scottish Parliament for debate on updated alcohol strategy.

- Launch of alcohol marketing pledge with key partners, calling for politicians to pledge to do more to reduce children's exposure to alcohol advertising.

- 17 licensing board members and 6 licensing standards officers trained.

- Personal Licence Holder (PLH) and PLH Refresher training delivered to 638 people working in the licensed trade.

- 25,102 visitors to the AFS website and an increase to 2,100 Twitter followers.

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Directors' Annual Report for the year ended 31 March 2016

- Over 650 teachers registered as users of the Rory website and 507 nurseries registered on the Oh Lila website.
- 10 editions of eFocus newsletter disseminated to around 1,500 contacts each month plus a dedicated Global Alcohol Policy Conference (GAPC) newsletter.
- 23 interviews in the broadcast media, and comments in 137 print/online media articles plus an additional 30 dedicated articles covering the GAPC.
- Rory, Oh Lila and Working with Children Using Our Resources training delivered to 362 practitioners working in family support agencies, nursery and primary schools.
- Publication of Alcohol Truth pilot project evaluation report.
- Launch of the ADAM website. Subsequently visited 882 times.
- Launch of CHAT pilots in service provision and prison settings.
- New alcohol awareness training delivered to 135 participants.
- Four Knowledge Exchange events attended by representatives from 12 local Alcohol and Drug Partnerships.
- Appointment of new AFS Chief Executive from December 2015.

Future Plans

A process was undertaken to develop a new strategic plan for the period 2016 - 19.

AFS continues to make a unique contribution to preventing alcohol harm in Scotland by promoting effective and cost-effective action to reduce consumption. The new strategic plan is an evolution of the preceding plan. It places more explicit emphasis on preventing - as well as reducing - harm, as this is more effective. It continues to focus on actions to tackle price, availability and marketing, in line with the international evidence base. AFS will continue work in close collaboration with partners to promote action and sharing of good practice at local, UK, European and global level.

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Directors' Annual Report for the year ended 31 March 2016

AFS's new strategic priorities for 2016-2019 are:

- **Effective policy and implementation:** Encouraging the development and implementation of effective alcohol policies at local, national and international level by identifying and sharing evidence and good practice.
- **Increase price:** Broadening understanding of, and support for, minimum unit pricing as well as for complementary tax increases at UK level.
- **Control sales:** Encouraging controls on where, when and how alcohol is sold. Ensuring the effective implementation of licensing legislation by supporting licensing boards and forums to promote the licensing objectives.
- **Restrict marketing:** Encouraging controls on the scale and extent of alcohol advertising and sponsorship, in particular protecting children from exposure to alcohol marketing.
- **My drinking:** Helping people understand and make informed decisions about their drinking by ensuring access to the best independent information on the health risks and the impact on others.
- **Harm to others:** Increasing understanding of the wide impact of others' drinking on children, families, colleagues, public services and the economy and they best ways to reduce this. Improve identification and support for those affected.

Key activities planned in the forthcoming year in line with the strategic priorities include: release of a survey on alcohol prices to demonstrate how cheaply alcohol is sold in Scotland; delivery of four regional licensing events to bring licensing stakeholders together to review progress and identify support needs going forward; and publication of a report and recommendations on restricting alcohol marketing to children and young people in Scotland. AFS will adopt more of a project management approach to delivery going forward.

FINANCIAL REVIEW

AFS generated a surplus of £13,125 on its unrestricted funds for the year ended 31st March 2016.

In October 2015, Alcohol Focus Scotland and the Global Alcohol Policy Alliance (GAPA) co-hosted the GAPC international conference in Edinburgh. This generated a total income of £213,913 of which £75,000 in grant & sponsorship funding was received in 2014/15. The total cost of the event was £221,306. The shortfall of £7,393 was funded by AFS as part of its agreed contribution to the event. Due to the success of the event, AFS's financial contribution to cover the shortfall was considerably less than originally expected.

The principal sources of funding were from the core grant of £472,000 provided by the Scottish Government, £59,200 for the Whole Population Approach project funded by the Scottish Government, £143,945 from training & materials and £48,191 from grants, donations and miscellaneous income, of which £20,750 was restricted funding.

Alcohol Focus Scotland

Directors' Annual Report for the year ended 31 March 2016

The core grant underpins all that the charity does and supports all of its strategic objectives. The Scottish Government is continuing to fund a post to provide information and support to Alcohol & Drug Partnerships across Scotland to assist them in the development and implementation of population-level policies and interventions to tackle alcohol harm. The income generated from training activities and small grant funding have enabled AFS to produce resources to support best practice and to provide new learning and development opportunities.

Financial risk management

The principal risks facing the charity revolve around any future potential reduction in core grant funding and any lack of success in securing grant funding for projects. The other principal risk lies in any potential drop off in demand for the various training services provided. The organisation has a clear strategy for managing these risks.

By focusing on delivering on its work programmes and the monitoring and reporting on the outcomes as required by funders, AFS is able to demonstrate both value for money and attainment of its stated objectives to its key funders. Training services are also monitored on a regular basis to allow timely remedial action to be taken if required. In addition, the training product is being constantly enhanced and developed to ensure it is current and relevant to meeting the needs of customers. Training services are supported by appropriate marketing activity when required.

Contingencies are built in to the annual budget to help absorb any potential income shortfall that may arise. Should that not be sufficient, then the free reserves are available to provide the necessary cushion until replacement funding can be secured.

Reserves policy

The Board assesses its reserves requirement in terms of the financial risks facing the organisation as a going concern. This takes into account the level of dependency on major funders and the time scale that might be required to replace some of that income. In the current environment, a two year timeframe is considered appropriate. The volatility risk relating to training income and the risk of unexpected expenditure are also factored into the assessment. The adequacy of the reserves will be reviewed annually as part of the annual financial planning and budget process and modified accordingly.

In order to protect the organisation against the current assessed risk of loss of income and unexpected expenditure, AFS has calculated that it needs to hold reserves in the range of £175,000 - £190,000. As the actual free reserves of £194,611 stand only slightly above the high end of the range, no specific action on the disposal of excess reserves is deemed necessary at this time.

Investment policy

The Board aims to maximise total investment return whilst minimising risk through investing funds not immediately required in such investments, securities or property as may be considered appropriate.

Funds

At the end of the financial year, total funds held were £485,861. Of this, unrestricted funds amounted to £469,611 and restricted funds accounted for the remaining £16,250.

Alcohol Focus Scotland
Directors' Annual Report
for the year ended 31 March 2016

Restricted Funds

Successful appeals were made to various trusts to support the development of CHAT4parents. Funds amounting to £16,250 as at 31st March 2016 are expected to be spent in 2016/17.

Designated Funds

The trustees have earmarked £30,000 for research & development work to support its strategic objectives. This fund is expected to be spent over the next two years. The unrestricted funds also include £245,000 which could only be made available through the disposal of property.

Free reserves

AFS has free reserves of £194,611 at the 31st March 2016 after allowing for the designated funds.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Trustees (who are also Directors of Alcohol Focus Scotland for the purposes of company 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 that period. 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;
- 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 proper 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. 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.

Alcohol Focus Scotland
Directors' Annual Report
for the year ended 31 March 2016

In so far as the Directors are aware:

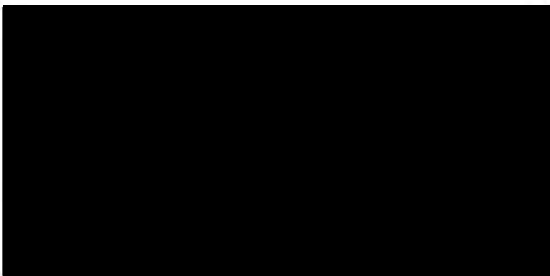
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution proposing that Alexander Sloan, Chartered Accountants, be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

This report was approved by the Directors on 7 September 2016 and signed on their behalf by



Alcohol Focus Scotland

Independent Auditor's Report to the Directors of Alcohol Focus Scotland

We have audited the financial statements of Alcohol Focus Scotland for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 102 (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Directors, 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. Our audit work has been undertaken so that we might state to the members and the charity's Directors those matters we are required to state to them in an auditors' 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 in the Directors' Annual Report), the Directors (who are also the Trustees of the charity for the purposes of charity law) 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 [APB's] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently 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 2016 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).

Alcohol Focus Scotland

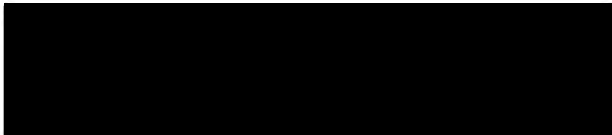
Independent Auditor's Report to the Directors of Alcohol Focus Scotland (continued)

Matters on which we are required to report by exception

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 information given in the Directors' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and take advantage of the small companies exemption in preparing the Strategic Report.

We have nothing to report in respect of these matters.



for and on behalf of

**Alexander Sloan
Chartered Accountants and
Statutory Auditor**

Date: 7/9/16

**38 Cadogan Street
Glasgow
G2 7HF**

Alexander Sloan is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Alcohol Focus Scotland
Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 March 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Income and endowments from:					
Donations and legacies	2	477,274	102,117	579,391	690,460
Charitable activities	3	266,553	-	266,553	312,200
Investment income	5	986	-	986	1,151
Total income		<u>744,813</u>	<u>102,117</u>	<u>846,930</u>	<u>1,003,811</u>
Expenditure on:					
Raising funds	6	(31,497)	-	(31,497)	(45,522)
Charitable activities	7	(700,191)	(130,867)	(831,058)	(991,917)
Total expenditure		<u>(731,688)</u>	<u>(130,867)</u>	<u>(862,555)</u>	<u>(1,037,439)</u>
Net movement in funds		13,125	(28,750)	(15,625)	(33,628)
Reconciliation of funds					
Total funds brought forward		<u>456,486</u>	45,000	<u>501,486</u>	<u>535,114</u>
Total funds carried forward		<u>469,611</u>	<u>16,250</u>	<u>485,861</u>	<u>501,486</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

Alcohol Focus Scotland

**Balance Sheet
as at 31 March 2016**

	Notes	2016	2015
		£	£
Fixed assets			
Tangible assets	16	245,000	250,000
Current assets			
Stocks		13,762	7,200
Debtors	17	25,566	49,040
Investments	18	102,622	101,940
Cash at bank and in hand		182,011	227,214
		<u>323,961</u>	<u>385,394</u>
Creditors: amounts falling due within one year	19	<u>(83,100)</u>	<u>(133,908)</u>
Net current assets		<u>240,861</u>	<u>251,486</u>
Net assets		<u>485,861</u>	<u>501,486</u>
Funds			
Unrestricted funds			
General funds	22	469,611	456,486
Restricted funds	23	16,250	45,000
		<u>485,861</u>	<u>501,486</u>

The financial statements were approved and authorised for issue by the Directors on 7 September 2016 and signed on their behalf by



Registered number: SC094096

The notes on pages 16 to 29 form an integral part of these financial statements.

Alcohol Focus Scotland

Cash Flow Statement for the year ended 31 March 2016

	Notes	2016 £	2015 £
Reconciliation of net income/(expenditure) to net cashflow from operating activities			
Net income/(expenditure) (per the statement of financial activities)		(15,625)	(33,628)
Depreciation		5,000	90,550
Dividends, interest and rents from investments		(986)	(1,151)
(Increase)/ Decrease in current asset investment		(682)	5,825
(Increase) in stocks		(6,562)	(554)
Decrease in debtors		23,474	27,373
(Decrease) in creditors		<u>(50,808)</u>	<u>(143,188)</u>
Net cash provided by/(used in) operating activities		<u>(46,189)</u>	<u>(54,773)</u>
 Cash flow statement			
Net cash inflow from operating activities		(46,189)	(54,773)
Cash flows from investing activities:			
Dividends, interest and rents from investments		<u>986</u>	<u>1,151</u>
Net cash provided by/(used in) investing activities		<u>986</u>	<u>1,151</u>
Change in cash and cash equivalents in the reporting period			
		(45,203)	(53,622)
Cash and cash equivalents at the beginning of the reporting period			
		227,214	280,836
Cash and cash equivalents at the end of the reporting period			
	25	<u>182,011</u>	<u>227,214</u>

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant Notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Accounts in accordance with Financial Reporting Standard 102 (effective January 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2. Fund accounting

Funds are classified as either restricted funds or unrestricted funds, defined as follows.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the directors for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the director's discretion to apply the fund.

1.3. Income

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.

1.4. Donations and legacies

Donations are recognised when the charity has evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Entitlement usually arises immediately upon receipt, however, in the event that a donation 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.

Legacy gifts must be recognised when it is probable that it will be received. This is normally following the granting of confirmation, when the administrator/executor of the estate has communicated in writing both the amount and settlement date and any conditions attached to the legacy are wither within the control of the charity or have been met. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

1.5. Grants receivable

Income from government and other grants, whether 'capital' or 'revenue' in nature, are recognised when the charity has unconditional entitlement to the funds, it is probable that the income will be received, the amount can be measured reliably. Unconditional entitlement will be achieved once any performance or other conditions attached to the grants have been met, or fulfilment of those conditions is wholly within the control of the charity.

Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

1.6. Charitable Activities

Income from charitable activities includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Income from charitable activities is recognised as earned (as the related goods or services are provided).

1.7. Other trading activities

Income from other trading activities includes income earned from both trading activities to raise funds for the charity and income from fundraising events and is recognised when the charity has entitlement to the funds, it is probable that these will be received and the amounts can be measured reliably.

1.8. Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.9. Other income

Other income represents income that cannot be reported under the other analysis headings provided within the Statement of Financial Activities and is recognised when the charity is entitled to the income, it is probable that it will be received and the amount can be measured reliably by the charity.

1.10. Expenditure

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 or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

1.11. Raising Funds

Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It includes the costs of all fundraising activities and events together with those costs incurred in seeking donations, grants and legacies and investment management costs.

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

1.12. Charitable Activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

1.13. Grant expenditure

Grants payable are made to third parties in the furtherance of the charitable objects. The award of a grant is recognised as a liability only when the criteria for a constructive obligation are met, payment is probable, it can be measured reliably and there are no conditions attaching to its payment that limit recognition.

In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity.

1.14. Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

1.15. Other expenditure

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities and is recognised when it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1.16. Support costs

Support costs are incurred supporting the charity's activities and include expenditure associated with administrative and finance functions, business support, HR, IT and governance. These support functions are shared across the charity's activities and are apportioned across those activities in order to arrive at the full cost for each reported activity. The method of apportionment adopted by the charity are outlined in the notes to the financial statements.

1.17. Governance costs

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

1.18. Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

1.19. Pensions

Defined Contribution Scheme

Contributions payable to the company's pension scheme are charged to the income and expenditure account in the period to which they relate.

1.20. Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions are not capitalised.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold properties	-	2% straight line
Fixtures, fittings and equipment	-	20% straight line

1.21. Stock

Stock is included at the lower of cost or net realisable value after due regard for obsolete or slow moving stock.

1.22. Deferred income

Grant income is deferred where the grant is subject to performance-related conditions and is received in advance of delivering services required. Where grant income is deferred it is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related conditions that limit recognition are met.

1.23. Provisions

Provisions are recognised where there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the benefit, however the amount or timing of the settlement is uncertain. Provisions for liabilities are measured at the best estimate of their settlement amount. If the settlement date is likely to be more than 12 months from the reporting date and the time value of money is material to the settlement amount, then the provision is discounted to its present value at the balance sheet date.

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

2. Donations and legacies

	2016	2015
	£	£
Donations	107,391	218,460
Scottish Government - Core grant	472,000	472,000
	<u>579,391</u>	<u>690,460</u>

3. Charitable activities

	2016	2015
	£	£
Training and other fees	99,546	239,219
Conference GAPC fees	116,446	13,930
Sales of publications	44,399	56,684
Other income from charitable activities	6,162	2,367
	<u>266,553</u>	<u>312,200</u>

4. Analysis of income from charitable activity

	2016	2015
Activity or Programme	Total	Total
	£	£
Learning and Development	146,145	299,616
Communication and Information	83,669	8,511
Policy, Research and Advocacy	36,739	4,073
	<u>266,553</u>	<u>312,200</u>

5. Investment income

	2016	2015
	£	£
Bank interest	986	1,151
	<u>986</u>	<u>1,151</u>

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

6. Raising Funds

	2016	2015
	£	£
Wages and salaries	17,202	27,148
Employer's NI contributions	1,725	2,156
Staff pension costs	767	1,210
Fundraising costs	11,603	14,842
Depreciation	200	166
	31,497	45,522

7. Costs of charitable activities

	2016	2015
	£	£
Staff costs	397,907	435,601
Premises costs	23,675	39,539
Running costs	334,607	344,119
Legal and professional fees	9,698	9,357
Interest and finance charges	1,039	1,212
Depreciation	4,400	90,152
Governance Costs	59,732	71,937
	831,058	991,917

8. Analysis of costs of charitable activities by fund type

	Unrestricted funds	Restricted funds	2016 Total	2015 Total
	£	£	£	£
Learning and Development	242,393	32,260	274,653	494,979
Policy, Research and Advocacy	289,294	69,617	358,911	271,452
Communications and Information	168,504	28,990	197,494	225,486
	700,191	130,867	831,058	991,917

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

9. Analysis of charitable expenditure by activity

Activity or Programme	Activities undertaken directly £	Support costs £	2016 Total £	2015 Total £
Learning and Development	236,448	38,205	274,653	494,979
Policy, Research and Advocacy	305,194	53,717	358,911	271,452
Communications and Information	166,962	30,532	197,494	225,486
	<u>708,604</u>	<u>122,454</u>	<u>831,058</u>	<u>991,917</u>

10. Analysis of support costs by charitable activity

Activity or programme	Premises costs £	Other £	2016 Total £	2015 Total £
Learning and Development	9,416	28,789	38,205	100,692
Policy, Research and Advocacy	8,340	45,377	53,717	65,669
Communications and Information	5,919	24,613	30,532	62,769
	<u>23,675</u>	<u>98,779</u>	<u>122,454</u>	<u>229,130</u>

Support costs are allocated to activities based on the proportion of staff time spent on these activities.

11 Auditor's Remuneration

	2016 £	2015 £
Statutory audit	7,105	7,005
	<u>7,105</u>	<u>7,005</u>

12. Net income/(expenditure) for the year

	2016 £	2015 £
Net income is stated after charging:		
Depreciation and other amounts written off tangible assets	5,000	90,550
Auditors' remuneration	7,105	7,005
	<u>12,105</u>	<u>97,555</u>

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

13. Employees

Number of employees

The number of employees during the year were:	2016 Number	2015
Learning and Development	6	7
Policy, Research and Advocacy	4	4
Communications and Information	3	5
	<u>13</u>	<u>16</u>

Employment costs

	2016	2015
Wages and salaries	407,775	452,939
Social security costs	35,787	41,964
Other pension costs	16,598	15,304
	<u>460,160</u>	<u>510,207</u>

The remuneration of the Senior Management Team during the year was:	2016 £	2015 £
Wages and salaries	169,984	198,357
Social security costs	17,568	20,235
Other pension costs	8,770	10,388
	<u>196,322</u>	<u>228,980</u>

14. Directors' emoluments

No member of the Board received remuneration for their services to the Board, however, out of pocket expenses totalling £967 were reimbursed to nine members of the Board (2015 - £928 was reimbursed to eight members of the Board).

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

15. Pension costs

Defined contribution scheme

Alcohol Focus Scotland operates a defined contribution scheme in respect of its employees, the assets of which are held separately from those of the company. The company made contributions of £16,598 (2015 - £17,197) to the scheme during the year. Contributions totalling £2,861 (2015 - £2,691) were outstanding at the year end.

16. Tangible fixed assets	Freehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2015	250,000	33,393	36,557	319,950
At 31 March 2016	250,000	33,393	36,557	319,950
Depreciation				
At 1 April 2015	-	33,393	36,557	69,950
At 31 March 2016	5,000	33,393	36,557	74,950
Net book values				
At 31 March 2016	245,000	-	-	245,000
At 31 March 2015	250,000	-	-	250,000

17. Debtors	2016 £	2015 £
Trade debtors	11,368	29,276
Other debtors	14,198	19,764
	<u>25,566</u>	<u>49,040</u>

18. Current asset investments	2016 £	2015 £
Other unlisted investments	<u>102,622</u>	<u>101,940</u>

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**Notes to the Financial Statements
for the year ended 31 March 2016**

19. Creditors: amounts falling due within one year	2016	2015
	£	£
Pension fund liability	-	43,333
Trade creditors	18,332	16,803
Other taxes and social security costs	17,922	14,306
Other creditors	4,058	5,544
Accruals and deferred income	42,788	53,922
	<u>83,100</u>	<u>133,908</u>

20. Deferred income

"Accruals and deferred income" in Note 19 contains the following deferred income:

	1 Apr '15	Receipts in year	Released in year	31 Mar '16
	£	£	£	£
Grants, training and conference fees	24,222	11,164	24,222	11,164
	<u>24,222</u>	<u>11,164</u>	<u>24,222</u>	<u>11,164</u>

21. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 March 2016 as represented by:			
Tangible fixed assets	245,000	-	245,000
Current assets	307,711	16,250	323,961
Current liabilities	(83,100)	-	(83,100)
	<u>469,611</u>	<u>16,250</u>	<u>485,861</u>

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

22. Unrestricted General Funds

	1 Apr '15	Income	Expenditure	Transfers	31 Mar '16
	£	£	£	£	£
Capital Fund	250,000	-	(5,000)	-	245,000
Capital Replacement Fund	50,000	-	-	(50,000)	-
Training (formerly ServeWise)	50,000	-	-	(50,000)	-
General Funds	149,821	744,813	(726,688)	26,665	194,611
Pension Fund	(43,335)	-	-	43,335	-
Designated Research and Development Fund	-	-	-	30,000	30,000
	<u>456,486</u>	<u>744,813</u>	<u>(731,688)</u>	<u>-</u>	<u>469,611</u>

Purposes of General Funds

Capital Fund

The Capital Fund has been renamed as a Designated Property Asset Fund and reflects the written down value of the heritable property. As the property is not readily realisable, this fund can only be made available through the disposal of the property.

Capital Replacement Fund

This fund is no longer required and has been subsumed within the General Fund.

Training (formerly ServeWise)

This fund is no longer required and has been subsumed within the General Fund.

General Funds

The General Funds represent the unrestricted funds the charity is free to use in accordance with its charitable objectives.

Pension Fund

Following the retiral of the last contributing member of the Strathclyde Pension Fund in 2010, the charity withdrew from the pension scheme. The liability was crystallised in 2010 at a value of £260,000 and it was negotiated that it would be paid over a six year period. The last payment was made in January 2016.

Designated Research and Development Fund

A £30,000 fund has been created for research & development work to support the organisation's strategic objectives. This fund is expected to be spent over the next two years. This designated fund was created from that part of the unrestricted reserves which the directors considered to be in excess of requirements.

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

23. Restricted funds

	1 Apr '15	Income	Expenditure	31 Mar '16
	£	£	£	£
CHAT and CHAT 4 Parents	10,000	20,750	(14,500)	16,250
Whole Population Approach Project	-	59,200	(59,200)	-
GAPC 2015 Conference	35,000	22,167	(57,167)	-
	<u>45,000</u>	<u>102,117</u>	<u>(130,867)</u>	<u>16,250</u>

Purposes of restricted funds

CHAT 4 Parents

CHAT 4 Parents is a unique and completely confidential online resource being developed by AFS that will give parents a space to sensitively explore and understand the impact that their drinking may be having on those closest to them. The resource will consist of an anonymous self-assessment questionnaire to help the parent/carer consider if their drinking is having an impact on their family, as well as providing information, including real-life stories and case studies, advice on how to minimise the risk of alcohol-harm to their child and finally signposting information of where to get help. Currently there is a lack of easily accessible information, advice, and guidance available to parents/carers who have concerns about how alcohol is affecting their family. This new resource will be invaluable in helping concerned parents/carers take the first step towards improving their family's situation, develop coping strategies, and get professional help if required.

CHAT

The development of the new resource CHAT (Children Harmed by Alcohol Toolkit) for 5-12 years was completed, piloted and evaluated during the year. Following the successful launch of CHAT, training and materials are now widely available for practitioners in specialist services working with children and families.

Whole Population Approach Project

The Scottish Government is continuing to fund a post to provide information and support to Alcohol and Drug Partnerships across Scotland to assist them in the development and implementation of population-level policies and interventions to tackle alcohol related harm. The post is closely linked with the National Delivery Support Team based at the Scottish Government.

GAPC 2015 Conference

This international conference was held in Scotland on 7 - 9 October 2015. All expenditure relating to the restricted funds received during the previous financial year was spent during the period leading up to the conference and there was no residual expenditure relating to the conference outstanding at 31 March 2016.

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

24. Analysis of transfers between funds

	Unrestricted funds	Designated funds
	£	£
Transfers made during the year ended 31 March 2016 were as follows:		
Transfer from Unrestricted Funds to Designated Funds	(30,000)	30,000
Transfer from Capital Funds to Unrestricted Funds	50,000	(50,000)
Transfer from Training Funds to Unrestricted Funds	50,000	(50,000)
Transfer from Unrestricted Funds to Pension Funds	(43,335)	43,335
	26,665	(26,665)
	26,665	(26,665)

25. Analysis of changes in net funds

	Closing balance
	£
Cash at bank and in hand	182,011
Liquid resources	102,622
Total cash and cash equivalents	284,633

26. Transition to FRS 102 SORP 2015

Due to the application of the Financial Reporting Standard 102 and the related Statement of Recommended Practice: Accounting and Reporting by Charities, the prior year figures have been restated to reflect the required reporting categories. This has resulted in Governance Costs being reclassified within the costs of Charitable Activities. There has been no change to the previously reported surplus or closing reserves.

Alcohol Focus Scotland

Notes to the Financial Statements for the year ended 31 March 2016

27. Statement of Financial Activities for the year ended 31 March 2015

	Unrestricted funds £	Restricted funds £	2015 Total £
Income and endowments from:			
Donations and legacies	555,130	135,330	690,460
Charitable activities	312,200	-	312,200
Investment income	1,151	-	1,151
Total income	868,481	135,330	1,003,811
Expenditure on:			
Raising funds	(45,522)	-	(45,522)
Charitable activities	(880,758)	(111,159)	(991,917)
Total expenditure	(926,280)	(111,159)	(1,037,439)
Net income/(expenditure)	(57,799)	24,171	(33,628)
Reconciliation of funds			
Total funds brought forward	514,285	20,829	535,114
Total funds carried forward	456,486	45,000	501,486

Alcohol Focus Scotland
Schedule of Expenditure
for the year ended 31 March 2016

	2016		2015	
	£	£	£	£
Expenditure				
Costs of Raising Funds				
Wages and salaries	17,202		27,148	
Employer's NI contributions	1,725		2,156	
Staff pension costs	767		1,210	
Fundraising costs	11,603		14,842	
Depreciation	200		166	
		31,497		45,522
Charitable activities				
<i>Staff costs</i>				
Wages and salaries	353,217		384,913	
Employer's NI contributions	30,613		36,594	
Staff pension costs	14,077		14,094	
		397,907		435,601
<i>Premises costs</i>				
Rates	472		567	
Insurance	3,339		3,221	
Heat and light	3,167		2,260	
Cleaning	2,304		2,339	
Property repairs	14,393		31,152	
		23,675		39,539
<i>Running costs</i>				
Recruitment costs	6,391		350	
Staff training	7,275		10,617	
Staff travel	7,406		8,662	
Printing, postage and stationery	5,225		7,661	
Advertising	3,594		12,191	
Telephone	3,526		3,556	
Computer costs	18,627		23,995	
Irrecoverable VAT	42,023		30,474	
Conferences	154,463		58,436	
Resource development	-		12,925	
Education & training	59,678		139,466	
Services development	7,286		-	
Research, monitoring & development	13,550		28,260	
General expenses	1,711		2,744	
Subscriptions	3,852		4,782	
		334,607		344,119
<i>Legal and professional costs</i>				
Legal and professional	9,698		9,357	

Alcohol Focus Scotland

Schedule of Expenditure for the year ended 31 March 2016

	2016		2015	
	£	£	£	£
<i>Finance costs</i>		9,698		9,357
Interest payable	1,039		1,212	
		1,039		1,212
<i>Depreciation and Gains/Losses</i>				
Impairment on heritable property	-		87,241	
Depreciation	4,400		2,911	
		4,400		90,152
<i>Governance Costs</i>				
Wages and salaries	37,356		40,878	
Employers' NI contributions	3,449		3,214	
Staff pension costs	1,754		1,893	
Premises costs	2,152		3,145	
Administrative costs	5,258		12,998	
Office support costs	2,258		2,572	
Depreciation	400		232	
Audit	7,105		7,005	
		59,732		71,937
Total of charitable activity expenditure		831,058		991,917
Total expenditure		862,555		1,037,439

