



Smailes Goldie
CHARTERED ACCOUNTANTS

REGISTERED COMPANY NUMBER: 05375809
CHARITY REGISTRATION NUMBER: 1108595

The Alcohol and Drug Service

Financial Statements

31 March 2025



SD-0219209-1-6



The Alcohol and Drug Service

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The Alcohol and Drug Service

Reference and Administrative Details

Trustees:	A Smith - Chair
	K Yorath (resigned 17 October 2024)
	I D Parsons
	E Tatterton - Treasurer
	N Dodds
	J Cooper (resigned 23 December 2024)
	F Ashton
	W McHugh (appointed 16 January 2025)
	G Gilbert (appointed 20 February 2025)
	S Scott (appointed 17 April 2025)
Executive Team	T Young, Chief Executive
	S Grunnill, Finance Director
Charity Registration Number	1108595
Company Registration Number	05375809
Registered Office	82 Spring Bank
	Hull
	HU3 1AB
Auditor	Smailes Goldie
	Chartered Accountants
	Regent's Court
	Princess Street
	Hull
	HU2 8BA

The Alcohol and Drug Service

Trustees' Report

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2025. The trustees have adopted the provisions of 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).

Public Benefit

The charity clearly sets out the benefit it aims to deliver in its mission statement. This reflects the charity's objectives and which sits at the centre of all planning and performance management. The mission is:

"The ADS will work in partnership to support people affected by substance misuse to make positive change."

To further support the mission statement, the charity articulates its values and a vision statement. The vision statement is,

"The ADS aspire to be an organisation where the services we offer are individually tailored, creative, innovative, of the highest quality and result in the optimum outcome for each service user."

Values

The charity's values are.

- Honesty
- Diversity
- Service user and carer focused
- Effective
- Caring

National strategy

The national strategy published in January 2021 and the associated funding and guidance, represents a once in a generation opportunity to enhance the sector and set the agenda for many years to come.

ADS are well placed to utilise this opportunity and support change to improve support for those people affected by problematic substance use.

The election of any new government presents a period of uncertainty while new ministers work to translate manifesto commitments into actions and financial plans. During this period the charity worked with others in the sector to support the continuation of the principles and funding within the National Strategy. In late 2024 it was confirmed that the National Strategy would continue but with a slightly different emphasis. In addition, funding was confirmed for the 2025/26 financial year. The charity welcomed this news and the opportunity to make further enhancements to a sector which supports some of the most vulnerable and excluded people in society.

To do so the charity will continue to,

- Share best practice it has developed with others.
- Work in partnership with other providers and national bodies such as the Office of Health Improvement and Disparity (OHID)
- Continue to invest in its mission.

The Alcohol and Drug Service

Trustees' Report

Planning

The charity believes that comprehensive well informed planning is the corner stone of its continued success. All annual plans and strategy documents are approved by the Board and progress against all plans is reported at each meeting.

The planning framework has the common aim of furthering the charity's objectives and consists of the following.

A Strategic Plan.

Describes the overall direction of the charity for the coming 3 to 5 years.

An Annual Business Plan.

Describes the charity's activity over the coming year.

An Annual Workforce Development Plan

Describes the charity's support for its workforce over the coming year.

The Alcohol and Drug Service

Trustees' Report

Quality and performance

A robust Quality Assurance framework is in place which contains a range of internal quality indicators. These are reported monthly to managers and quarterly to the Board.

The positive impact of our services is measured against our mission. We aim to support positive change in all who come through our doors.

Abstinence[^]

- Every week, 52 weeks a year 16 people leave our services substance free and do not return to treatment
- Of those people who come to us with an alcohol problem 43% leave alcohol free and do not return

[[^]Data source: Public Health Outcomes Framework C19 (formerly 2.15): Accessed 14 May 2025]

Percentage of people making substantial progress in treatment*

Across all ADS services: 53%

ADS best performing service: 67%

National performance: 47%

Regional performance: 47%

Increase in numbers in treatment*

Across all ADS services: + 7%

ADS best performing service: + 10%

National performance: + 7%

Regional performance: + 10%

Percentage of those released from prison who engage in community services (Continuity of care)*

Across all ADS services: 68%

ADS best performing service: 70%

National performance: 56%

Regional performance: 65%

[*Data source: NDTMS Local outcome Framework: Accessed 14 May 2025]

Quality Management System (BS EN ISO 9001:2015)

An annual external audit assures the Quality Management System has been implemented, maintained and is operating in accordance with the standards.

A good employer and a good place to work.

Holding the Investors in People award since 2016 the charity is proud to be a good employer and a good place to work but continues to seek improvement. In addition to the Investors reviews and the annual workforce survey, the charity collects data on key measures of performance.

Funding our mission

Of ADS expenditure 98% was on direct charitable activities.

[Data source: ADS Audited accounts 2024/25]

The Alcohol and Drug Service

Trustees' Report

Investing in our mission

The ADS has effective financial controls in place which enable it to manage its internal finances and ensure it is able to deploy its funds to ensure best value for its beneficiaries.

Due to this continued good financial planning and management, the charity is in a healthy financial position including having free reserves. This year has made it possible to continue investing in the mission to ameliorate risks to the charity's ability to deliver its mission, to enhance the quality of that delivery and to plan for further investments in the years to come.

Risk amelioration

The most significant risk to the charity this year was:

- Continuation of funding and the National Drug (and Alcohol) Strategy.
Substance misuse services commissioners are the source of 96% of income and are the recipients of the government provided national funding for drug and alcohol services. The funding cannot be spent on anything other than substance misuse services. The funding for the year 2025/26 has been confirmed as continuing at current levels.

Enhancing quality

A critical determinant of successfully delivering our mission is a well trained, high quality workforce. To support this the Charity has invested in the workforce to ensure the continued provision of high quality services to its beneficiaries.

These investments include:

- The successful introduction of Apprenticeships including the following:
 - Social Work (BA) Apprenticeship
 - People Support (formerly Human Resources) Apprenticeship
- Production and delivery of a free Commissioners in substance use training.
- Creating and implementing a People Support Team Career Map.

Planned investments for the coming year include:

- Enhanced Social Worker support scheme.
- A next level training for Commissioners of substance use services.
- Our apprenticeship offer will be extended.

Information Communication Technology (ICT)

The charity continues to invest and develop its ICT assets and has achieved and maintained the Cyber Essentials Plus quality mark for cyber security.

- A strategic ICT plan will be developed and authorised by the Board of Trustee/Directors.
- An ICT plan will be embedded in the 2025/26 annual business plan.

The Alcohol and Drug Service

Trustees' Report

Stakeholders

The charity regularly consults with stakeholders utilising feedback to continue to improve services.

Commissioners are consulted in several formal and informal ways. In addition to formal monitoring meetings a partnership approach to developments and joint planning ensures the opinions of commissioners are embedded in the service development.

Service Users are regularly consulted throughout services, with some operating an on-going formal consultation and others using periodic surveys. Feedback is sought on an on-going basis from Service User Groups and mentors to ensure their ideas and thoughts are reflected and their involvement is included in the co-design and implementation of new developments.

Employee consultation is through team and other meetings, supervision, and whole service events. An annual ADS conference offers the opportunity for all ADS employees and those of partnership organisations to be consulted and an employee forum provides an arena where employee representatives meet with the Chief Executive. Annual plans are made available on the charity's hub ensuring all employees have access to information, policies and plans in an easy to access format.

Service delivery

Based upon its stated focus, the Alcohol and Drug Service offers a confidential, professional, modern approach to alcohol and drug problems. At present our services cover the areas of the East Riding, Doncaster and Hull.

The ADS has maintained its commitment to its core focus under the following four headings.

- The full range of adult community based services
- Young People's services
- Delivering services to both rural and urban areas
- Partnership working
- Supporting early intervention outside of specialist services

The charity continues to develop alliances and partnerships to provide service users with access to key wrap around support vital for sustaining recovery.

All the charity's services are delivered in partnerships and/or feature significant alliances including two partnerships with NHS Trusts.

Peer mentors and volunteers

The charity is supported by volunteers many of whom have lived experience of problematic substance use. The charity provides a comprehensive volunteer training programme to equip volunteers with the necessary skills and knowledge. Most modules in the programme are accredited assuring quality and providing volunteers with nationally accredited certificates as evidence of their learning and development.

The successful completion of the volunteer programme equips volunteers with the qualifications and experience required for a paid post as a Trainee Recovery Worker.

Social media

Facebook, Instagram and X continue to be utilised by the charity and service user groups are encouraged to use their own Facebook pages to support their recovery network.

The Alcohol and Drug Service

Trustees' Report

Financial management

Introduction

The economic environment has been difficult over recent years. Along with the national strategy and associated additional funding, has come pressure to expand services quickly. At the end of a decade of significant cuts, providing the additional workforce required to deliver on the national targets has been challenging. In the absence of an available qualified workforce there is competition for those small number who are. In this landscape ADS has utilised its strong financial position to invest in training, skills and resources to provide a workforce capable of maintaining services of a high quality and continue to effectively deliver on its mission.

Income

There was an increase in income (10%) this year with overall income at £5,470,814 (2023/24; £4,971,314). This reflects the continued investment by central government in the national drug strategy.

Expenditure

Approximately half of the ADS's funding is Restricted, in that the income is required to be expended on specific services that are contracted. Expenditure in 2024/25 amounted to £5,322,139 (2023/24 £5,099,851). Whilst most of this is pay costs and there has been a growth in the establishment, there has been a continued investment in up skilling key posts and resourcing the organisation to meet the challenges of the current economic environment. The majority of these costs relate primarily to the operational staff and the ADS continue to minimise management and administration costs and demonstrate best value to commissioners. In order to ensure this is transparent to purchasers a direct charge of 10% is levied on all contracts.

Surplus for the year was £148,675. The surplus on unrestricted funds was £410,515, the surplus on designated funds was £12,546 and a deficit of £261,840 arose on restricted funds. The deficit on restricted funds was expected and planned for and represents timing differences between the receipt of income and the provision of services.

Balance sheet

There has been no significant change in the fixed assets of the ADS.

The balance of cash held across all accounts at the year-end was £3,867,418 (2023/24 £3,657,820).

Corporate governance, risk management and reserves policy

The ADS Board of Trustees/Directors (the Board) have considered the major risks to which the Charity is exposed and to the systems designed to mitigate those risks. The ADS has an experienced Management Board, principally drawn from senior figures in commerce, health, and social care, which has ably supported its growth.

Biographies of the Trustee/Directors are published on the ADS website at <https://ads-uk.org/trustees>.

The Management Board are supported by an experienced Executive Team consisting of a Chief Executive and Finance Director, who have a combined experience of the charitable sector of over 50 years.

The Alcohol and Drug Service

Trustees' Report

The Board oversees and approves the overall strategy, performance and management of the ADS and meets four times a year, reviewing business developments and agreeing policy with the Executive Team.

The Chief Executive is responsible for day to day control of operations and the performance of the ADS. The Chief Executive has also set in place operational controls over service provision, to ensure that employees are trained and working to proper standards.

An annual Business and Finance Strategy review is carried out and from this an Action Plan is agreed by the Board. The plan sets out priorities for new service opportunities and funding. The ADS prepares detailed budgets and monthly management accounts. The performance of each cost centre is monitored against budget by the budget holder supported by a management accountant. The Board monitor performance against the global budget.

In order that the ADS is compliant with Charity Commission guidelines, and to enable it to deal with any issues arising from short-term fluctuations in funding and/or cash flow, the Board sets a minimum reserves target. This target has been achieved and maintained. The mechanism for calculating the minimum reserves target sits within a comprehensive reserves policy. The reserves target is reviewed annually.

The overall finance strategy is delivered through a range of annual plans and policies ensuring the delivery of the charity's objectives. This balanced approach has enabled the investment in capacity and infrastructure alongside traditional investments and a business case approach through which additional income is generated while enhancing the charity's ability to deliver its objectives.

Outlook

The service is in a sound financial position and the recent investment has ensured that the structures, skills and resources are in place to control and manage expansion and development going forward.

The operational management structure and systems reflect this and are sufficiently robust to manage and sustain development in the future. Alongside this the charity has a robust planning structure which supports an ethos of continuous improvement and development to enable forward planning and ensure the Board is able to continue to govern the charity effectively.

The ADS is well placed to build on its core areas and further develop and expand its services in the region. It has a growing reputation locally for providing a quality service, with a pro-active and experienced management team, supported by an active, professionally focused Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Alcohol and Drug Service is an incorporated Charity governed by the Articles of Association which are regularly reviewed. The current Articles were adopted 18 April 2024. This ensures that the risk to Trustees is managed, and that the charity is able to continue to attract and retain the calibre of Trustees/Directors necessary to maintain a Board of the highest quality best suited to deliver sound governance to the charity.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Articles of Association set out the rules regarding membership and all members shall be entitled to vote at all general meetings of the charity.

The Alcohol and Drug Service

Trustees' Report

The governance of the charity is the responsibility of the Board of Trustee/Directors. Trustee/Directors are either elected at the annual general meeting or co-opted if necessary. The day to day management of the charity is devolved by the Board to an Executive Team. The principal office is situated at 82, Spring Bank, Hull. The charity has a schedule of delegation which provides a clear and concise record of the delegation of authority and the limits on those delegations in critical areas. This supports effective and timely scrutiny by the Board of delegated decisions.

In the event of a winding up of the charity any surplus funds must be granted to any such charitable organisation having objects similar to those of the charity.

Structure and management

The Trustee/Directors have overall responsibility for ensuring that the charity has appropriate systems of internal controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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.

An experienced Management Board oversees the charity, with the Executive Team reporting to the Board and being responsible for the day to day operational functioning of the charity.

Financial performance is monitored through the preparation of detailed budgets, forecasts, and monthly management accounts.

The charity has an overarching objective to allow its resources to be allocated by those closest to its services and service users, while maintaining robust financial control. To enable this, the charity has a detailed budget setting procedure and map describing a process which ensures local budget holders have a full input in setting their service budgets and accounts for organisational priorities and governance.

The process is reviewed annually with a primary indicator being the year end position of individual cost centres to ensure initial budgets set were accurate and have been managed effectively.

The charity continues to explore the most effective ways to invest its resources in furtherance of its objectives. A comprehensive investment strategy and attendant policy is in place which includes a definition of investment encompassing traditional investment which seeks a monetary return and a category outlining the use of resources to enhance the charities capacity to improve services for its service users, deliver on current contracts and better position it to increase its impact on its beneficiaries going forward. The investment strategy will be reviewed during the 2025/26 financial year.

The workforce development plan is based on an analysis of performance and supply and demand. The plan accounts for personal development; service and departmental development and succession planning.

All developments are linked with the charity's strategic, business and workforce development plans which are designed to further its objectives.

The charity publishes its annual and strategic plans on its intranet allowing all employees access and inviting scrutiny.

The Alcohol and Drug Service

Trustees' Report

Trustee policy and procedures

The ADS has robust systems in place for assuring the quality of its trustees, they include the following,

- Each role on the Board has a specific Job Description and Person Specification.
- Each sub-group, whether a standing or task and finish group, has clear Terms of Reference.
- Trustee/Director recruitment policy and procedure.
- Trustee/Director induction policy and procedure.
- Trustee/Director training policy and procedure.
- Trustee/Director registration of interests' policy and procedure.

Appointment of Trustee/Directors

To ensure the make up of the charity Board remains fit for purpose recruitment is triggered by one of the following factors.

- An existing Board member resigns, and a replacement is sought.
- A review of the Board membership indicates a need for increased numbers, diversity or a specific skill/experience gap.

If recruitment is triggered a rigorous recruitment process is then used.

Trustee/Director Induction

A robust Trustee induction programme is in place and its delivery is monitored and signed off by the Board.

Executive Team performance related remuneration

The charity ensures decisions about levels of executive pay, and benefits follow a robust evidence-based process and are reasonable and defensible.

A Remuneration Committee is elected by the Board. The Committee has a critical role in balancing the interests of beneficiaries, funders, donors, and other stakeholders with the need to attract senior leaders who will be effective in using the charity's resources to deliver the charity's stated purposes to those communities it is set up to serve.

The Alcohol and Drug Service

Trustees' Report

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees (who are also the directors of The Alcohol and Drug Service for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that can 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.

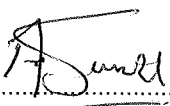
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Smailes Goldie as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 17 July 2025 and signed on its behalf by:


.....

Trustee

The Alcohol and Drug Service

Independent Auditor's Report to the Members of The Alcohol and Drug Service

Opinion

We have audited the financial statements of The Alcohol and Drug Service (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 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.

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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Alcohol and Drug Service

Independent Auditor's Report to the Members of The Alcohol and Drug Service

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Report (set out on page 11), the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

The Alcohol and Drug Service

Independent Auditor's Report to the Members of The Alcohol and Drug Service

Auditor responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates
- were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and legal advisors.

Due to 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

The Alcohol and Drug Service

Independent Auditor's Report to the Members of The Alcohol and Drug Service

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Stephen Bramall BSc., FCA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie, Statutory Auditor

Regent's Court
Princess Street
Hull
HU2 8BA

17 July 2025

The Alcohol and Drug Service

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income and Endowments from:						
Donations and legacies	3	2,337	-	41,430	43,767	15,285
Charitable activities	4	701,813	2,055,248	2,587,435	5,344,496	4,897,751
Other trading activities	5	12,580	-	-	12,580	11,760
Investment income	6	69,971	-	-	69,971	46,518
Total income		<u>786,701</u>	<u>2,055,248</u>	<u>2,628,865</u>	<u>5,470,814</u>	<u>4,971,314</u>
Expenditure on:						
Raising funds		24,857	-	-	24,857	19,162
Charitable activities		370,419	1,996,580	2,876,933	5,243,932	5,024,172
Governance costs		<u>46,659</u>	<u>6,691</u>	<u>-</u>	<u>53,350</u>	<u>56,517</u>
Total expenditure	7	<u>441,935</u>	<u>2,003,271</u>	<u>2,876,933</u>	<u>5,322,139</u>	<u>5,099,851</u>
Net income/(expenditure)		344,766	51,977	(248,068)	148,675	(128,537)
Transfers between funds		<u>53,203</u>	<u>(39,431)</u>	<u>(13,772)</u>	<u>-</u>	<u>-</u>
Net movement in funds		397,969	12,546	(261,840)	148,675	(128,537)
Reconciliation of funds						
Total funds brought forward		<u>1,686,897</u>	<u>215,855</u>	<u>1,632,164</u>	<u>3,534,916</u>	<u>3,663,453</u>
Total funds carried forward	18	<u>2,084,866</u>	<u>228,401</u>	<u>1,370,324</u>	<u>3,683,591</u>	<u>3,534,916</u>

All of the charity's activities derive from continuing operations during the above two periods.

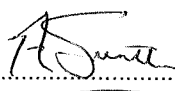
The notes on pages 19 to 30 form an integral part of these financial statements.

The Alcohol and Drug Service
(Registration number: 05375809)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	95,000	69,250
Current assets			
Debtors	13	213,288	131,108
Cash at bank and in hand		<u>3,867,418</u>	<u>3,657,820</u>
		4,080,706	3,788,928
Creditors: Amounts falling due within one year	14	<u>(397,115)</u>	<u>(254,012)</u>
Net current assets		<u>3,683,591</u>	<u>3,534,916</u>
Total assets less current liabilities		3,778,591	3,604,166
Creditors: Amounts falling due after more than one year	15	<u>(95,000)</u>	<u>(69,250)</u>
Net assets		<u><u>3,683,591</u></u>	<u><u>3,534,916</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds		1,370,324	1,632,164
Unrestricted income funds			
Designated Funds		228,401	215,855
General Funds		<u>2,084,866</u>	<u>1,686,897</u>
Total unrestricted funds		<u>2,313,267</u>	<u>1,902,752</u>
Total funds	18	<u><u>3,683,591</u></u>	<u><u>3,534,916</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 16 to 30 were approved by the trustees, and authorised for issue on 17 July 2025 and signed on their behalf by:


.....

Trustee

The notes on pages 19 to 30 form an integral part of these financial statements.

The Alcohol and Drug Service

Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income/(expenditure)		148,675	(128,537)
Adjustments for non-operating items			
Investment income	6	<u>(69,971)</u>	<u>(46,518)</u>
		78,704	(175,055)
Working capital adjustments			
Increase in debtors	13	(82,180)	(10,777)
Increase/(decrease) in creditors	14	<u>143,103</u>	<u>(26,789)</u>
Net cash flows from operating activities		139,627	(212,621)
Cash flows from investing activities			
Interest receivable and similar income	6	<u>69,971</u>	<u>46,518</u>
Net increase/(decrease) in cash and cash equivalents		209,598	(166,103)
Cash and cash equivalents at 1 April		<u>3,657,820</u>	<u>3,823,923</u>
Cash and cash equivalents at 31 March		<u><u>3,867,418</u></u>	<u><u>3,657,820</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 19 to 30 form an integral part of these financial statements.

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the 8 members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

82 Spring Bank

Hull

HU3 1AB

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Alcohol and Drug Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees, having considered the available information & forecasts for the period to March 2026 and strategic plan for the period to 26/27, have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Income

Income from donors and funders

Grants and contract income is recognised when the charity has entitlement to the funds, after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

Voluntary income

Cash donations, gifts and legacies are included in full in the Statement of Financial Activities as they are received.

Other trading income

All other income is accounted for on an accruals basis.

Investment income

Bank interest and investment bond income is included in the Statement of Financial Activities on receipt.

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Administration includes the cost of management of the charity's affairs.

Staff costs

Termination benefits

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.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme. Contributions to defined contribution plans are recognised in the Statement of Financial Activities in the period to which they relate. The assets of the scheme are externally administered by trustees.

Taxation

The Alcohol & Drug Service Limited is a UK registered charity, number 1108595. All the charity's income is applied to its charitable objectives and the charity is, therefore, exempt under current legislation from most forms of taxation.

Depreciation and amortisation

Depreciation is calculated on the straight line basis to write down the cost of all fixed assets, except freehold property, over expected useful lives.

The lives generally applicable are:

Asset class

Office equipment

Depreciation method and rate

5 - 6 years

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

Tangible fixed assets

The Charity only considers capitalising items over £5,000.

During the reporting period, the Charity has revised its policy relating to the capitalisation of fixed assets. Previously, items of a capital nature with a cost in excess of £1,000 were capitalised and depreciated over their useful lives. The revised threshold reflects a reassessment of the materiality and administrative burden associated with tracking lower-value assets. The new policy provides financial statements that are more reliable and relevant by focusing on material assets and aligning the capitalisation threshold with the current scale of the Charity. The change has been applied prospectively from 1 April 2024, in accordance with applicable accounting standards. Comparative figures have not been restated, as the impact of the change is not considered material to prior periods.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Fund structure

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are funds earmarked by the management committee for a particular purpose.

Restricted funds are to be used for a specific purpose as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs where applicable.

Hire purchase and finance leases

Rentals payable under operating leases are charged to the statement of financial activities over the period of the lease on a straight line basis.

3 Income from donations and legacies

	Total 2025 £	Total 2024 £
Donations and gifts	34,271	3,362
Sundry income	9,496	11,923
	<u>43,767</u>	<u>15,285</u>

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

4 Income from charitable activities

	2025 £	2024 £
Grants and contracts	5,257,897	4,817,375
Training	86,599	80,376
	<u>5,344,496</u>	<u>4,897,751</u>

Grants received, included in the above, are as follows:

	2025 £	2024 £
Doncaster Drug & Alcohol Service	2,875,367	2,618,777
East Riding Partnership	1,408,272	1,258,027
Hull Primary Care Addictions Service	356,638	287,557
Access and Liaison	240,791	267,679
Riverside	376,829	347,335
Camarus	-	38,000
	<u>5,257,897</u>	<u>4,817,375</u>

5 Income from other trading activities

	2025 £	2024 £
Placements and training	12,580	11,760

6 Investment income

	2025 £	2024 £
Bank interest	69,971	46,518

7 Expenditure

	Direct Costs £	Support Costs £	2025 £	2024 £
Raising funds	22,449	2,408	24,857	19,162
Charitable activities	5,003,770	240,162	5,243,932	5,024,172
Governance costs	35,553	17,797	53,350	56,517
	<u>5,061,772</u>	<u>260,367</u>	<u>5,322,139</u>	<u>5,099,851</u>

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

Costs directly allocated to activities are as follows:

	Raising funds £	Direct service activity £	Governance £	2025 £	2024 £
Client health supplies	300	698,486	-	698,786	394,374
Staff costs	19,013	3,894,494	-	3,913,507	3,875,784
Recruitment	-	18,386	25,200	43,586	48,712
Staff training	3,062	71,256	-	74,318	71,621
Equipment purchase	-	816	-	816	6,876
Administration costs	74	33,636	-	33,710	36,598
Audit of the financial statements	-	-	9,864	9,864	8,598
AGM and annual report	-	-	489	489	523
Premises - direct	-	274,243	-	274,243	409,998
Volunteer expenses	-	12,453	-	12,453	11,178
	<u>22,449</u>	<u>5,003,770</u>	<u>35,553</u>	<u>5,061,772</u>	<u>4,864,262</u>

Analysis of support costs:

	Raising funds £	Grants and contracts £	Governance costs £	2025 £	2024 £
Support costs					
General office and finance	8	21,905	397	22,310	18,058
Central premises	-	34,014	-	34,014	28,689
Communications	2,400	180,977	-	183,377	177,044
Bank charges	-	1,100	-	1,100	1,064
Professional fees	-	2,166	17,400	19,566	10,734
	<u>2,408</u>	<u>240,162</u>	<u>17,797</u>	<u>260,367</u>	<u>235,589</u>

Support costs are allocated between raising funds, grants and contracts and governance costs based on the purpose of individual expenditure and the most appropriate category on a purchase by purchase basis.

8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2025 £	2024 £
Operating leases - other assets	151,681	127,158
Audit fees	<u>9,864</u>	<u>8,598</u>

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

9 Trustees remuneration and expenses

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees were reimbursed £- (2024: £246) during the year for travel and expenses.

10 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	3,190,362	3,004,740
Social security costs	300,624	276,305
Pension costs	198,861	183,066
Other staff costs and agency	223,660	411,673
	<u>3,913,507</u>	<u>3,875,784</u>

The monthly average number of persons employed by the charity and those providing service on a voluntary basis during the year:

	2025 No	2024 No
Average number of employees	113	109
Average number of volunteers	26	16
	<u>139</u>	<u>125</u>

During the year, the charity made redundancy and/or termination payments which totalled £Nil (2024 - £25,000).

Termination benefits

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.

The number of employees whose emoluments fell within the following bands was:

	2025 No	2024 No
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

11 Comparative SOFA

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	4,337	1,286	9,662	15,285
Charitable activities	4	568,945	1,953,911	2,374,895	4,897,751
Other trading activities	5	11,760	-	-	11,760
Investment income	6	46,518	-	-	46,518
Total income		<u>631,560</u>	<u>1,955,197</u>	<u>2,384,557</u>	<u>4,971,314</u>
Expenditure on:					
Raising funds		19,162	-	-	19,162
Charitable activities		498,300	1,763,004	2,762,868	5,024,172
Governance costs		49,162	-	7,355	56,517
Total expenditure		<u>566,624</u>	<u>1,763,004</u>	<u>2,770,223</u>	<u>5,099,851</u>
Net income/(expenditure)		64,936	192,193	(385,666)	(128,537)
Transfers between funds		<u>219,064</u>	<u>(219,064)</u>	<u>-</u>	<u>-</u>
Net movement in funds		284,000	(26,871)	(385,666)	(128,537)
Reconciliation of funds					
Total funds brought forward		<u>1,402,897</u>	<u>242,726</u>	<u>2,017,830</u>	<u>3,663,453</u>
Total funds carried forward	18	<u>1,686,897</u>	<u>215,855</u>	<u>1,632,164</u>	<u>3,534,916</u>

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

12 Tangible fixed assets

	Land and buildings £	Office equipment £	Total £
Cost			
At 1 April 2024	69,250	8,498	77,748
Revaluations	<u>25,750</u>	<u>-</u>	<u>25,750</u>
At 31 March 2025	<u>95,000</u>	<u>8,498</u>	<u>103,498</u>
Depreciation			
At 1 April 2024	<u>-</u>	<u>8,498</u>	<u>8,498</u>
At 31 March 2025	<u>-</u>	<u>8,498</u>	<u>8,498</u>
Net book value			
At 31 March 2025	<u>95,000</u>	<u>-</u>	<u>95,000</u>
At 31 March 2024	<u>69,250</u>	<u>-</u>	<u>69,250</u>

In 1991 a grant was received from the then Hull Health Authority which was used to make necessary improvements to the property. The total cost of these improvements amounted to £42,041 against which a grant of £42,000 was received. The freehold land and buildings themselves were donated by the Hull Health Authority subject to a legal charge in their favour which was set upon at the open market value as assessed by the District Valuer as £69,250 at the date of transfer. The property and the liability arising from the legal charge have been revalued in line with a professional valuation which the charity received on 6 February 2025 for £95,000.

In order to comply with the accounting requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" published in 2011, the trustees introduced the current value of the property into the charity's balance sheet, together with the accompanying legal charge of the same amount.

The trustees are of the opinion that the property occupied for the purposes of the charity is maintained to such a level that ensures that the estimated useful life of the property is of such a length as to make a depreciation charge immaterial and therefore one has not been provided in the year ended 31 March 2025.

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

13 Debtors

	2025 £	2024 £
Trade debtors	27,485	3,439
Prepayments & accrued income	119,615	107,296
Other debtors	66,188	20,373
	<u>213,288</u>	<u>131,108</u>

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	168,012	145,755
Other creditors	107,651	24,383
Accruals & deferred income	121,452	83,874
	<u>397,115</u>	<u>254,012</u>

15 Creditors: amounts falling due after one year

	2025 £	2024 £
East Riding & Hull Health Authority	<u>95,000</u>	<u>69,250</u>

The East Riding & Hull Health Authority holds a legal charge on a building donated to the charity. Should the building be sold or cease to be used for the charitable objects of the charity then £95,000 would be due to the Authority.

16 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Other		
Within one year	133,559	98,600
Between one and five years	261,180	40,500
	<u>394,739</u>	<u>139,100</u>

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

17 Employee Benefit Obligations

The charity operates a defined contribution scheme, the amount charged to the Statement of Financial Activities in the year to 31st March 2025 was £198,861 (2024: £183,006). There are also some employees in the NHS pension scheme which cannot be valued and is, therefore, disclosed on a contributions basis. Required payments to all of the schemes are up to date.

18 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Unrestricted funds					
General					
General fund	1,686,897	786,701	(441,935)	53,203	2,084,866
Designated					
Central Marketing Development	529	-	(14,645)	14,826	710
Central Workforce Enhancement	(93)	-	(6,571)	6,380	(284)
Hull Drug & Alcohol Service	10,175	308,732	(282,509)	(10,175)	26,223
ERP	140,043	1,199,759	(1,173,902)	-	165,900
Access & Liaison	65,201	199,652	(163,801)	(65,200)	35,852
Riverside	-	347,105	(361,843)	14,738	-
	<u>215,855</u>	<u>2,055,248</u>	<u>(2,003,271)</u>	<u>(39,431)</u>	<u>228,401</u>
Restricted funds					
Doncaster Drug & Alcohol Service User Group	1,626,035	2,587,435	(2,837,949)	(14,738)	1,360,783
ASYE	6,129	33,030	(30,584)	966	9,541
	<u>-</u>	<u>8,400</u>	<u>(8,400)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>1,632,164</u>	<u>2,628,865</u>	<u>(2,876,933)</u>	<u>(13,772)</u>	<u>1,370,324</u>
Total funds	<u>3,534,916</u>	<u>5,470,814</u>	<u>(5,322,139)</u>	<u>-</u>	<u>3,683,591</u>

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
<i>General</i>					
General fund	1,402,897	631,560	(566,624)	219,064	1,686,897
<i>Designated</i>					
Central Marketing Development	222	-	(14,686)	14,993	529
Central Workforce Enhancement	(4,051)	-	(8,541)	12,499	(93)
Hull Drug & Alcohol Service	42,969	256,612	(246,437)	(42,969)	10,175
ERP	134,411	1,141,958	(1,001,914)	(134,412)	140,043
Access & Liaison	69,175	239,006	(173,805)	(69,175)	65,201
Central I, M & T Development	-	1,286	(1,286)	-	-
Riverside	-	316,335	(316,335)	-	-
	<u>242,726</u>	<u>1,955,197</u>	<u>(1,763,004)</u>	<u>(219,064)</u>	<u>215,855</u>
Restricted					
Doncaster Drug & Alcohol Service User Group	2,006,443	2,374,895	(2,735,030)	(20,273)	1,626,035
ASYE	11,387	3,362	(28,893)	20,273	6,129
	<u>-</u>	<u>6,300</u>	<u>(6,300)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>2,017,830</u>	<u>2,384,557</u>	<u>(2,770,223)</u>	<u>-</u>	<u>1,632,164</u>
Total funds	<u>3,663,453</u>	<u>4,971,314</u>	<u>(5,099,851)</u>	<u>-</u>	<u>3,534,916</u>
Restricted funds					

The restricted funds of the charity comprise unexpended balances of grants to be applied for specific purposes.

Each project is subject to individual funding specifically for that project and as a result has a restriction on its use placed upon it by the grant provider. The balance will fund expenditure yet to be incurred.

Designated funds

During the year, the charity reviewed the balances held in designated funds relating to specific projects. At the year end, it was determined that the activities for which these funds were originally designated had been fully completed, and the associated expenditure had been fully incurred in line with the funders' intentions. As a result, the residual balances, which were no longer subject to any designation, were transferred to unrestricted funds.

The Alcohol and Drug Service

Notes to the Financial Statements for the Year Ended 31 March 2025

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Tangible fixed assets	-	-	95,000	95,000	69,250
Current assets	2,258,847	345,150	1,476,709	4,080,706	3,788,928
Current liabilities	(173,981)	(116,749)	(106,385)	(397,115)	(254,012)
Creditors over 1 year	-	-	(95,000)	(95,000)	(69,250)
Total net assets	<u>2,084,866</u>	<u>228,401</u>	<u>1,370,324</u>	<u>3,683,591</u>	<u>3,534,916</u>

20 Related party transactions

There were no related party transactions in the year.

