

Charity Registration No. 1087685

Company Registration No. 4206135 (England and Wales)

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

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WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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) (effective 1 January 2019)".

During the year, the organisation was significantly affected, as were many others, by the Coronavirus (Covid-19) pandemic. Our initial plan in response to the lockdown restrictions imposed on 23 March, 2020 was to ensure our staff and service users were provided with detailed information to keep themselves safe. We implemented home working for the majority of staff, providing the required IT and mobile technology to facilitate this for employees normally office based, to continue to support the service users on their caseloads. We continued to deliver our needle and syringe service at all locations, whilst adhering to the safety guidelines for our staff and service users. This service was delivered on rota, taking into consideration the self-isolation requirements for staff with underlying conditions and those who were in the shielding category. The Engagement Outreach service and the Floating Support service continued in Neath Port Talbot, working with housing partners, to ensure our homeless population were securely and safely accommodated in B&B provision in accordance with the self-isolation and lockdown regulations. We worked with our commissioners to agree our plan of action and were in weekly communication with the Welsh Government Substance Misuse Branch, who provided assurance that funding would remain constant. We are pleased to report that we did not need to access the furlough scheme.

Objectives and activities

Our charity's aims as set out in the objects contained in the company's memorandum of association are to:

'Reduce, treat and prevent the harm caused by dependency and addiction to individuals, their families and the wider community including interventions to reduce harm in the criminal justice system'.

Our values are:

- **Integrity:** We conduct ourselves with fairness, respect and honesty in all our affairs.
- **Accountability:** We are accountable to service users, communities and commissioners and are transparent in all our activities.
- **Team Culture:** We collaborate with and support each other to attain excellent individual and team performance through continuous professional development.
- **Creativity:** We are open to new ideas and finding innovative solutions to the challenges that face our commissioners, our service users and ourselves.
- **Partnership:** We work in partnership with our stakeholders, service users, other agencies and the community to achieve the best possible outcomes.
- **Best Practice:** We deliver best practice quality services through our excellent staff that welcome constructive feedback and display a 'can do' attitude.
- **Diversity:** We provide equality of access to all people in the communities we serve and we challenge discrimination in all its forms.

Our values underpin how we approach our work to reduce and prevent the harms caused by alcohol, drug and other dependencies within Wales, support families and educate people about the risks involved in the use of alcohol, drugs and other addictions.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Ensuring our work delivers our aims

In order to achieve these aims we deliver the following activities and services for substance users, their families and the wider community to '*Inspire Change ~ Achieve Potential*':

- Information & Advice (including telephone support, crisis intervention, overdose awareness to prevent drug related overdose and death, including Naloxone/Prenoxad Training and Distribution)
- Needle and Syringe Programme
- Assessment, Care Planning and Case Co-ordination
- Health Promotion (Blood Borne Virus/Safe Sex information)
- Harm Reduction
- Detoxification Support – Hospital and Community
- Group Programmes: Education and Awareness
- Therapeutic Treatment Programmes: Pre-Treatment, 12-Step Minnesota Model Abstinence and Aftercare, and Moving on in my Recovery (a Peer-Led Programme)
- Structured Counselling
- DYFODOL Substance Misuse Services in the Welsh Public Prisons (HMP Swansea, Cardiff, Usk and Prescoed)
- SWITCH, Young Person's Service (Neath Port Talbot and Bridgend)
- Specialist Substance Misuse Service at Hillside Secure Children's Home
- Specialist Substance Misuse Service at the Youth Justice Service (Neath Port Talbot and Bridgend)
- Women & Families Services (Swansea and Neath Port Talbot)
- Older and Disabled Person's Service (Neath Port Talbot and Bridgend)
- Family and Significant Others Support and Counselling
- Community Support and Outreach
- Relapse Prevention
- DOMINO Diversionary Activities Project
- Change Step Next Steps Veterans Mentoring Support Service
- Drink Wise Age Well
- Cyfle Cymru Out-of-Work Service, Welsh Government commissioned Wales wide ESF project providing mentoring, training, volunteering and employment opportunities
- Neath Port Talbot Engagement Outreach Service
- Neath Port Talbot Floating Support Service
- Training for Professionals, Staff, Volunteers and Service Users
- Student Placements for Social Workers

Public benefit

In developing strategies for the charity to promote its objectives, the Board had due regard to the Charity Commission's guidance in respect of public benefit requirements. The main activities undertaken to further the charity's purposes for the public benefit are detailed throughout the report.

Achievements and performance

Effectiveness – Individuals and Families

We deliver a wide range of recovery interventions for individuals and their families. In a year, we would usually work with around 18,000 individuals across our geographical areas in the community, educational establishments and custodial environments, but due to the Covid-19 pandemic, this number was considerably less, e.g. we were unable to deliver our programme in schools due to the closure of educational establishments. We are proud to report we were able to support a significant number of people and their family members to improve outcomes and can report the following:

- Adults Services = 776
- Outreach Engagement Service = 74
- Family Services = 220 (Parental Substance Misuse = 119/Family and Significant Others = 101)
- SWITCH Young Persons Service = 1,009 (significantly lower due to the pandemic impact on schools)
- Youth Justice Service and Hillside Substance Misuse Service = 108
- Needle and Syringe Programme = 1,002 unique individuals/2,761 transactions

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- DYFODOL Prison Substance Misuse Service = 3,222 (Pandemic impact on reduced movements)
- DOMINO Diversionary Activities Project = (Activities suspended due to pandemic, worker support adult services)
- Change Step = 38
- Cyfle Cymru Out-of-Work Service = 578
- Floating Support = 44

We are delighted to witness the changes in individuals as they travel along their recovery journey, through our harm minimisation interventions, community outreach and engagement services, working with families in their own homes and engaging people in the DOMINO Project to make productive use of time learning new skills or re-learning skills or interests lost. The Cyfle Cymru European Funded project moved into its fifth year in September and significant outcomes are being achieved by participants on this project as they acquire new skills through training and achieve volunteering and employment outcomes. We motivate and encourage, support and enthuse, generating hope that change is possible through therapeutic interventions such as our 12-Step Minnesota Model abstinence treatment programme. Many individuals completing this programme make significant positive changes that are enduring.

Our services have been disrupted during the Covid-19 pandemic, with many staff working from home. Our initial contingency plan was no face-to-face interventions, apart from needle exchange and engagement outreach. All staff were provided with comprehensive guidance on procedures, including PPE requirements for the different elements of the work. Staff working from home, due to shielding or underlying conditions, were provided with the required equipment to continue supporting our service users, either by telephone, text or online, depending on the service user's preference. A service user survey was implemented to seek the views of service users on the support they received during the pandemic and the findings were positive, with an average score of 9 given (0 = poor/10 = excellent) on the service received. During the year, we began to slowly open up face-to-face services again whilst adhering to the social distancing guidelines, having to source alternative accommodation to deliver our 12-Step group programme to safely continue this therapeutic work. We were also guided by our prison colleagues with arrangements for face-to-face work with the men in custody. DOMINO diversionary activities were curtailed due to the Welsh Government Covid-19 guidelines, however, we continued to support participants online on an individual and group activity basis.

Effectiveness – communities

We deliver the following services that are designed with safer communities in mind:

DOMINO Therapeutic Recreation; DYFODOL Substance Misuse Services in partnership with G4S as lead and Kaleidoscope that contribute to reducing reoffending, Youth Justice substance misuse services, a specialist substance misuse service at Hillside Secure Children's Home and our work with the National Probation Service. Our work extends to our communities, working in partnership with a range of statutory and other third sector organisations to improve outcomes for families affected by substance misuse. We have successfully delivered in collaboration with DACW partners and Addaction (now 'We are with You'), the UK-wide Drink Wise Age Well Project that brought £4 million from the Big Lottery Fund to raise awareness of alcohol in people over 50 in Wales, a project that was completed on 31 March 2020. This project was a community wide initiative, the outcomes of which will be utilised to inform policy, raise awareness of the consequences of alcohol as we age, deliver training to staff working in the community and provide interventions for older individuals who would not ordinarily have accessed services. We were fortunate that all the Drink Wise Age Well roadshows across Wales were completed by the week before the first lockdown, however, the legacy training was cancelled due to the pandemic. This was completed electronically during February 2021 across the seven regions of Wales.

We strive to raise awareness of and reduce the stigma associated with substance misuse to build positive and effective relationships with the communities we serve. This can be evidenced by the successful achievements of our service users as they make significant changes in their lives, improve family relationships and social networks and begin to make a valuable contribution to their communities and the economy in Wales.

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Our prison work was significantly affected by the pandemic, with all contact with prisoners curtailed. We worked closely with each establishment during 2020-2021 to resume services under the guidance of the Ministry of Justice and prison Governors. Our specialist service in Hillside was also affected as our worker was initially instructed to work from home and later joined a service rota.

Key service developments

Welsh Centre for Action on Dependency and Addiction Limited (WCADA) is one of the leading recovery organisations in Wales, playing a pivotal role in the development and delivery of effective treatment for individuals affected by substance misuse.

Notable activities during the year: Neath Port Talbot Substance Misuse Housing Support, a pilot project providing intensive peripatetic housing related support services for adults with alcohol and/or drug use issues. It is funded through the Housing Support Grant in partnership with Neath Port Talbot County Borough Council. The service works closely with street homeless, those vulnerably housed and the Neath Port Talbot Street Vulnerability MARAC (Multi Agency Risk Assessment Conference). The pilot project commenced on 1.04.2020, with an option to extend for up to 12 months. The service has worked above its contracted units (16) due to the pandemic and supporting those temporarily housed in hotels and B&B's, providing 22 units of support.

Our priority is the continuing effective and efficient delivery of all our services and contracts.

The Critical Incident Group, initiated in 2018 by the Joint Public Service Boards in Swansea and Neath Port Talbot in response to increases in drug related death, severe infections in injecting drug users and disrupting 'County Lines', continued into 2019-2020. An outcome of the Critical Incident Group was the implementation of an outreach engagement service to be piloted for six months from February 2019, in order to reach extremely vulnerable alcohol and drug users who are not engaged in services. The successful outcome of this pilot secured permanent funding to continue delivery. This service has continued during the Covid-19 pandemic and has received a commendation for the excellent support they have provided for our most vulnerable people and successful relationships forged with a range of partners to meet the needs of this client group. We additionally received a Housing Support Grant for an Engagement Outreach Assistant post to enhance the capacity of the Engagement Outreach Service.

Change Step funding from the Armed Forces Covenant Fund Trust was successfully procured by CAIS and our partnership continues. We are extremely grateful to Geraint Jones for his hard work that enables us to continue delivering this invaluable service for two years from 1 April 2019 for our veterans and their families in our area. The mentors have continued to support our veterans by telephone during the lockdown period, with some crisis face-to-face support provided at a social distance. Full face-to-face support was reinstated in line with our Recovery Planning System.

We were fortunate to receive covid relief funds from a range of sources, such as Moondance, Welsh Government SMAF Winter Fund, BAVO (Bridgend Association of Voluntary Organisations), Western Power Distribution, the Festive Fund, Swansea Council, Wales Coronavirus Resilience Fund, and several supermarkets also donated produce to enable us to provide food parcels to the families we support.

Our Health & Safety Officer developed a comprehensive Recovery Planning System that was regularly updated during the year in response to changes in regulations and lifting of restrictions. This has been a critical role that has contributed a great deal to our response to the Coronavirus (Covid-19) pandemic.

We continued our focus on GDPR and ensuring adherence to the legislation and its implementation. An audit was planned towards the end of Q4, however, this was interrupted by the Covid-19 restrictions. We have however, ensured adherence to the regulations with respect to home working and security of information.

All our social events such as our Volunteer Celebration Event, Family Fun Day, Recovery Celebration and Christmas Party for service users and their families had to be cancelled due to the pandemic, the first year this has happened. We are very much looking forward to the time we are able to hold these events once again.

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We are extremely proud of our achievement of the Investors in People Silver Award and the PQASSO Quality Mark at Level 1 and continue to monitor our performance against these standards. PQASSO/Trusted Charity Mark is the Practical Quality Assurance System for Small Organisations, a quality assurance system that helps management to run an organisation effectively and efficiently. It has 91 indicators under 11 quality areas: Governance; Planning; Leadership and management; User-centred Service; Managing People; Learning and Development; Managing Money; Managing Resources; External Communications; Working with Others and; Assessing Outcomes and Impact.

The year 2020-2021 has been a year of transitions for the WCADA training department due to the pandemic. One of the biggest transitions during the year was moving our training online through mediums of Zoom and MS Teams. WCADA trainers soon learned these new skills and WCADA's training service was reinstated with less printing and transporting of equipment. Previous customers began to tentatively return, core training for staff returned and also the volunteer training course was delivered. One of the most exciting changes was the updating of the WCADA core training strategy that went live during 2020-2021, increasing the number of sessions available to staff.

WCADA trainers also delivered free 'bite-sized' training sessions and due to the new online platforms, we were able to reach across Wales providing sessions such as 'Introduction to Image & Performance Enhancing Drugs' to professionals in Carmarthen and Newport without the consequences of travelling and consequential reduced impact on the environment.

Our reputable volunteer training course resumed and we were able to train two more cohorts of volunteers during this year, meaning that more than 20 new volunteers started providing vital work in supporting our services.

What stayed the same was the consistently high level of feedback received from training participants with 100% of trainees still scoring an 8-10 on recommending WCADA's training provision.

We maintained our Agored Cymru accreditation during the year.

Partnerships

WCADA is committed to delivering the best possible service to our service users. To maintain a high standard of service, we work with others to deliver best possible evidenced based treatment for our service users.

These are just a few services we work closely with:

- In Health: ABMU Health Board, Community Drug and Alcohol Team (CDAT), Community Mental Health Teams (CMHT), CAMHS (Community Adolescent Mental Health Service), GPs and Health Visitors, Hospitals and Psychiatric Units.
- In crime reduction: HMPPS (Her Majesty's Prisons and Probation Service), HMP Prison Service, G4S, the Police, National Probation Service, Women's Aid, Youth Justice Service and Hillside.
- In the community: Local Authority Social Services, Community Safety Partnerships, Citizens Advice Bureau, Housing Providers, Job Centre Plus, Residential Rehabilitation centres and other third sector organisations.

The re-commissioning of our Treatment Service across Swansea and Neath Port Talbot has been delayed due to the pandemic and work involved in the restructuring of services across the region. The Western Bay Area Planning Board has agreed to enter an Alliance Contracting Model that will need a great deal of thought and partnership development prior to re-commissioning.

We are fully committed to working in partnership to achieve the best outcomes for our service users and their families and this can be evidenced by our engagement and contribution to the following working groups:

- Voluntary Sector Substance Misuse Network
- Voluntary Sector Criminal Justice Cymru Network
- DACW Board

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FOR THE YEAR ENDED 31 MARCH 2021

- Cyfle Cymru Executive Board
- Beat the Odds Steering Group
- Cross Party Group on Problematic Gambling in Wales
- Drink Wise Age Well Strategic Partnership
- Drink Wise Age Well Stakeholder Group
- Welsh Government Cyfle Cymru Out of Work Service Supplier Group
- Drug Strategy Committee at HMP Swansea, Cardiff, Prescoed and Usk
- Western Bay Area Planning Board (APB)
- Western Bay APB's Service Providers Forum
- Western Bay APB's Harm Reduction Group
- Western Bay APB's Co-occurring Substance Use and Mental Health Group
- Western Bay APB's Drug Poisoning Task Force
- Neath Port Talbot Multi-Agency Partnership safeguarding Vulnerable Children Meeting
- Cwm Taf Morgannwg APB's Operational Partnership Board
- Cwm Taf Morgannwg APB's Harm Reduction Group
- Cwm Taf Morgannwg APB's Drug Poisoning Group
- Cwm Taf Morgannwg APB's Children and Young People Group
- Cwm Taf Co-occurring Substance Use and Mental Health Group
- Bridgend Youth Justice Management Board
- Bridgend Armed Forces Covenant Group
- Bridgend Town Centre Anti-Social Behaviour Meeting
- Maesteg Anti-Social Behaviour Meeting
- Bridgend Complex Case Panel
- Adferiad Recovery Board
- Service User Groups
- Neath Port Talbot Community Safety Partnership
- Neath Port Talbot Street Vulnerability MARAC
- Neath ASB Group
- Domestic Homicide Review Group
- ISTAM (Information Sharing Targeted Action) Meetings
- Key 3 (Domestic Abuse) Group
- ACE Support Hub Advisory Steering Group

Our involvement in the DACW consortium continues with current membership consisting of Barod, Cais, Hafal, Kaleidoscope, Safer Wales and WCADA. A review of our aims and objectives will be essential for us in preparing for the future, with a key objective of influencing policy on substance use in Wales. Our Chief Executive stepped down as Chair in September 2020, continuing in the Treasurer role. We initiated weekly meetings at the outset of lockdown due to Covid-19, with key Welsh Government Substance Misuse representatives joining us to share information and keep up to date on service delivery and government guidelines. This support from Welsh Government was much appreciated during what has been a difficult year.

We joined Adferiad CIO on 1 April 2019 as a third partner with CAIS and Hafal. This partnership was developed to respond to the needs of people facing a range of co-occurring health conditions and complex social circumstances, people who are seldom seen and seldom heard. Karen Ozzati and Rebecca Hancock (Chief and Deputy Chief Executive, respectively) represent WCADA as trustees on the Adferiad Board. We have developed this partnership through the financial year where complete merger became the focus as the year progressed, meetings moving on-line as with many others during the pandemic. The legal process in preparation for the full merger on 1 April 2021 was facilitated by the international law firm, Allen & Overy, with an intention to merge notice published on 10 December 2020. The support provided by this team of lawyers was invaluable and much appreciated and enabled a smooth transfer on the agreed date as planned.

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Financial review

Risk assessment and management

The trustees have overall responsibility for ensuring that the charity has appropriate systems of control, both financial and operational; for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity; for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The systems of internal control are designed to provide reasonable assurance that:

- The charity is operating efficiently and effectively in the pursuit of its objectives
- Funds are applied in accordance with the intentions of the funder
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the charity or for publication is reliable
- The charity complies with relevant laws and regulations.

They are also designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the trustees
- Regular consideration by the trustees of financial results and variance from budgets
- Delegation of authority and segregation of duties
- A governance programme involving regular visits to all WCADA's services
- Identification and management of risks.

As part of an ongoing overall risk management strategy development process, WCADA continues to review previous risk mapping work to ensure that it has identified and responded to the different types of risk the charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks including the internal control systems in operation. A comprehensive contingency plan and recovery planning system has been developed in response to Covid-19. These documents are updated regularly in response to changes in regulations and guidance.

The trustees are pleased to report that provisions are in place to manage the risks considered being potentially the most major, and as part of an ongoing process the scope and implementation of the new risk management strategy will be reviewed and extended during the coming year. The charity is also taking steps to ensure that business risk management is an integral part of its organisational culture.

The trustees have identified the key risks affecting the charity and have devised various plans to mitigate against the risks noted below:

- Maintenance of leasehold premises at 40 St. James' Crescent, Uplands, Swansea.
- Impact of Covid-19 long term. To mitigate this risk, as yet unknown, innovative practice has been developed to ensure that support continues for all service users currently engaged and for those newly referred into the treatment system. We are expecting increased alcohol issues identified by individuals who are not known to us due to the impact of Covid-19, and restrictions imposed that have negatively affected mental health and increased isolation and loneliness. We have been fortunate to acquire increased funding from a range of sources to support specific Covid-19 outreach work that we have implemented during 2020-2021.
- Implementation of WCCIS (Welsh Community Care Information System) WCCIS is a single information solution supporting the integrated delivery of innovative, person-centred community health and social care. WCCIS will allow local authorities and community health services to share care records and optimise services for citizens across Wales; as required by the Integrated Health and Social Care, Social Services and Well-being (Wales) Act 2014.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

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Principal funding sources

Our core work is delivered for four main local authorities – Neath Port Talbot, Swansea, Bridgend and Rhondda Cynon Taf and is funded by a combination of the Welsh Government SMAPF (Substance Misuse Action Plan Fund) and joint commissioning with the Swansea Bay Health Board, Cwm Taf Morgannwg Health Board and Local Authorities through the APB (Area Planning Boards). We deliver a specialist substance misuse service in the Welsh Public Prisons commissioned by the South Wales Police and Crime Commissioner and HMPPS and a specialist young persons substance misuse service funded by the Youth Justice Board. We additionally receive funding from a range of other commissioners including the European Social Fund through Welsh Government, Armed Forces Community Covenant, Supporting People and Families First.

Results

The charity has made an overall deficit totalling £391,141 for the year ended 31 March 2021 attributable to a deficit of £407,591 in unrestricted funds and a surplus of £16,450 attributable to restricted funds. The trustees are confident that steps are being taken to mitigate this risk during 2021-2022 to ensure the charity continues as a going concern.

Reserves policy

The Trustees believe that an appropriate level of reserve for the company is an amount equivalent to providing a 'medium comfort level', equal to three months' salaries, for combined risks as defined by the company's annual financial risk review. This policy and the stated reserve requirement will be reviewed at least annually or more frequently as and when the financial risk review document is updated. Aside from retaining a prudent amount in reserves each year, most of the charity's funds are to be spent in the short term so there are few funds for long term investment.

The Directors may also require the development of an additional 'discretionary' reserve, built up through WCADA's income generation streams, for the purposes of discretionary spending on various projects that arise from time to time to enable WCADA's strategy and objectives to be achieved. This reserve will be clearly separated from WCADA's reserve to cover financial risks.

As at 31 March 2021 the charity had total reserves of £979,924 consisting of a deficit in unrestricted funds of £112,216 and a surplus in restricted reserves of £1,092,540.

Future plans

Adferiad Recovery and the successful implementation of the merger is a priority during 2021-2022 and we will work together to ensure the smooth transfer of staff, services/contracts and assets into Adferiad. The merged organisation will bring together the broad range of skills, knowledge and experience of dedicated teams who are passionate about making a difference in the lives of the people and communities we serve: our aim over time is to use this combined expertise to offer more and help us jointly to provide even better services to clients.

Our main objective continues to be the delivery of effective treatment for people affected by substance misuse and our strap line captures this aim: **'Inspiring Change – Achieving Potential'**. As a consequence of the merger, we have broadened our objectives to include mental health, co-occurring and complex needs in addition to substance use and will consequently have the expertise and reach across Wales and into England to provide a full holistic service for the individuals who need our help.

The PQASSO and Investors in people quality standards are valid for three years, during which time, we will continue to monitor our performance in each of the areas to maintain standards and work towards improving on our existing achievements in 2021-2022.

It is unfortunate that Covid-19 has significantly affected our events calendar during 2020-2021. This has been disappointing, but understandable, for our service users and their families. Safety of all is our priority and we will reinstate these events when appropriate. Events are being planned across Wales during 2021-2022 when restrictions are eased.

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We have built good relationships with the Cwm Taf Morgannwg Area Planning Board during the first year of the boundary realignment and worked together to ensure that the service users in Bridgend were unaffected by the transfer and continued to receive the services to meet their needs. This service has been extended to 31 March 2022 and the re-commissioning process is expected to begin towards the end of the Summer 2021.

We will continue to work with the Area Planning Boards to address issues of concern across Swansea Bay and Cwm Taf Morgannwg and will make a commitment to working with our partners and communities to reduce the harms caused by alcohol and drugs in our areas.

The Covid-19 pandemic has significantly affected our activities as with many other organisations. Our early focus was on the wellbeing of staff, volunteers and our service users and we are pleased to report that transmission of the virus has been kept to a minimum. We have a comprehensive Recovery Planning System in place and workforce Covid-19 risk assessments have been completed and regularly reviewed. Our agencies remained open throughout, albeit at reduced opening hours initially, but soon resumed to normal working hours. We have significant supplies of hand-sanitiser and PPE supplies and would like to thank our patron, Michael Sheen, for his generous donation of supplies to the organisation during a time when they were difficult to acquire. We would also like to express our gratitude for the Welsh Government SMAF Winter Fund support that enabled the purchase of essential supplies and equipment during the pandemic. We set up systems for providing support to service users, internal and external meetings and provided all staff with the required equipment to work safely and securely from home and in preparation for any National or local increases in virus transmission and potential further restrictions.

The Trustees are very conscious of the difficult and challenging times ahead. The Coronavirus pandemic has exacerbated many of the problems already facing the sector. WCADA, as part of the new merged organisation, Adferiad Recovery, will be working in both the bidding for such contracts and the delivery of services. Both Hafal and CAIS share the same values, principles and objectives as WCADA and we look forward to the future when we are able to bid for funding to provide more holistic services together to deliver the best possible outcomes for our service users under Adferiad Recovery.

We would also like to take this opportunity of expressing our gratitude to our staff and volunteers for continuing to provide support to our service users, whether at home, or at agency locations. This commitment to making a difference is much appreciated. Gratitude is also extended to individuals who have worked to acquire additional funding to support the specific Covid-19 services we can now provide.

We aim to raise awareness of the enormous body of knowledge that WCADA staff have on substance misuse and its treatment to influence policy, change perceptions and reduce stigma. Building upon the reputation of WCADA, now part of Adferiad Recovery, beyond those who work in the sector is important if we are going to attract the resources and recognition we need to tackle the challenges that lie ahead.

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 26 April, 2001 and registered as a charity on 25 July 2001. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Articles of Association were reviewed during the merger discussions and implementation to ensure future proofing.

Recruitment and appointment of new trustees

All new trustees are members of the organisation and are elected annually at the WCADA Annual General Meeting. The officers are elected from the trustees. All new trustees complete an application form that includes a conflicts of interest section and receive an induction pack, guidance documents and training regarding the roles and responsibilities of being a trustee.

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There has been significant change during the latter part of 2020, when our trustees became part of the Adferiad Recovery Shadow Board, with the first formal meeting held on 27 January 2021. Several introductory meetings with the trustees of Hafal and CAIS were held prior to this first official meeting. There have been no changes in our board of trustees during the year and all elected to join the Adferiad Board as we move into 2021-2022. The senior management team values the directors' support, advice and expertise.

Organisational Structure

The trustees delegate decision-making for day-to-day operational issues to the Senior Management Team who work closely with Service Managers and Team Leaders. Quarterly trustee meetings with key staff enable trustees to direct the work of the organisation and receive feedback and reports from staff. The trustees delegate the management of the charity to the Chief Executive, Karen Ozzati, who is supported by the Deputy Chief Executive, Becky Hancock and Senior Managers in HR and Finance. WCADA works closely with other local organisations, jointly delivering services in some cases.

Remuneration of key management personnel

The organisation reviews salaries and expenses every year while setting the budget. As there have been no increases in our funding streams over several years, decisions on increases are dependent upon the Trustees agreeing that the costs can be covered by other sources of funding, or from reserves, designated for this purpose. Four posts have been identified (Chief Executive, Deputy Chief Executive, HR Manager and Finance and Business Development Manager) as key management personnel.

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Reference and administrative details

Charity Name

Welsh Centre for Action on Dependency and Addiction Ltd

Charity Registration Number

1087685

Company Registration Number

04206135

Registered Office and Operational Address

41/42 St. James Crescent

Uplands

Swansea

SA1 6DR

Management Committee

Mrs M Dix

Mrs S A Price - resigned 30th June 2021

Mr H Jones (Chair)

Mr D Pulling

Mrs A Craven

Mrs M Sherwood

Company Secretary

Mrs K J Ozzati

Senior Management Team

Mrs K J Ozzati Chief Executive

Miss R L Hancock Deputy Chief Executive

Auditors

Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

Bankers

Natwest Bank, 14/16a Oxford Street, Swansea, SA1 3AG

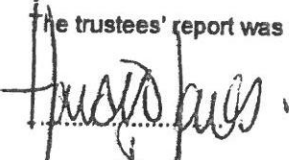
Solicitors

Kevin Lane & Company, 10 & 11 Courtland Place, Port Talbot, SA13 1JJ

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.


Mr H Jones, Trustee

Dated: 8/10/2021

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Welsh Centre for Action on Dependency and Addiction Ltd for the purpose of company law, are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

Opinion

We have audited the financial statements of Welsh Centre for Action on Dependency and Addiction Ltd (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 1 to the financial statements which explains that the charity ceased operations and transferred its assets and liabilities to Adferaid Recovery Limited (formerly CAIS) on 1st April 2021. The trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements.

Our opinion is not modified in this respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

14-10-2021
.....

Chartered Accountants
Statutory Auditor

Ty Denw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income and endowments from:							
Donations and legacies	3	3,761	-	3,761	805	164	969
Charitable activities	4	378,834	2,022,027	2,400,861	614,809	1,981,636	2,596,445
Other trading activities	5	-	-	-	2,803	-	2,803
Investments	6	292	-	292	826	-	826
Other income	7	-	3,400	3,400	-	-	-
Total income		382,887	2,025,427	2,408,314	619,243	1,981,800	2,601,043
Expenditure on:							
Raising funds	8	287	-	287	5,309	-	5,309
Charitable activities	9	790,191	2,003,977	2,794,168	673,161	2,071,086	2,744,247
Other	11	-	5,000	5,000	-	-	-
Total resources expended		790,478	2,008,977	2,799,455	678,470	2,071,086	2,749,556
Gross transfers between funds		-	-	-	37,768	(37,768)	-
Net (outgoing)/incoming resources		(407,591)	16,450	(391,141)	(21,459)	(127,054)	(148,513)
Other recognised gains and losses							
Revaluation of tangible fixed assets	14	-	(1,507,200)	(1,507,200)	-	-	-
Net movement in funds		(407,591)	(1,490,750)	(1,898,341)	(21,459)	(127,054)	(148,513)
Fund balances at 1 April 2020		294,975	2,583,290	2,878,265	316,434	2,710,344	3,026,778
Fund balances at 31 March 2021		(112,616)	1,092,540	979,924	294,975	2,583,290	2,878,265

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	15		1,096,255		2,700,212
Current assets					
Debtors	16	257,444		387,095	
Cash at bank and in hand		165,473		488,926	
		422,917		876,021	
Creditors: amounts falling due within one year	18	(539,248)		(213,254)	
Net current (liabilities)/assets			(116,331)		662,767
Total assets less current liabilities			979,924		3,362,979
Creditors: amounts falling due after more than one year	19		-		(484,714)
Net assets			979,924		2,878,265
Income funds					
General restricted funds		2,599,740		2,583,290	
Revaluation reserve		(1,507,200)		-	
	22		1,092,540		2,583,290
Unrestricted funds			(112,616)		294,975
			979,924		2,878,265

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

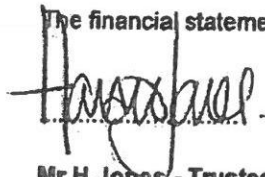
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 8-10-2021



Mr H Jones - Trustee

Company Registration No. 4206135

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	28		(57,559)		(41,276)
Investing activities					
Proceeds on disposal of tangible fixed assets		4,400		-	
Investment income received		292		826	
Net cash generated from investing activities			4,692		826
Financing activities					
Repayment of borrowings		250,000		-	
Repayment of bank loans		(520,586)		(34,834)	
Net cash used in financing activities			(270,586)		(34,834)
Net decrease in cash and cash equivalents			(323,453)		(75,284)
Cash and cash equivalents at beginning of year			488,926		564,210
Cash and cash equivalents at end of year			165,473		488,926

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Welsh Centre for Action on Dependency and Addiction Ltd is a private company limited by guarantee, incorporated in England and Wales. The registered office is 41/42 St James Crescent, Uplands, Swansea, SA1 6DR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity transferred all of its assets and liabilities to Adferiad Recovery Limited on 1st April 2021.

The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Occupancy and rent charges are recognised in the period to which the service is provided with any amounts received in advance deferred.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Grants are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met.

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Interest income is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% reducing balance
Leasehold improvements	10% straight line / length of lease
Motor vehicles & equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Taxation

As a registered charity Welsh Centre for Action on Dependency and Addiction Limited is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals are charged on a straight line basis over the lease term.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Donations and gifts	3,761	805	164	969

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	2021 £	2020 £
Sundry income	2,190	6,950
Training	1,750	7,490
Grants	2,313,501	2,494,337
Occupation charges	83,420	87,668
	<u>2,400,861</u>	<u>2,596,445</u>
Analysis by fund		
Unrestricted funds	378,834	614,809
Restricted funds	<u>2,022,027</u>	<u>1,981,636</u>
	<u>2,400,861</u>	<u>2,596,445</u>
Grants		
Welsh Government Capital	8,750	4,515
Neath Port Talbot County Borough Council	239,399	-
Big Lottery Fund	11,229	29,034
Armed Forces Covenant	41,613	35,779
City and County of Swansea	-	-
Youth Justice Board	27,300	-
South Wales Police and Crime Commissioner / HMPPS	541,082	544,579
APB, SMAF & Joint Commissioning Board	1,168,093	1,345,570
European Social Fund	226,374	470,907
Swansea City AFC	2,296	13,773
Moondance Foundation	16,734	-
Rhondda Cynon Taf County Borough Council	17,341	-
Grants < £5k	13,291	-
	<u>2,313,501</u>	<u>2,494,337</u>

5 Other trading activities

	Total Unrestricted funds	
	2021 £	2020 £
Rental income	-	2,803
	<u>-</u>	<u>2,803</u>

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	292	826
	<u> </u>	<u> </u>

7 Other income

	Restricted funds	Total
	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	3,400	-
	<u> </u>	<u> </u>

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Event costs	-	5,066
Fundraising expenses	287	243
	<u> </u>	<u> </u>
	287	5,309
	<u> </u>	<u> </u>
	287	5,309
	<u> </u>	<u> </u>

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Charitable activities

	2021 £	2020 £
Staff costs	1,992,611	1,991,357
Depreciation and impairment	86,218	109,593
Advertising	300	3,734
Bank charges and interest	18,895	17,138
Volunteer costs	113	4,593
IT costs	81,053	30,841
Equipment hire	24,489	24,573
Health and safety	7,907	628
Literature	333	1,036
Transportation costs	11,532	15,462
Other staff costs	93,443	86,846
Premises costs	288,091	233,155
Project expenses	20,316	27,634
Sundry and training costs	4,086	1,556
Bad debt provision	(8,386)	588
	<u>2,621,001</u>	<u>2,548,734</u>
Share of support costs (see note 10)	133,309	127,546
Share of governance costs (see note 10)	39,858	67,967
	<u>2,794,168</u>	<u>2,744,247</u>
Analysis by fund		
Unrestricted funds	790,191	673,161
Restricted funds	2,003,977	2,071,086
	<u>2,794,168</u>	<u>2,744,247</u>

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	105,990	21,198	127,188	104,632	20,926	125,558
Depreciation	4,538	-	4,538	5,768	-	5,768
Computer costs	4,266	-	4,266	1,221	-	1,221
Equipment hire	1,289	-	1,289	1,293	-	1,293
Other staff costs	-	-	-	1,534	-	1,534
Premises costs	15,163	-	15,163	11,999	-	11,999
Advertising	-	-	-	197	-	197
Bank charges	994	-	994	902	-	902
Project expenses	1,069	-	1,069	-	-	-
Audit fees	-	7,230	7,230	-	4,770	4,770
Legal and professional	-	9,770	9,770	-	39,041	39,041
Subscriptions	-	1,660	1,660	-	2,943	2,943
Other staff costs	-	-	-	-	287	287
	<u>133,309</u>	<u>39,858</u>	<u>173,167</u>	<u>127,546</u>	<u>67,967</u>	<u>195,513</u>
Analysed between						
Charitable activities	<u>133,309</u>	<u>39,858</u>	<u>173,167</u>	<u>127,546</u>	<u>67,967</u>	<u>195,513</u>

Governance costs includes payments to the auditors of £6,230 (2020: £4,020) for audit fees and £1,000 (2020: £750) for accountancy services.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Other

	Restricted funds	Total
	2021	2020 £
Impairment of motor vehicles	5,000	-
	<u>5,000</u>	<u>-</u>

12 Trustees

No trustees received any reimbursement for expenses during the current or previous year.

No trustee of the charity received any remuneration during the current or prior year.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Chief executive	1	1
Management	5	5
Direct	78	79
Administration and support	15	15
	<u>99</u>	<u>100</u>

Employment costs

	2021 £	2020 £
Wages and salaries	1,911,256	1,911,704
Social security costs	141,737	140,648
Other pension costs	66,806	64,563
	<u>2,119,799</u>	<u>2,116,915</u>

Key management personnel

The key management personnel of the charity received benefits and remuneration totalling £166,987 (2020: £161,324).

Other costs

Included in wages and salaries costs above are redundancy and termination costs totalling £nil (2020: £15,000). There were no amounts outstanding during the current or prior year.

There were no employees whose annual remuneration was £60,000 or more during the current or prior year.

14 Revaluation of fixed assets

	Restricted funds	Total
	2021 £	2020 £
Revaluation of tangible fixed assets	<u>1,507,200</u>	<u>-</u>

The charity's freehold properties were valued by CLC Chartered Surveyors on 8th March 2021. The report and valuation was prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards with the valuer being a member of this body. The properties were valued at market value and market rent depending on their usage.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Motor vehicles & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2020	3,400,486	95,970	376,256	3,872,712
Disposals	-	-	(24,000)	(24,000)
Revaluations	(2,330,486)	-	-	(2,330,486)
Impairment	-	-	(5,000)	(5,000)
At 31 March 2021	1,070,000	95,970	347,256	1,513,226
Depreciation and impairment				
At 1 April 2020	755,281	61,110	356,109	1,172,500
Depreciation charged in the year	68,004	17,469	5,283	90,756
Disposals	-	-	(23,000)	(23,000)
Revaluation	(823,285)	-	-	(823,285)
At 31 March 2021	-	78,579	338,392	416,971
Carrying amount				
At 31 March 2021	1,070,000	17,391	8,864	1,096,255
At 31 March 2020	2,645,205	34,860	20,147	2,700,212

The charity's freehold properties were valued by CLC Chartered Surveyors on 8th March 2021. The report and valuation was prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards with the valuer being a member of this body. The properties were valued at market value and market rent depending on their usage.

At 31 March 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £2,577,201 (2020 - £2,645,205).

Freehold land and buildings with a carrying amount of £1,070,000 (2020 - £2,181,296) have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The net book value of assets purchased with restricted funding totalled £1,092,540 (2020: £2,501,105).

16 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	178,492	208,498
Other debtors	12,154	5,420
Prepayments and accrued income	16,798	123,177
	<u>207,444</u>	<u>337,095</u>

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Debtors (Continued)

	2021 £	2020 £
Amounts falling due after more than one year:		
Other debtors	50,000	50,000
Total debtors	257,444	387,095

Other debtors due in more than one year relates to a loan to another charity - see note 25 for further details.

17 Loans and overdrafts

	2021 £	2020 £
Bank loans	-	520,586
Other loans	250,000	-
	250,000	520,586
Payable within one year	250,000	35,872
Payable after one year	-	484,714

In 2020 the loan related to a Business Term loan taken out with NatWest entered into in February 2017 at a five year fixed interest rate of 3.45%. The loan was repayable in March 2022. During 2021 the charity settled the loan with NatWest.

In March 2021 the charity received a loan of £250,000 from Adferiad Recovery Limited (formerly CAIS). On transfer of the charity's net assets to Adferiad Recovery Limited on 1st April 2021 the loan will be repaid.

18 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	17	-	35,872
Other borrowings		250,000	-
Other taxation and social security		35,003	32,131
Deferred income	20	90,849	2,296
Trade creditors		14,857	27,723
Other creditors		26,756	17,236
Accruals and deferred income		121,783	97,996
		539,248	213,254

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	17	-	484,714

20 Deferred income

	2021 £	2020 £
Arising from grants	90,849	-
Arising from training	-	2,296
	<u>90,849</u>	<u>2,296</u>

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Balance brought forward	2,296	12,291
Income received	2,404,350	2,533,169
Income released	(2,315,797)	(2,543,164)
Balance carried forward	<u>90,849</u>	<u>2,296</u>

21 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. Costs are allocated between unrestricted and restricted funds based on funding agreements.

The charge to profit or loss in respect of defined contribution schemes was £66,806 (2020: £64,563). Amounts outstanding at the year end totalled £22,568 (2020: £16,820).

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds		Transfers £	Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £	
Big Lottery Fund	23,828	29,034	(52,862)	-	-	11,229	(11,229)	-
APB, SMAF & Joint Commissioning Board	9,735	1,354,121	(1,328,206)	-	35,650	1,168,093	(1,203,743)	-
South Wales Police and Crime Commissioner / HMPs	44,579	544,579	(543,339)	-	45,819	541,082	(586,901)	-
Swansea City AFC	-	13,773	(13,773)	-	-	2,296	(2,296)	-
Capital grants	2,632,202	4,515	(97,128)	(37,768)	2,501,821	8,750	(1,418,031)	1,092,540
Neath Port Talbot County Borough Council	-	-	-	-	-	203,399	(203,399)	-
Moondance Foundation	-	-	-	-	-	15,934	(15,934)	-
Rhondda Cynon Taf County Borough Council	-	-	-	-	-	17,341	(17,341)	-
B&CE's Charitable Trust	-	-	-	-	-	79	(79)	-
Bridgend County Borough Council	-	-	-	-	-	5,000	(5,000)	-
Armed Forces Covenant	-	35,779	(35,779)	-	-	41,613	(41,613)	-
City and Council of Swansea	-	-	-	-	-	2,032	(2,032)	-
Hospital Saturday Fund	-	-	-	-	-	270	(270)	-
Neath Port Talbot CVS	-	-	-	-	-	4,160	(4,160)	-
Western Power	-	-	-	-	-	750	(750)	-
	2,710,344	1,981,801	(2,071,087)	(37,768)	2,583,290	2,022,028	(3,512,778)	1,092,540

Big Lottery Fund- Funds received for the Drink Wise Age Well Project.

APB, SMAF & Joint Commissioning Board - Funds received for the provision of the Families First, Hillside, Schools Pilot, Engagement Worker, YOT projects and the provision of treatment services.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Restricted funds

South Wales Police and Crime Commissioner / HMPPS- Funds received for the Dyfodol Service. (Continued)

Swansea City AFC- Funds received regarding the Swansea City Football Club Community Trust Kicks Project. This grant was match funded.

Capital grants - Funds received from Welsh Government for a property lease and to purchase the charity's premises. Depreciation is charged against this fund on a quarterly basis.

Armed Forces Covenant- Funds received in relation to the Change Step programme.

Neath Port Talbot County Borough Council - Funds received in relation to the Engagement Worker Service, Schools Pilot project, Supporting People Outreach project and Housing Options project

Moondance Foundation - Funds received to cover a staff post and for food parcels and wellbeing packs.

Rhondda Cynon Taf County Borough Council -Funds received from the SMAF Winter Fund to contribute towards PPE and digital costs.

B&CE's Charitable Trust - Funds received towards the Cyfle Cymru project for CSCS cards.

Bridged County Borough Council - Funds received towards a staff post.

City and Council of Swansea - Funds received towards the Cyfle Cymru project and for menstrual products.

Hospital Saturday Fund - Funds received towards the Cyfle Cymru project.

Neath Port Talbot CVS - Funds received for mindfulness and IHASCO courses as well as assistance during the pandemic.

Western Power - Funds received to be utilised over the Christmas period.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	3,715	1,092,540	1,096,255	198,391	2,501,821	2,700,212
Current assets/ (liabilities)	(116,331)	-	(116,331)	581,298	81,469	662,767
Long term liabilities	-	-	-	(484,714)	-	(484,714)
	<u>(112,616)</u>	<u>1,092,540</u>	<u>979,924</u>	<u>294,975</u>	<u>2,583,290</u>	<u>2,878,265</u>

24 Operating lease commitments

	2021 £	2020 £
Within one year	18,487	25,123
Between two and five years	8,616	27,103
	<u>27,103</u>	<u>52,226</u>

25 Company Status

The organisation is a company limited by guarantee. The guarantors are the trustees. The liability is limited to an amount of £1 per member in accordance with the company's Memorandum of Association.

26 Events after the reporting date

On 1st April 2021 the transferred its net assets to Adferiad Recovery Limited (formerly CAIS). All of the charity's operations will be carried out within Adferiad Recovery Limited from this date.

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Related party transactions

Ein Cyfle CIO

The CEO and Deputy CEO are trustees of Ein Cyfle CIO (Charity Number: 1175085), a charitable incorporated organisation registered in England and Wales. The charity issued a loan of £50,000 to the CIO when it entered into a joint partnership along with CAIS and Hafal. This sum is equal to the contribution of the other two charities to effect the equal partnership of all three charities involved in Adferiad from 1st April 2019. This was agreed between the partners to support the continuation of the good work being done with our most vulnerable people by Inroads and The Living Room, two charities at risk of closure.

In 2020 the charity further supported the Adferiad Recovery operations by providing cash funding for the salary costs of the Adferiad Director to support the continuation of service delivery on existing contracts, support the staff and seek new opportunities. This is in line with the other partners support provision. The total cost relating to 2019/20 £34,274. The total cost in 2020/21 was £31,742.

Amounts outstanding at the year end and repayable at a future date totalled £50,000 (2020: £50,000).

Adferiad Recovery Limited

On 1st April 2021 the transferred its net assets to Adferiad Recovery Limited (formerly CAIS). All of the charity's operations will be carried out within Adferiad Recovery Limited from this date.

The charity received a loan from Adferiad Recovery Limited in March 2021 totalling £250,000 to assist the charity in repayment of its bank loan with NatWest. The loan will be settled in 2021/22 when the net assets of the charity are transferred across.

During the year the charity invoiced Adferiad Recovery Limited £396,624 in relation to the Cyfle Cymru and Change Step project. Amounts outstanding at the year end totalled £10,755.

During the year Adferiad Recovery Limited invoiced the charity £730 for database recharges. Amounts outstanding at the year end totalled £125.

28 Cash generated from operations

	2021 £	2020 £
Deficit for the year	(391,141)	(148,513)
Adjustments for:		
Investment income recognised in statement of financial activities	(292)	(826)
Impairment of motor vehicles	5,000	-
Gain on disposal of tangible fixed assets	(3,400)	-
Depreciation and impairment of tangible fixed assets	90,756	115,361
Movements in working capital:		
Decrease/(increase) in debtors	129,652	(14,350)
Increase in creditors	23,313	17,047
Increase/(decrease) in deferred income	88,553	(9,995)
Cash absorbed by operations	(57,559)	(41,276)

WELSH CENTRE FOR ACTION ON DEPENDENCY AND ADDICTION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

29 Analysis of changes in net (debt)/funds

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	488,926	(323,453)	165,473
Loans falling due within one year	(35,872)	(214,128)	(250,000)
Loans falling due after more than one year	(484,714)	484,714	-
	<u>(31,660)</u>	<u>(52,867)</u>	<u>(84,527)</u>