

Drugscience Ltd
(a company limited by guarantee)

Annual report and financial statements

For the year ended 30 June 2021

Registered company number: 08032149

Registered charity number: 1150449

Contents

| | Page |
|--------------------------------------|---------|
| Reference and administrative details | 1 |
| Trustees' report | 2 - 11 |
| Independent examiner's report | 12 |
| Statement of financial activities | 13 - 14 |
| Statement of financial position | 15 |
| Notes to the financial statements | 16 - 23 |

Reference and administrative details

For the year ended 30 June 2021

| | |
|----------------------------------|--|
| Trustees | S Macken Prof Ilana Crome - Chair A D Knight Prof D Nutt J Smith |
| Secretary | S P Macken |
| Company registered number | 08032149 |
| Charity registered number | 1150449 |
| Registered office | 130 Wood Street London EC2V 6DL |
| Independent examiner | Buzzacott LLP 130 Wood Street London EC2V 6DL |

Trustees' report

For the year ended 30 June 2021

The trustees present their annual report together with the financial statements of Drugscience Ltd ('the charity') for the year ended 30 June 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is constituted under a Memorandum of Association dated 16 April 2012 and amended by a Special Resolution dated 17 December 2012. It is a registered charity with its charity number being 1150449.

The charity is limited by guarantee and does not have share capital. All trustees are members of the charity and guarantee to contribute £1 in the event of winding up.

Appointment of trustees

The trustees have complete control of the charity in relation to the application of funds. Trustees are appointed in accordance with the charity's governing document. All decision-making of Drugscience is made in accordance with the charity's Conflicts of Interest policy.

Trustees

The trustees who served during the year were:

S Macken
Prof Ilana Crome
A D Knight
Prof D Nutt
J Smith

OBJECTIVES AND ACTIVITIES

Policies and objectives

The principal objectives of the charity are:

- to advance the education of the public in the harms of drug taking to help prevent and mitigate the suffering caused by drug harms and associated behaviours;
- to promote the good health of the general public by providing advice to the public and practitioners who are impacted by drug taking in any way; and
- to promote research for the benefit of the public, in the subject of drugs and drug taking and into its effects on the public and society in general, whether physical, medical, psychological or social.

Public benefit statement

The trustees have given due consideration the Charity Commission published guidance on the public benefit requirements. The charity constitutes a public benefit entity as defined by FRS 102.

Trustees' report (continued)

For the year ended 30 June 2021

ACHIEVEMENTS AND PERFORMANCE

The charity has a vital role to play in society, providing the public in the UK and internationally with high quality, scientifically based information on drugs and evidence-based comment and analysis of new research. The charity aims to inform public understanding about drugs and promote effective policies and practice in the UK and at international level.

The charity reviews and investigates the scientific evidence relating to drugs, free from political concerns. The charity provides accessible information on drugs to the public and professionals via direct communication, podcasts, educational resources, webinars, and events via its web-based information pages. The charity works in the UK and internationally and addresses issues surrounding drug harms and benefits; regulation and education; prevention, treatment and recovery.

We believe that:

- Everyone has the right to be able to access accurate information about the effects, harms and benefits of drugs.
- All people have the right to receive effective, evidence-based drug education.
- All people with drug-related problems have the right to services that will support their recovery.
- There needs to be an ongoing and open public discussion about drugs and their place within our society.
- Policy and practice should be based on evidence from research and experience and independent review.
- All drug users have the right to a life free from discrimination and stigma.
- Any regulation of drug use should aim to prevent and reduce the harmful consequences of drug use. It should be proportionate to the harms.
- It is vitally important to extend the evidence base on drugs through research.
- Public services should aim to prevent and reduce harms to drug users and others.
- Unnecessary and overly laborious barriers to research should be eroded to facilitate a higher quality understanding of drugs regardless of their legal status.

Trustee meetings

The charity trustee meetings were held every three months throughout this period. The main issues discussed included:

- Governance and organisational structure
- Fundraising
- Drug Science strategy
- Updating of trustees
- Updating on present expert members
- The importance of continuing regular newsletters
- The collaboration of drug reports with the recent House of Commons drug
- Reports
- Research progress

General

In 2021, the charity has continued to grow in terms of generated income, the staff team, the charity's research outputs, and its contributions to policy making and public communications. The charity is now leading three working groups: the Medical Cannabis Working Group (MCWG), the Medical Psychedelics Working Group (MPWG) and the Enhanced Harm Reduction Working Group (EHRWG) (see further details below).

Trustees' report (continued)

For the year ended 30 June 2021

All of this work is made possible through the great contributions made by expert member volunteers. We are grateful for the many hours members have worked on participating and presenting at the quarterly Drug Science symposia, writing public letters, reports and publishing relevant papers. Without this valuable contribution of time, energy and expertise the charity would not have been able to achieve so much. Throughout the year, the Drug Science Scientific Committee continued to meet every three months to discuss possible outputs from the charity and other interrelated issues that are relevant to the charity.

General research outputs

- Howard, A., Neill, J., Schlag, A.K., and Lennox C. (2021) Schedule 1 barriers to research in the UK: an in-depth qualitative analysis Understanding researchers' experiences of the barriers and facilitators to conducting controlled drugs research. DSPL <https://journals.sagepub.com/doi/full/10.1177/20503245211049313>
- Drug Science book on "50 years of the Misuse of Drugs Act (MDA) 1971".
- Schlag, A.K. and Nutt, D. Cannabis in the UK: Past, present and future. Invited book chapter on the Misuse of Drugs Act (MDA 1971). Revised and submitted
- Ross, A. and Schlag A.K. Narratives of drug use. Invited book chapter on the Misuse of Drugs Act (MDA 1971). Revised and submitted
- Curran, V., Measham, F., Schlag, A.K., Nutt, D. 50 years of MDMA. Invited book chapter on the Misuse of Drugs Act (MDA 1971). Revised and submitted
- In Dec 2021, Drug Science conducted an MCDA on nitrous oxide and poppers. The report is currently being prepared for submission to DSPL
- The Drug Science Scientific Committee meetings continue virtually.
- Policy contribution: response to UK gov on how to develop clinical trials (<https://www.gov.uk/government/news/new-proposals-for-the-future-of-uk-clinical-trial-legislation>);

Medical Cannabis Working Group (MCWG)

The Medical Cannabis Working Group is a cross-sector collaboration that includes scientific experts, academics, policy makers and leaders of patient advocacy groups alongside industry partners collectively aiming to improve and accelerate access of medical cannabis in the UK for all patients.

Aim

To improve and accelerate access of medical cannabis in the UK for all patients.

Objectives

- Develop and deliver scientific research on medical cannabis
- Ensure provision of education and training for physicians and health care professionals
- Improve evidence base through Real World Data collection
- Ensure effective communication between stakeholders, involving patients and addressing patients concerns
- Address stigma within the medical profession, media and the general public
- Advocate for transparency across industry relationships

The Medical Cannabis Working Group is a collaboration that continues to prioritise an approach that includes:

- (i) Medical education,
- (ii) Reasonable access to patients in need and patients seeking medical cannabis, along with
- (iii) The collection of robust real-world data that may inform effectiveness and safety, along with Quality-adjusted life-year (QALY) and patient reported outcomes.

These approaches are key in the implementation of an effective access programme in the UK that is most likely to have the best public health outcome.

Trustees' report (continued)

For the year ended 30 June 2021

It is clear that whilst there is great progress in access to medical cannabis being made worldwide, patients in the UK are being prevented from accessing potentially beneficial treatment, despite cannabis having been legally classified as a medicine since November 2018. Since then, only a handful of patients have received a prescription on the NHS, despite lobby and patient groups suggesting the number of patients currently using illicit cannabis for therapeutic purposes in the UK to be in the region of 1.4 million people.

We believe that a balance must be struck between the access demands of patients based on unmet need, the risk of a burgeoning illicit market in the context of restricted access, and the collection of data to monitor safety. Medical cannabis is already being made available in significant numbers in Europe and in other countries, whilst patients in the UK are being driven to the illicit cannabis market characterised by irregular products high in THC, or the CBD market currently governed as a novel food by the Food Standards Agency.

Research outputs of the MCWG

- Nutt, D. (2022). Why doctors have a moral imperative to prescribe and support medical cannabis. BMJ Open: <https://bmjpaedsopen.bmj.com/content/5/1/e001234>
- Zafar, R., Schlag, A.K., Phillips, L., Nutt, D. (2021). Medical cannabis for severe treatment-resistant epilepsy in children: a case series of 10 patients. BMJ Paediatrics Open: <https://bmjpaedsopen.bmj.com/content/5/1/e001234>
- Bourke S., Schlag, A.K., O'Sullivan, S., Nutt, D., Finn, D. Cannabinoids and the endocannabinoid system in fibromyalgia: a review of preclinical and clinical research. Invited Review Pharmacology and Therapeutics. Under Review.
- Schlag, A.K., Lynskey, M., Fayeze, A. et al. Characteristics of people seeking prescribed cannabinoids for the treatment of chronic pain: Evidence from Project Twenty 21. Under Review. Cannabis and Cannabinoid Research.
- Lynskey M., Nutt, D. Schlag, A.K. et al. T21: The first 2000 patients. Comprehensive paper to be submitted to BMJ. Working paper.
- Possibility of further condition-specific T21 articles, e.g., medication/opioid sparring
- Schlag, A.K., Thurgur, H. et al. Medical cannabis and Covid-19: Current uses and potential future applications. Working paper.
- Further peer reviewed publications on CBD and Long Covid study
- Medication sparring- Case Study T21 Dr Sunderland
- BMJ case report led by Rayyan Zafar
- Cancer case study II
- Together with the Cannabis Industry Council (CIC):
 - A white paper of the benefits of RWE in relation to medical cannabis
 - Followed by commentary in peer-reviewed journal
- Policy contribution: response to ACMD CBD Report (<https://www.cannabistrades.org/stories/consequences-of-the-acmd-consumer-cannabidiol-cbd-products-report>)

Project Twenty21

Project Twenty21 is Europe's largest real-world data registry to document efficacy, safety, quality-adjusted life year and patient reported outcomes in prescribed medical cannabis in the UK.

Through Project Twenty21, eligible patients can access affordable medical cannabis treatment, monitored by Drug Science. The project aims to create the largest body of evidence for the effectiveness and tolerability of medical cannabis. The findings of Project Twenty21 will provide evidence for NHS funding if the benefits of treatment with medicinal cannabis is proven to outweigh the potential risks.

We have now opened the study up to cover any primary condition prescribed for by any of our participating clinics. We have also removed the mandate that patients must have been prescribed two licensed medications prior to trying medical cannabis treatment – this is now at the discretion of the clinic.

The project now has more than 2,500 patients who are active and contributing health outcome measure data. Over 1,000 have contributed both their baseline data and their three month follow up data. Primary conditions across our full patient cohort breakdown from December 2021, showing that over half of patients have a primary condition of Chronic Pain.

Trustees' report (continued)

For the year ended 30 June 2021

We have also been able to expand Project Twenty21 into Australia, in partnership with Releaf and the Australasian College of Cannabinoid Medicine (ACCM). It is anticipated that this will add a significant number of patients to the registry, increasing the health outcome data that we will be able to report on.

Long Covid study

The UK's NHS Research Ethics Committee (NHS REC) and Medicines and Healthcare products Regulatory agency (MHRA) has granted our researchers permission to study the effects of medical cannabis on long-COVID. Following this approval, our new patient study will run for five months from February until June 2022. 30 participants who have experienced long-COVID symptoms will be enrolled after approval from their GPs, then administered daily doses of medical cannabis (in oil form).

Throughout the study these patients' wellbeing will be monitored. Data will then be anonymised and analysed by our researchers, in an effort to establish whether medical cannabis is an effective treatment for their condition.

Medical Psychedelics Working Group (MPWG)

The Medical Psychedelics Working Group is a cross-sector collaboration that includes scientific experts, academics, policymakers, leaders of patient advocacy groups and industry representatives, collectively aiming to create a rational and enlightened approach to psychedelic research and clinical treatment.

Aim

To create a rational and enlightened approach to psychedelic research and clinical treatment.

Objectives

- Develop and deliver scientific research on psychedelic drugs
- Provide evidence that supports the removal of psychedelic drugs from Schedule 1 restrictions
- Work with regulatory bodies to ensure that relevant legislation is enacted to facilitate medical use of psychedelic drugs
- Promote de-stigmatisation and improved understanding of psychedelic drugs
- Provide evidence-based educational resources on psychedelic medicine for doctors, pharmacists, healthcare professionals and the general public

We believe that the future of psychedelic medicine is extremely promising, and there is potential for the widespread application of psychedelic drugs within public health models. After witnessing the legalisation of medical cannabis in 2018, we recognised a need to work collaboratively and proactively with interdisciplinary partners to ensure that psychedelic medicines are developed for UK, EU and worldwide healthcare models.

Current regulations have created serious and considerable barriers to legitimate research associated with Schedule 1 regulations. While existing legislation does not preclude scientific research with these drugs, it does make studies considerably more difficult, time-consuming and costly.

With further research and a greater understanding amongst policy makers, academics, the media and the general public, there is a realistic prospect of regulatory approval for psychedelic medicines. We aim to ensure that medical psychedelics can be used safely in an ethical and economically sustainable manner and demonstrate a potential for lasting therapeutic benefit.

In 2020, we decided to establish the Medical Psychedelics Working Group to break down the barriers of 50 years of medical censorship by creating a rational and enlightened approach to psychedelic research and clinical treatment. The group explores innovation within the psychedelic space with a specific focus on how psychedelics can be integrated into primary and secondary healthcare. Our belief is that evidence-based science, data sharing, and strong partnerships are essential for the success of psychedelic medicines.

Trustees' report (continued)

For the year ended 30 June 2021

Research outputs of the MPWG

- Schlag, A.K., Aday, J., Salam, I., Neill, J., Nutt, D. (2022). Adverse effects of psychedelics: From anecdotes and misinformation to systematic science. J Psychopharmacology. <https://journals.sagepub.com/doi/full/10.1177/02698811211069100>
- Nutt, D., Neill, J., Schlag, A.K., Chiruta, V. The current status of psychedelics in Australian medicine. Under Review.
- Neill, J. et al. Risks and side effects associated with the use of psychedelics. Invited book chapter- submitted.
- Curran, V., Schlag, A.K., Thurgur, H., Nutt, D. MDMA: Myths and medicine. Working paper.
- Neill, J., Nutt D.J. Schlag, A.K. et al. The current status of psychedelics in medicine. Working paper.
- A health economics analysis to investigate the cost effectiveness of psychedelics. Paul McCrone/University of Greenwich.
- The development of an ethics statement for the MPWG (together with Dr Meg Spriggs and a consortium of international experts) including roundtable discussions, with a report and/or a peer-reviewed article as output. Two rounds of discussions have taken place and have been written up. Follow-up meetings are scheduled for late 2022.
- Policy contribution: Mind Medicine Aus TGA scheduling of MDMA and psilocybin

We have been working with the life-sciences group 'HAVN' to help them to import their medical product into the UK to facilitate an application to the MHRA for the Innovative Licensing and Access Pathway (ILAP) scheme. This is the accelerated access to medical products scheme that was set up as a response to Brexit giving the regulator more flexibility in licensing.

We have collaborated with the University of Manchester and the charity 'TheraPsil' on a project that will lobby the Canadian Health regulator (Health Canada) to make access to medical psilocybin, and psilocybin therapy a legal, safe, regulated and accessible treatment option in Canada for those experiencing palliative-related existential distress. We hope to use the findings of this research to lobby UK regulators to make the same decision.

We are spearheading a new initiative to set up a multidisciplinary and multi-stakeholder advocacy collaboration: Psychedelic Access and Research European Alliance – PAREA. This will be a stand-alone, membership-led organization focusing exclusively on the EU lobby and streamlining EU advocacy activities into psychedelic science.

Enhanced Harm Reduction Working Group (EHRWG)

The Enhanced Harm Reduction Working Group is a consortium of scientific experts, academics, policy makers, treatment providers and advocacy groups, working collaboratively to reduce the harms of intravenous drug use.

Aim

To develop the evidence base for reducing drug-related harm by piloting a Supervised Injection Facility (SIF) in the UK

Objectives

- Work with partners to establish pilot SIFs for evaluation.
- Inform legal reform to enable the development of the evidence base on SIFs.
- Collate and communicate the evidence-base for SIFs in reducing drug-related harm.

We believe that there is good real-world evidence for the positive effects of Supervised Injection Facilities (SIFs) across the world.

SIFs are known by many names including Overdose Prevention Centres, and Drug Consumption Rooms. There are subtle nuances between each, however, their function is to provide safe spaces for people to consume controlled drugs under the supervision of people who can save lives if overdoses occur.

Trustees' report (continued)

For the year ended 30 June 2021

Our aim is to develop the evidence base for reducing drug-related harms by piloting a SIF in the UK. This collaborative initiative will evaluate whether establishing a SIF would prove to be cost-effective, reduce crime, improve public health, reduce drug litter, and increase engagement in treatment services.

The EHRWG encourages the use of a participatory development approach in the design and development of a SIF. Consulting people who will be the end users of the SIF in the design, development and implementation is key to ensuring the model is fit for purpose, community-friendly, and holds the confidence of the local drug-using community. People who use drugs are sadly familiar with experiencing discrimination in health and social care settings. As such, those developing new services need to actively demonstrate their commitment to non-judgemental, rights-based approach and participatory development is a good starting point. When a community owns and supports the SIF, this ensures effective service user recruitment, quality management and advocacy.

The EHRWG is currently continuing to collaborate with two drug and alcohol treatment providers to implement an Enhanced Harm Reduction service in two separate localities in England. Drug Science is currently conducting the preliminary feasibility and pilot study. To conduct the qualitative review, we recruited and partly trained a team of 19 volunteer peer researchers to carry out participatory consultations in January 2022.

The quantitative research team is collating various indicators of success, including data on deaths, on people in treatment, on injecting equipment-related litter, blood-borne viruses, and crime. The qualitative and quantitative elements of the feasibility stage of the project helps us prepare for the small-scale pilot study, when an enhanced harm reduction service starts to operate in the localities.

Drug Science Policy and Law Journal

The Drug Science Journal continued to develop its scope of articles and remains open access to allow wide dissemination of peer reviewed articles. Recent articles focus on cannabis, psychedelics, the opioid epidemic in the US and wider drug harms and drug policies (please see: <https://journals.sagepub.com/home/dsp>). Recent publications include:

- The risk of being culpable for or involved in a road crash after using cannabis: A systematic review and meta-analyses
- Drug science, policy and law – relaunch
- Perspectives of drug treatment and mental health professionals towards treatment provision for substance use disorders with coexisting mental health problems in England
- Schedule 1 barriers to research in the UK: An in-depth qualitative analysis
- The cocaine-e-cigarette – A theoretical concept of a harm reduction device for current users of smokable cocaine forms
- Facing drug addiction: Vietnam's struggle with opioids
- Medical cannabis and epilepsy in the UK – A qualitative analysis of the carers' perspective: "We're asking for quality of life for our children"
- Online survey into developing a model for a legal cannabis market in the United Kingdom
- Buprenorphine for the management of kratom dependency during covid-19: A case report
- Illegal drugs in the UK: Is it time for considered legalisation to improve public health?
- Nonclinical abuse liability testing of new CNS-active drugs: Role of sex as a critical factor for drug scheduling

The Drug Science Student Society

The Drug Science Student Society is a student-led group that aims to provide evidence-based education on all psychoactive substances. The group was founded in March 2020, since that time, Drug Science have established student groups at some of the UK's leading universities including:

- Oxford
- Cambridge
- Bristol
- UCL
- Imperial

Trustees' report (continued)

For the year ended 30 June 2021

- St. Andrews
- St. Barts
- Exeter
- Kings
- York
- Newcastle
- Glasgow
- UEA
- Cardiff

Drug Science Community

The Drug Science community has continued to grow over the last year, generating donations of £61,488. Going into the next period, we now have over 300 monthly donors, all of whom receive priority access to our events and other exclusive offers.

Events

As before, our events cover a wide range of topics related to drugs including clinical trials, policy, psychotherapy, patient accounts, and research. Our presenters have included: ex-prime ministers, world-renowned researchers, TV personalities, and academics within this space. Recent events have included:

- Three Prescriptions in three Years – 22nd Feb 2022 (House of Lords)
- Cannabis Science & Beyond: Drug Science virtual conference – 23rd March 2022 (virtual)
- Student Psychedelic Conference – 9th – 10th April 2022 (virtual)
- Psilocybin for depression: comparing academic vs industry-led clinical trials

Podcast

The Drug Science Podcast is a key initiative in our objective of providing free and accessible education/information to our wider audiences. From March 2021 until January 2022, the podcast has been released every fortnight and has been produced completely 'in-house'. This can be referred to as 'season 3' of the podcast. With 175,000 downloads we can estimate that season 3 in total received over 500,000 streams, well beyond our expectation when the initiative was conceived.

FINANCIAL REVIEW

Result for the year

The results for the year are shown in the statement of the financial activities on page 13. During the year, the charity received donations and other income totalling of £621,633 (2020: £672,184). The cost of raising funds for the period (including allocated support costs) totalled £102,909 (2020: £106,701). Support costs (including governance costs) of £526,594 (2020: £415,794) brought total expenditure for the year to £552,332 (2020: £453,708). The result for the year ended 30 June 2021 was a surplus of £69,301 (surplus 2020: £218,476).

The balance of the unrestricted reserves as at 30 June 2021 was £217,831 (2020: £126,358) and restricted reserves £77,313 (2020: £99,485).

Trustees' report (continued)

For the year ended 30 June 2021

Reserves policy

The level of reserves is monitored and reviewed by the trustees at least annually. The trustees believe that the charity should target to hold unrestricted financial reserves equivalent to a minimum of 2 year's core costs. This is estimated to be £160,000.

As at 30 June 2021, the charity's unrestricted reserves was £217,831 (2020: £126,358). This is above the reserves policy stated above. The trustees believe that current level of reserves is sufficient to cover the core costs of the organisation, ensuring financial stability in the event of unplanned adverse circumstances.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

However, the coronavirus pandemic is an inherent uncertainty regarding the charity's ability to continue as a going concern because it is not possible to predict the outcome of this unprecedented event. The trustees are implementing contingency plans to mitigate any negative effects and therefore do not believe that the effect of the coronavirus will be significant. The financial statements have therefore been prepared on the going concern basis.

Plans for future years

The priority for the charity over the last three years has been to secure financial stability. This aim has now been achieved, with unrestricted reserves now exceeding the general reserve policy, ensuring that the organisation is in a strong position. The aim for the foreseeable future is to maintain financial sustainability, ensuring that its income is sufficient to allow the organisation to continue to meet its charitable objectives.

To achieve this, Drugscience has incorporated a trading subsidiary, called Drugscience Trading Ltd. The purpose of the subsidiary is the provision of a consultancy service to commercial stakeholders in the areas of medical cannabis and psychedelic research. The subsidiary is a registered company wholly owned by Drugscience, which will donate 100% of its surplus to the charity.

Trustees' report (continued)

For the year ended 30 June 2021

Trustees' responsibilities statement

The trustees (who are also directors of the charity for the purposes 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. 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 income and expenditure of the charity for the 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with 'the Financial Reporting Standard applicable to the UK and Republic of Ireland' ('FRS 102');
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards 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 appropriate to presume that the trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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 corporate 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.

This report was approved by the trustees and signed on their behalf by:

IBCrome

IBCrome (Mar 21, 2022 12:28 GMT)

Prof Ilana Crome

Chair

Date: 21/03/2022

Independent examiner's report to the trustees of Drugscience Ltd

For the year ended 30 June 2021

Independent examiner's report to the trustees of Drugscience Ltd ('the charity')

I report to the trustees on my examination of the financial statements of the charity for the year ended 30 June 2021.

Responsibilities of basis of reports

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with my examination giving me cause to believe:

- accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principles of the for "Accounting and Reporting by Charities: the 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 2015)."

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Gumayel Miah, ACA
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 23 March 2022

Statement of financial activities

For the year ended 30 June 2021

2021

| | | Unrestricted funds | Restricted funds | Total funds |
|---|------|-----------------------|---------------------|----------------|
| | Note | 2021 £ | 2021 £ | 2021 £ |
| Income from: | | | | |
| Donations & legacies | 3 | 283,109 | 317,084 | 600,193 |
| Charitable activities | 4 | 21,440 | - | 21,440 |
| Total income | | 304,549 | 317,084 | 621,633 |
| Expenditure on: | | | | |
| Raising funds | 5 | 33,114 | 69,795 | 102,909 |
| Charitable activities | 6 | 179,962 | 269,461 | 449,423 |
| Total expenditure | | 213,076 | 339,256 | 552,332 |
| Net income/(expenditure) and net movement in funds | | 91,473 | (22,172) | 69,301 |
| Reconciliation of funds: | | | | |
| Total funds at 30 June 2020 | | 126,358 | 99,485 | 225,843 |
| Total funds at 30 June 2021 | 13 | 217,831 | 77,313 | 295,144 |

Statement of financial activities

For the year ended 30 June 2021

2020

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--------------------------------------|------|------------------------------------|----------------------------------|-----------------------------|
| Income from: | | | | |
| Donations & legacies | 3 | 258,088 | 407,494 | 665,582 |
| Charitable activities | 4 | 6,602 | - | 6,602 |
| Total income | | <u>264,690</u> | <u>407,494</u> | <u>672,184</u> |
| Expenditure on: | | | | |
| Raising funds | 5 | 55,389 | 51,312 | 106,701 |
| Charitable activities | 6 | 90,310 | 256,697 | 347,007 |
| Total expenditure | | <u>145,699</u> | <u>308,009</u> | <u>453,708</u> |
| Net income and net movement in funds | | <u>118,991</u> | <u>99,485</u> | <u>218,476</u> |
| Reconciliation of funds: | | | | |
| Total funds at 30 June 2019 | | <u>7,367</u> | <u>-</u> | <u>7,367</u> |
| Total funds at 30 June 2020 | 13 | <u>126,358</u> | <u>99,485</u> | <u>225,843</u> |

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

All of the charity's activities derived from continuing operations during the above two financial periods. The notes on pages 16 to 23 form part of these financial statements.

Statement of financial position

For the year ended 30 June 2021

| | Note | £ | 2021 £ | 2020 £ |
|---|------|------------------|-----------------------|----------------|
| Current assets | | | | |
| Debtors | 11 | 104,181 | 17,863 | |
| Cash at bank and in hand | | 341,259 | 345,934 | |
| | | <u>445,440</u> | <u>363,797</u> | |
| Creditors: Amounts falling due within one year | 12 | <u>(150,296)</u> | <u>(137,954)</u> | |
| Net current assets | | | 295,144 | 225,843 |
| Total assets less current liabilities | | | <u>295,144</u> | <u>225,843</u> |
| Total net assets | | | <u>295,144</u> | <u>225,843</u> |
| Charity funds | 13 | | | |
| Unrestricted funds | | | 217,831 | 126,358 |
| Restricted funds | 15 | | <u>77,313</u> | <u>99,485</u> |
| Total funds | | | <u>295,144</u> | <u>225,843</u> |

The trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at 30 June 2021 and of its income and expenditure for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charity.

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with FRS 102.

The financial statements were approved by the trustees on 21/03/2022 and signed on their behalf by:


 IBCrome (Mar 21, 2022 12:28 GMT)

Prof Ilana Crome
Chair

The notes on pages 16 to 23 form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2021

1. General information

Drugscience Ltd ('the charity') is a private company limited by guarantee and is incorporated in England and Wales. The members of the charity are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. Its registered office is 130 Wood Street, London, England, EC2V 6DL. Its principal place of business is 2 Langley Lane, London, SW8 1GB. The company registration number is 08032149 and the charity number is 1150449.

2. Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), 'The financial reporting standard applicable in the UK and Republic of Ireland ('FRS' 102)' and the Charities Act 2011.

The charity continues a public benefit entity as defined by FRS 102. The financial statements are presented in sterling (£).

2.2 Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The coronavirus pandemic provides an inherent uncertainty regarding the charity's ability to continue as a going concern because it is not possible to predict the outcome of this unprecedented event. The trustees are implementing contingency plans to mitigate any negative effects and therefore do not believe that the effect of the coronavirus will be significant. The financial statements have therefore been prepared on the going concern basis.

2.3 Cash flow statement

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to produce such a statement under Accounting and Reporting by charities Statement of Recommended Practice (Charities SORP (FRS 102)).

2.4 Fund accounting

The general fund is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objective of the charity.

The restricted fund relates to grants used to cover associated projects costs as specified by the grant provider.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2.5 Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that income will be received. Where income relates to future periods, this income will be deferred. Grants and donations received for the general purposes of the charitable company are included as unrestricted funds; grants and donations for activities restricted by the wishes of the donor are taken to restricted funds.

2.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party or it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated exclusive of VAT. Expenditure is included in the accounts on an accruals basis and includes attributable VAT, which cannot be recovered.

Expenditure is allocated to the particular activity on a direct basis or by allocation based on the level of direct expenditure relating to that activity.

Expenditure comprises the following:

- a. The costs of charitable activities comprise expenditure related to the charity's primary charitable purposes. Such costs include:
 - General overhead costs
 - Related support costs
- b. The cost of raising funds comprises expenditure related to the charity's expenses in relation to raising funds for the charity. Such costs include:
 - Direct costs
 - Related support costs
- c. Support costs are the costs associated with the governance arrangements of the charity and the general running of the charity. Included within this category are costs associated with the strategic management of the charity's activities as opposed to day-to-day management. Support costs are allocated on the basis of time spent of these activities.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered and net of any provision. Prepayments are valued at the net amount prepaid.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Notes to the financial statements (continued)

For the year ended 30 June 2021

3. Donations & legacies

2021

| | Unrestricted | Restricted | Total |
|--------------------|----------------|----------------|----------------|
| | 2021 | 2021 | 2021 |
| | £ | £ | £ |
| Donations | 26,669 | - | 26,669 |
| Educational grants | 256,440 | 317,084 | 573,524 |
| | <u>283,109</u> | <u>317,084</u> | <u>600,193</u> |

2020

| | Unrestricted | Restricted | Total |
|--------------------|----------------|----------------|----------------|
| | 2020 | 2020 | 2020 |
| | £ | £ | £ |
| Donations | 11,284 | - | 11,284 |
| Educational grants | 246,804 | 407,494 | 654,298 |
| | <u>258,088</u> | <u>407,494</u> | <u>665,582</u> |

Deferred income analysis

| | Unrestricted | Restricted | Total |
|-------------------------------------|--------------|---------------|---------------|
| | funds | funds | funds |
| | £ | £ | £ |
| Balance as at 01 July 2020 | - | 37,500 | 37,500 |
| Income deferred in the current year | - | 38,333 | 38,333 |
| Amount released from previous year | - | (37,500) | (37,500) |
| Balance as at 30 June 2021 | <u>-</u> | <u>38,333</u> | <u>38,333</u> |

Note: Donations deferred during the year is related to educational grants received in the year for future periods.

Notes to the financial statements (continued)

For the year ended 30 June 2021

4. Income from charitable activities

| 2021 | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ |
|-------------------|---------------------------|-------------------------|--------------------|
| Book Royalties | 5,800 | - | 5,800 |
| Events | 4,928 | - | 4,928 |
| Non-profit income | 10,712 | - | 10,712 |
| | <u>21,440</u> | <u>-</u> | <u>21,440</u> |

| 2020 | Unrestricted 2020 £ | Restricted 2020 £ | Total 2020 £ |
|-------------------|---------------------------|-------------------------|--------------------|
| Book Royalties | 2,523 | - | 2,523 |
| Events | 4,079 | - | 4,079 |
| Non-profit income | - | - | - |
| | <u>6,602</u> | <u>-</u> | <u>6,602</u> |

5. Raising funds

| 2021 | Unrestricted 2021 £ | Restricted 2021 £ | Total 2021 £ |
|----------------------------------|---------------------------|-------------------------|--------------------|
| Allocated support costs (note 7) | 29,619 | 47,552 | 77,171 |
| Marketing | 1,168 | 17,368 | 18,536 |
| PR/Public income | 2,327 | 4,875 | 7,202 |
| | <u>33,114</u> | <u>69,795</u> | <u>102,909</u> |

| 2020 | Unrestricted 2020 £ | Restricted 2020 £ | Total 2020 £ |
|----------------------------------|---------------------------|-------------------------|--------------------|
| Allocated support costs (note 7) | 24,362 | 44,395 | 68,757 |
| Marketing | 30,727 | 1,361 | 32,088 |
| PR/Public income | 300 | 5,556 | 5,856 |
| | <u>55,389</u> | <u>51,312</u> | <u>106,701</u> |

Notes to the financial statements (continued)

For the year ended 30 June 2021

6. Expenditure on charitable activities

| 2021 | Unrestricted 2021 | Restricted 2021 | Total 2021 |
|----------------------------------|----------------------|--------------------|----------------|
| | £ | £ | £ |
| Allocated support costs (note 7) | 179,962 | 269,461 | 449,423 |
| | <u>179,962</u> | <u>269,461</u> | <u>449,423</u> |
| 2020 | Unrestricted 2020 | Restricted 2020 | Total 2020 |
| | £ | £ | £ |
| Allocated support costs (note 7) | 90,310 | 256,697 | 347,007 |
| | <u>90,310</u> | <u>256,697</u> | <u>347,007</u> |

7. Support costs

| 2021 | Raising funds (note 5) | Charitable activities (note 6) | Total funds | Unrestricted funds | Restricted funds |
|-------------------------------|------------------------------|--------------------------------------|----------------|-----------------------|---------------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 53,332 | 302,212 | 355,544 | 148,516 | 207,028 |
| Transport costs | 31 | 178 | 209 | 15 | 194 |
| Governance costs (note 10) | - | 12,120 | 12,120 | 12,120 | - |
| Other support costs | 23,808 | 134,913 | 158,721 | 48,927 | 109,794 |
| Total | <u>77,171</u> | <u>449,423</u> | <u>526,594</u> | <u>209,578</u> | <u>317,016</u> |
| 2020 | Raising funds (note 5) | Charitable activities (note 6) | Total funds | Unrestricted funds | Restricted funds |
| | £ | £ | £ | £ | £ |
| Staff costs | 50,214 | 230,971 | 281,185 | 79,655 | 201,530 |
| Transport costs | 1,945 | 11,017 | 12,962 | 1,804 | 11,158 |
| Governance costs (note 10) | - | 10,945 | 10,945 | 5,819 | 5,126 |
| Other support costs | 16,598 | 94,074 | 110,672 | 27,394 | 83,278 |
| Total | <u>68,757</u> | <u>347,007</u> | <u>415,764</u> | <u>114,672</u> | <u>301,092</u> |

8. Trustees' remuneration

No trustees received any emoluments or reimbursement of out of pocket expenses for their services as trustees during the year (2020: none).

Notes to the financial statements (continued)

For the year ended 30 June 2021

9. Staff costs

| | 2021 | 2020 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 244,940 | 256,533 |
| Social security costs | 23,513 | 20,465 |
| Other pension costs | 4,976 | 4,187 |
| Freelance staff | 82,115 | - |
| | <u>355,544</u> | <u>281,185</u> |

The average monthly number of employees during the year was 5 (2020: 5).

Staff receiving emoluments in excess of £60,000, excluding employer pension contributions, during the year were as follows:

| | 2021 No. | 2020 No. |
|-------------------|-------------|-------------|
| £60,001 - £70,000 | 1 | — |
| | <u>1</u> | <u>—</u> |

10. Governance costs

| | 2021 | 2020 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Accountancy fee | 10,270 | 3,969 |
| Independent examination | 1,850 | 1,850 |
| Legal fees | - | 5,126 |
| | <u>12,120</u> | <u>10,945</u> |

11. Debtors

| | 2021 | 2020 |
|---------------|----------------|---------------|
| | £ | £ |
| Trade debtors | 103,973 | 17,863 |
| Other debtors | 208 | - |
| | <u>104,181</u> | <u>17,863</u> |

Notes to the financial statements (continued)

For the year ended 30 June 2021

12. Creditors: amounts falling due within one year

| | Total 2021 £ | Total 2020 £ |
|-----------------|-----------------------------|-----------------------------|
| Trade creditors | 28,186 | 8,817 |
| Other creditors | 38,353 | 54,074 |
| Accruals | 5,017 | 7,700 |
| Deferred income | 38,333 | 37,500 |
| Other taxation | 40,407 | 29,863 |
| | 150,296 | 137,954 |

13. Analysis of net assets between funds

| 2021 | Restricted funds £ | Unrestricted funds £ | Total funds £ |
|---------------------|-----------------------------------|-------------------------------------|------------------------------|
| Current assets | 115,646 | 329,794 | 445,440 |
| Current liabilities | (38,333) | (111,963) | (150,296) |
| | 77,313 | 217,831 | 295,144 |
| 2020 | Restricted funds £ | Unrestricted funds £ | Total funds £ |
| Current assets | 136,985 | 226,812 | 363,797 |
| Current liabilities | (37,500) | (100,454) | (137,954) |
| | 99,485 | 126,358 | 225,843 |

Notes to the financial statements (continued)

For the year ended 30 June 2021

14. Restricted funds analysis

| | As at 1 July 2020 | Income | Expenditure | Transfers | As at 30 June 2021 |
|-------------------------|----------------------|----------------|------------------|-----------|-----------------------|
| Twenty21 (a) | 99,485 | 317,084 | (339,256) | - | 77,313 |
| Total restricted | 99,485 | 317,084 | (339,256) | - | 77,313 |

| | As at 1 July 2019 | Income | Expenditure | Transfers | As at 30 June 2020 |
|-------------------------|----------------------|----------------|------------------|-----------|-----------------------|
| Twenty21 (a) | - | 407,494 | (308,009) | - | 99,485 |
| Total restricted | - | 407,494 | (308,009) | - | 99,485 |

- a) The Twenty21 fund represents the income which was used to create the UK's largest body of evidence for the effectiveness and tolerability of medical cannabis. The charity hope that the findings of Project Twenty21 will provide evidence for NHS funding where the benefits of treatment with medicinal cannabis is proven to outweigh the potential risks.

15. Related party transactions

There were no related party transactions during the year (2020: no transactions).