

Re-Solv - The Society for the Prevention
of Solvent and Volatile Substance
Abuse

CHAIRMAN'S REPORT AND FINANCIAL
STATEMENTS

28 February 2007

Company Registration No. 1859082
Registered Charity No. 326732

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

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Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

PRESIDENT, PATRONS AND ADVISORS

President	The Countess of Lichfield, LVO	
Vice-Presidents	The Earl of Bradford Sir Bryan Nicholson GBE Air Chief Marshal Sir Peter Terry GCB, AFC Sir Neville Trotter JP, FCA, DL Dr Dorothy Black MB, ChB FRC Psych, DPM, DCH, Cert Criminol - former Senior Medical Officer - Department of Health Mr David Hanson MP Mr John Ramsey, Toxicologist, TICTAC Communications Limited	
Founder and Patron	Mr Barrie Liss OBE JP	
Chairman	Mr Gerald Soane BSc	
Vice-Chairman	Mr John Boswell BA (Hons), PGD Health Education, FFPH	
Director	Mr Warren Hawksley	
Company secretary and accountant	Mrs Alison Horton FCCA	
Trustees	Mr Roy Baillie OBE Mr John Boswell BA (Hons), PGD Health Education, FFPH Cllr Joyce Farnham MBE JP (to May 2006) Mr Roy Bruton Mr Colin Butler M Inst Pkg, AIQA, MMRS Cllr Ann Edgeller (from April 2006) Dr Tom Farmer BSc, PHD, DIC, ARCST, C Chem, FRSC, FEI Mr Ted Forsyth MITSA Dr Margaret Habeshaw MB, CHB Mr Barrie Liss OBE JP Mr Jonathan Brice BSc, MSc, MCIEH, MIOA,TD	- Chairman, Baird Group - Lanarkshire NHS Board - Stafford Borough Council - Parent from Wales - British Aerosol Manufacturers' Association - Stafford Borough Council - Solvents Industry Association - Chief Trading Standards Officer, Kingston upon Thames - Ret'd Community Paediatrician - Principal EHO, Belfast City Council
Registered office	30a High Street, Stone, Staffordshire ST15 8AW	
Auditors	Baker Tilly UK Audit LLP, Chartered Accountants, Festival Way, Stoke-on-Trent, ST1 5BB	
Bankers	Barclays Bank PLC, Stone Branch, Staffordshire Group, PO Box 202, Stoke-on-Trent, ST1 2PJ	
Solicitors	Clifford Chance, 10 Upper Bank Street, Canary Wharf, London, E14 5JJ	

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

CHAIRMAN'S REPORT

MISSION STATEMENT

To end volatile substance abuse particularly among children and young people.

GOVERNING DOCUMENT

Re-Solv is a non-profit-making company limited by guarantee and a registered charity: its Company Registered Number is 1859082 and its Charity Registered Number is 326732. It was incorporated on 26th October 1984.

The Society seeks members within four designated categories and they in turn elect the Society's trustees. The categories and respective annual subscription are as follows:

Category 1	Manufacturers, Retailers, Distributors, Trade Associations & Trade Unions	£150
Category 2	Local Authorities and Health Authorities	£75
Category 3	Voluntary Groups, Drug Voluntary Groups, Drug Agencies, Medical Practitioners, Schools etc.	£25
Category 4	Individuals	£12

Currently there are just over 240 members.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

The Society is governed by its Director, who reports to the Chairman and Trustees, who sit in committee four times a year.

The constitution allows for the following maximum numbers of trustees to be elected from each category of membership.

Category 1	Manufacturers, Retailers, Distributors, Trade Associations & Trade Unions	4 Trustees
Category 2	Local Authorities and Health Authorities	4 Trustees
Category 3	Voluntary Groups, Drug Voluntary Groups, Drug Agencies, Medical Practitioners, Schools etc.	2 Trustees
Category 4	Individuals	2 Trustees
Category 5	Trustees who have an interest in achieving the objectives of the Charity	3 Trustees

Trustees in Categories 1 to 4 are nominated by members from their respective category of membership and elected by all members in a postal ballot. Trustees in Category 5 are nominated by the Chairman.

The Chairman, who does not fall within any of the above categories, is nominated and appointed by the trustees. They nominate and appoint the Vice-Chairman also.

Because the categories of membership broadly represent Re-Solv's stakeholder groups, the Society benefits from a representative committee of trustees who have a range of relevant experience and qualifications, as may be seen from the list that appears on Page 1 of this report.

Nevertheless, it may sometimes happen that the committee lacks a member with particular experience or expertise. However, the above structure does not prevent its approaching relevant individuals, who may then be nominated and elected within its rules. This is done from time to time.

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CHAIRMAN'S REPORT

All trustees, including the Chairman and Vice-Chairman, serve for three years only, after which they must retire: either step down or, if they wish to continue to serve the Society, be nominated and elected afresh.

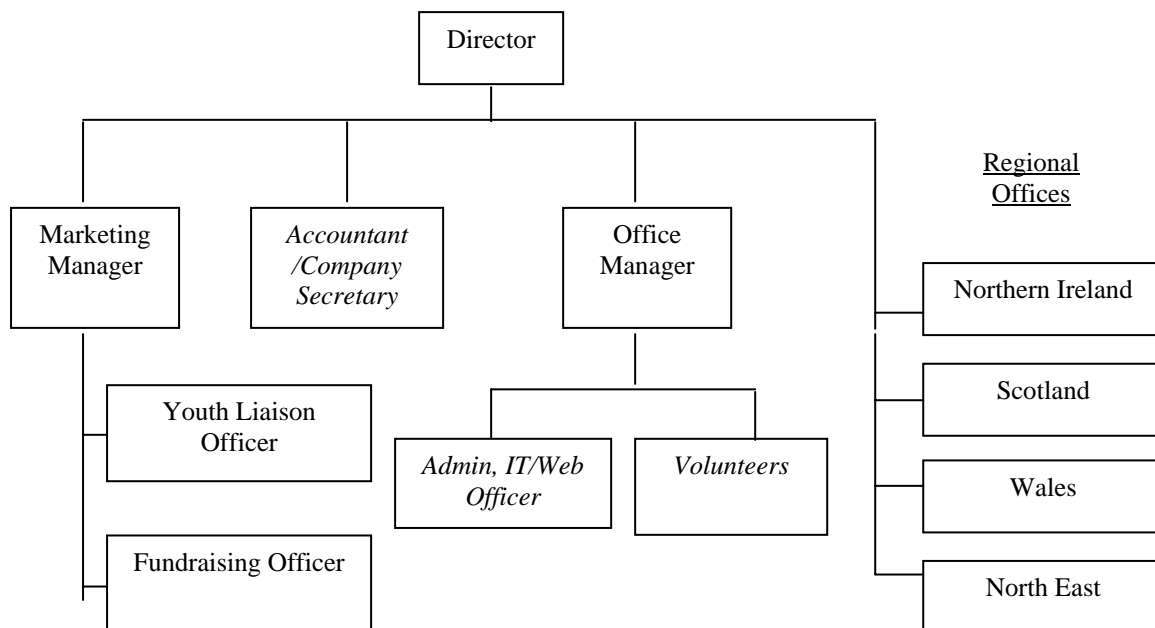
In addition to its Trustees, Re-Solv has an honorary president, Lady Leonora Lichfield and a number of patrons: individuals who have made their mark in public life and who have signalled their support for its work in various ways. Such appointments are made by the Trustees.

TRUSTEE INDUCTION AND TRAINING

On joining Re-Solv all trustees are offered a minimum one-day induction session at the Society's offices at Stone, during which they are presented with an information pack containing a cross-section of Re-Solv's current publications and information on their duties as trustees.

ORGANISATION CHART

The organisation chart for the Director and other posts is as follows.



Posts in italics are occupied part-time.

OBJECTIVES AND ACTIVITIES

Re-Solv's Objects, registered with the Charity Commission are:

1. 'to alleviate the suffering and problems arising from solvent abuse'¹ in any manner that may be thought fit;
2. to advance the education of the public regarding the dangers of such solvent abuse;
3. to promote and support research into the problems arising from solvent abuse and to provide for the dissemination and publication of the useful results thereof for the benefit of the public;

¹ Solvent abuse in the United Kingdom is now generally known as Volatile Substance Abuse (VSA).

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CHAIRMAN'S REPORT

4. to found, aid, maintain and endow scholarships or bursaries for the support of research students studying the principles involved in or connected with the safe use and the prevention of the abuse of solvents whether in the laboratories of the Society or elsewhere.'

To fulfil its aims Re-Solv must:

- Be a centre of knowledge and expertise on VSA.
- Develop such expertise by further research and through liaison with expert bodies and academics.
- Work with Government across a range of departments in furthering the aims stated in the Government's 2005 Framework Document.
- Work with public sector bodies (e.g. local authorities, 'drug action teams' (titles vary), social services, police, Youth Justice, the voluntary sector and industry and trade bodies (BAMA, British Retail Consortium, Solvents Industry Association.)
- Work in schools and other training establishments.
- Develop training resources and techniques appropriate to different groups and ages.
- Publish appropriate literature, videos etc.
- Maintain an active web-site with an on-line training programme for health professionals.
- Promote legislation that will effectively reduce the incidence of VSA, e.g. through its secretarial role to the All Party Group on the Prevention of Solvent Abuse
- Identify and seek to combat particular incidences of VSA that may arise from time to time.
- Liaise with similar bodies within and outside the UK to share experience and expertise.
- Keep its members informed through a newsletter.
- Tailor its activities to circumstances in Northern Ireland, Scotland and Wales.

ACHIEVEMENTS AND PERFORMANCE

Funding

This remains a difficult issue for the Society. The majority of Re-Solv's income is 'Committed' (restricted) and must be spent strictly in accordance with the stated terms of the respective grants, though an agreed, minor part of the income may be used for itemised core support costs.

Re-Solv's unrestricted income, including donations, membership subscriptions and sales income, largely pays for Re-Solv's core functions, without which the society would cease to exist.

In 2001/2 Re-Solv experienced a sharp fall in unrestricted income, received mainly from grant-making trusts, which had been hit by both the fall in the stock market and the loss of tax relief on the dividend income of charities. (The media were very slow to wake up to the latter point.) Since then Re-Solv has seen no return to previous levels of donations.

The table below shows Re-Solv's headline figures for the ten years 1997/8 to 2006/7. Although Re-Solv's turnover rose appreciably for most of the period, as it expanded its funded services, it nevertheless accumulated a net deficit in its income and expenditure account of over £150,000.

Over the same period the level of Unrestricted Funds in the balance sheet fell sharply, from £106,555 to only £33,521.

In 2006/7 the society made a small loss and funding remains precarious. There is no fat to be trimmed from Re-Solv's head office; all the obvious economies have already been made so unless the Society is able to generate new sources of funding its future will be in question.

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CHAIRMAN'S REPORT

	1997/8	1998/9	1999/00	2000/01	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7
PROFIT/LOSS	£	£	£	£	£	£	£	£	£	£
Income	172,328	150,879	201,510	233,250	284,903	316,028	312,180	337,032	269,758	296,441
Expenditure	235,808	166,663	203,128	231,967	283,876	333,453	313,896	350,960	308,875	299,687
Surplus/deficit	(63,480)	(15,784)	(1,618)	1,283	1,027	(17,425)	(1,716)	(13,928)	(39,117)	(3,246)
ASSETS										
Committed Funds	65,406	85,804	96,037	96,577	126,670	103,539	109,287	83,772	60,156	47,064
Unrestricted Funds	106,555	70,704	56,279	55,952	26,806	30,524	24,647	37,167	22,854	33,521
Total Funds	171,961	156,508	152,316	152,529	153,476	134,063	133,934	120,939	83,010	80,585

Meanwhile, I do want to thank all those whose generous financial contributions supported the work of Re-Solv in 2006/7.

VSA Deaths

Every year St George's, University of London compiles an analysis for the Department of Health of the numbers of deaths caused by VSA. It is based on data received from Coroners' Courts but because of the time lag for the completion of inquests, it necessarily refers to deaths two years previously. Thus, the report issued in July 2006 was for VSA deaths in 2004².

Numbers of VSA deaths rose from single figures in the early 1970s to a peak of 152 in 1990, of which some 120 were young people, aged 19 or lower. Thankfully, since then numbers have fallen and what is particularly significant is the reduction in deaths of young people. There was a further reduction in total deaths in 2004 to 47 (from 51 in 2003), though deaths of young people, aged 19 or lower, rose to 17 (from 12 in 2003).

As the only fully national agency that focuses solely on VSA, Re-Solv must take some credit for the reduction over the years. It may be significant that in 2002 it had sent a VSA training pack and video to every secondary school in the United Kingdom.

VSA is an unglamorous activity and VSA deaths do not attract the same publicity as, say ecstasy deaths, which tend to occur when people have been partying. Maybe because of this, the subject receives less publicity than it should and this, combined with the fall in numbers of deaths, is possibly a significant factor in the decline in Re-Solv's funding in recent years.

Department of Health Framework Document

In 2005 the Department of Health (DH) had published its framework document for VSA, 'Out of Sight?...not out of Mind, Children, Young People and Volatile Substance Abuse.' The Society assisted in its drafting.

The document was aimed at coordinating activity nationally and developing a consensus on the way forward in tackling VSA. It had proposed four priorities for action:

- Better education
- Dealing with VSA better locally
- Minimising opportunities for abuse
- Research

² Trends in Death Associated With Abuse of Volatile Substances 1971-2004; St George's, University of London, July 2006

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CHAIRMAN'S REPORT

Re-Solv was a designated participant in the Department's plans and it continues to sit on two of the Stakeholder Groups that were set up to oversee its implementation. The DH document forms a key component in Re-Solv's own planning; however, the Society is unimpressed by the pace at which implementation by the DH is being taken forward.

Business Planning

During 2006/7 Re-Solv rolled out its new Business Plan. The plan focuses much more on the financial aspects of the society than did previous 'Three-year Plans' and is subject to annual review. Re-Solv is very much aware that it must remarket itself if it is to attract the new sources of funds that it needs if it is to continue in existence and provide a service in the field of VSA.

Web Site and On-Line Training

Re-Solv's web site registers about 25,000 hits. Its on-line training section in particular is an important resource for professionals who work in the field of substance abuse. It is free to use and provides certification to successful trainees.

All Party Parliamentary Group

Re-Solv provides the secretariat to the All Party Group during the year, which met regularly and took an active interest in the Government's plans.

Projects

Based at its Head Office in Stone, Re-Solv's Youth Liaison team visited a large number of primary and secondary schools, colleges, youth groups and young peoples' units to educate young people about VSA and also gave training sessions to professionals such as the police service.

Meanwhile the team has been developing new materials. A resource aimed at primary schools is now being piloted and something that will appeal to older children, the Aqua-Card should shortly go into production. The latter is a tactile, coloured, gel-filled card the size of a credit card, which delivers the message that VSA kills and pilot trials have demonstrated its popularity.

Staff at Re-Solv's regional offices in Northern Ireland, Scotland and Wales provided services locally both to young people and professionals and maintained important links with both official and voluntary bodies concerned with substance abuse. In September the Society was able to extend this work to the north-east of England when it opened a further regional office in South Shields due to a grant from Northern Rock Foundation.

Previous funding for the Northern Ireland Office ended in December 2006 but the Office remained active for a further four months thanks to a generous donation from the Baird Group. Following this the office will close if no new funding is received. The Northern Ireland continues to suffer from a high incidence of VSA and the Society's work there has been much commended in the past; it will be very sad to see it come to an end.

Staff

I would like to thank Re-Solv's Director, Warren Hawksley and his staff for the service that they all give to the society and for the kindness and support that they give to the Chairman and Trustees.

I also wish to thank our volunteers, who assist on a part-time basis with work such as research and mailing. Their support and commitment are very much appreciated.

INVESTMENT POLICY

Investment policy is not an issue for Re-Solv at present. Its reserves are held as cash, with enough in current account to meet short term needs and the remainder held in an interest earning account.

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CHAIRMAN'S REPORT

PLANS FOR FUTURE PERIODS

The Society has recruited a Marketing Manager to replace Jon McVey, who left the Society in March 2006. This appointment is crucial in particular to raising new sources of funding.

Warren Hawksley will be retiring in March 2008 and recruitment of a new director will begin in late 2007.

The Society expects to be able to fund its core overheads at their present levels (plus inflation) in 2007/8 while it seeks to attract increased further unrestricted funding for future years.

The Society will continue to market its services to official and commercial bodies that need assistance in fulfilling their duties in respect of VSA.

Projects in the Business Plan that would need grant-funding include setting up a regional office in London, continuing with an office in Ireland (either in Northern Ireland or the Republic), the possible appointment of field officers in North and South Wales, and appointing another Officer for Scotland.

COMPANY STATUS

The company is limited by guarantee, is a non-profit-making organisation, does not have a share capital and is a registered charity.

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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CHAIRMAN'S REPORT

For and on behalf of the board

Mr Gerald Soane
Chairman of the trustees

30a High Street
Stone
Staffordshire
ST15 8AW
2007

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

DIRECTOR'S AND BOARD OF TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the director and board of trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those financial statements, the director and board of trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director and board of trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RE-SOLV - THE SOCIETY FOR THE PREVENTION OF SOLVENT AND VOLATILE SUBSTANCE ABUSE

We have audited the financial statements on pages 12 to 22.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Re-Solv – The Society for the Prevention of Solvent and Volatile Substance Abuse for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees/Directors' Report (if applicable, the Chairman's Statement, the Operating and Financial Review, specify any other). We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RE-SOLV - THE SOCIETY FOR THE PREVENTION OF SOLVENT AND VOLATILE SUBSTANCE ABUSE (continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 28 February 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

2007

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 28 February 2007

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2007	Total Funds 2006 (As restated)
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Members' subscription		7,737	-	7,737	11,200
Donations and gifts		47,654	-	47,654	51,062
<i>Activities for generating funds:</i>					
Investment income	1	1,858	-	1,858	1,807
Miscellaneous income from sale of literature etc		4,342	-	4,342	7,114
Incoming resources from charitable activities:					
Charitable activities	2	23,654	208,822	232,476	196,673
Expenses reimbursement (lecture fees etc)		2,374	-	2,374	1,902
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOMING RESOURCES		87,619	208,822	296,441	269,758
RESOURCES EXPENDED					
Cost of generating funds:					
Fundraising trading costs of goods sold	3	14,852	-	14,852	13,865
Charitable activities	3	66,817	213,914	280,731	291,341
Governance costs	3	4,104	-	4,104	3,669
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		85,773	213,914	299,687	308,875
Net outgoing resources before transfers	6	1,846	(5,092)	(3,246)	(39,117)
		<hr/>	<hr/>	<hr/>	<hr/>
Transfers between funds		-	-	-	-
<i>Other recognised gains and losses</i>					
Gain on investments in the year – realised		821	-	821	1,188
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		2,667	(5,092)	(2,425)	(37,929)
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds brought forward		30,854	52,156	83,010	120,939
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	12	33,521	47,064	80,585	83,010
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The (outgoing)/incoming resources and resulting net movements in funds are from continuing operations.

No separate Statement of Total Recognised Gains and Losses has been prepared as all such gains and losses have been dealt with in the Statement of Financial Activities.

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BALANCE SHEET

at 28 February 2007

	Note	2007 £	2006 £
CURRENT ASSETS			
Investments	7	8,495	7,675
Debtors	8	40,133	29,279
Cash at bank and in hand		50,262	69,894
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	9	98,890 (18,305)	106,848 (23,838)
		<hr/>	<hr/>
NET ASSETS		80,585	83,010
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Unrestricted funds	12	33,521	30,854
Committed restricted funds	12	47,064	52,156
		<hr/>	<hr/>
		80,585	83,010
		<hr/>	<hr/>

These financial statements on pages 12 to 22 were approved by the board of trustees and authorised for issue on 2007 and are signed on its behalf by:

Mr Gerald Soane
Trustee

Mr John Boswell
Trustee

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

RECONCILIATION OF MOVEMENTS IN FUNDS

for the year ended 28 February 2007

	2007 £	2006 £
DEFICIT FOR THE FINANCIAL YEAR	(2,425)	(37,929)
Opening funds	83,010	120,939
 	<hr/>	<hr/>
CLOSING FUNDS	80,585	83,010
	<hr/> <hr/>	<hr/> <hr/>

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are presented in accordance with the Statement of Recommended Practice (“SORP”) 2005 “Accounting and Reporting by Charities”, issued by the Charity Accounting Committee and approved by the Accounting Standards Board. Accordingly, the profit and loss account prescribed by the Companies Act 1985 has been replaced by the Statement of Financial Activities in order to reflect the special nature of the company’s operations.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard No. 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

FUND ACCOUNTING

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.

Restricted funds are to be used for specific purposes 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.

INCOMING RESOURCES

Interest receivable on bank deposits is accrued over the period in which it is earned. All other income is recognised when receivable. Where income is received which is for specific purposes, it is credited to the accounts in the same period as the expenditure to which it relates. Where such income has been received in advance of the relevant expenditure having been incurred, the income is held in the balance sheet as deferred income to be released as the expenditure is incurred.

Membership subscriptions are recorded at their recoverable amount.

RESOURCES EXPENDED

Resources expended are recognised in the period in which they are incurred.

- Costs of generating funds comprise the costs associated with attracting voluntary income;
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It included both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them;
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fees and costs linked to the strategic management of the charity;
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis eg estimated usage.

RESEARCH EXPENDITURE

Expenditure on research is written off in the period in which it is incurred.

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

ACCOUNTING POLICIES

PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against the deficit represents contributions payable to the scheme in respect of the accounting period.

TAXATION

As a registered charity the company is exempt from liability to corporation tax and no provision for taxation has therefore been made.

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2007

1 INVESTMENT INCOME

	2007	2006
	£	(As restated) £
Bank interest and Dividend Income	1,858	1,807
	<u> </u>	<u> </u>

2 INCOMING RESOURCES FOR CHARITABLE ACTIVITIES

The income for charitable activities is received and utilised against charitable objects for specific geographical regions.

	2007	2006
	£	£
Department of Health Grant	-	12,730
Northern Ireland Grants		
- Big Lottery Fund	25,275	33,115
- Other grants	12,018	5,480
Welsh grants		
- Big Lottery Fund	35,114	34,086
- Other grants	12,154	10,628
Scottish grants		
- Scottish Executive	57,013	46,703
- Other grants	4,000	10,900
North East Grants	34,200	-
Youth Liaison Officer		
- Big Lottery Fund	38,277	11,065
- Other grants	-	21,316
Other grants	14,425	10,650
	<u> </u>	<u> </u>
	232,476	196,673
	<u> </u>	<u> </u>

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2007

3 RESOURCES EXPENDED

	Regional offices	Cost of services to general public	Support costs (note 4)	2007 Total	2006 (As restated) Total
	£	£	£	£	£
Cost of generating funds:					
<i>Cost of charitable activities</i>					
Regulatory	17,945	23,785	-	41,730	49,160
Education, training and research	84,575	36,945	12,617	134,137	134,507
Raising awareness	66,230	27,932	10,702	104,864	107,674
Fundraising trading costs of goods sold and other costs:	-	14,852	-	14,852	13,865
Governance	-	-	4,104	4,104	3,669
	<u>168,750</u>	<u>103,514</u>	<u>27,423</u>	<u>299,687</u>	<u>308,875</u>

Analysis of governance costs:

	2007 £	2006 £
Audit fee	2,900	2,800
Other fees	1,189	854
Company and annual meetings expense	15	15
	<u>4,104</u>	<u>3,669</u>

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2007

4 SUPPORT COSTS ALLOCATION

	Office costs	Finance and Legal	Total 2007	Total 2006 as restated
	£	£	£	£
<i>Charitable activities:</i>				
Regulatory	-	-	-	-
Education, training and research	7,865	4,752	12,617	14,523
Raising awareness	6,672	4,030	10,702	12,319
Governance Costs	-	4,104	4,104	3,669
	<u>14,537</u>	<u>12,886</u>	<u>27,423</u>	<u>30,511</u>
	<u><u>14,537</u></u>	<u><u>12,886</u></u>	<u><u>27,423</u></u>	<u><u>30,511</u></u>

5 STAFF NUMBERS AND EMOLUMENTS

The average number of persons employed during the year were as follows:

	2007	2006
	£	£
Fundraising	1	1
Cost of services to the general public	6	8
Regional offices	3	2
	<u>10</u>	<u>11</u>
	<u><u>10</u></u>	<u><u>11</u></u>

The aggregate emoluments of these persons were as follows:

	2007	2006
	£	£
Wages and salaries	203,473	211,165
Social Security costs	18,594	19,312
Other pension	5,427	7,488
	<u>227,494</u>	<u>237,965</u>
	<u><u>227,494</u></u>	<u><u>237,965</u></u>

There were no employees during the year receiving a remuneration greater than £50,000 (2006: £50,000).

The trustees wish to draw attention to the fact that they do not draw any remuneration from the charity. A total of £533 was reimbursed to four members of the board of trustees in the year. These payments were for travel costs incurred in attending meetings.

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2007

5 STAFF NUMBERS AND EMOLUMENTS (continued)

DIRECTORS' REMUNERATION	2007	2006
	£	£
Emoluments	46,375	44,591
Pension costs	3,246	3,176
	<u>49,621</u>	<u>47,767</u>

The number of directors' remuneration paid during the year was 1 (2006: 1).

6 NET MOVEMENTS IN FUNDS

	2007	2006
	£	£
Net movement in funds is arrived after charging/(crediting):		
Auditors' remuneration	2,900	2,800
	<u>2,900</u>	<u>2,800</u>

7 INVESTMENTS

	£
<i>Valuation</i>	
At 1 March 2006	7,675
Revaluation	820
	<u>8,495</u>
At 28 February 2007	8,495
<i>Cost of investments</i>	
At 28 February 2007	3,844
	<u>3,844</u>
At 28 February 2006	3,844
	<u>3,844</u>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2007

8 DEBTORS

	2007	2006
	£	£
Debtors	37,989	26,769
Prepayments and accrued income	1,651	1,693
Other debtors	493	817
	<u>40,133</u>	<u>29,279</u>

9 CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	2,845	4,409
Accruals and deferred income	9,763	8,646
Taxation and social security	5,697	10,783
	<u>18,305</u>	<u>23,838</u>

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total
	£	£	£
Investments	8,495	-	8,495
Debtors	40,133	-	40,133
Cash at bank and in hand	3,198	47,064	50,262
Creditors	(18,305)	-	(18,305)
	<u>33,521</u>	<u>47,064</u>	<u>80,585</u>

11 PENSION SCHEME

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the funds and amounted to £5,427 (2006: £7,488).

There were outstanding contributions at the end of the financial year of £397 (2006: £306).

Re-Solv - The Society for the Prevention of Solvent and Volatile Substance Abuse

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2007

12 ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements:

	Balance at 1 March 2006 (As Restated) £	Incoming resources £	Resources expended £	Balance at 28 February 2007 £
General fund	30,854	88,440	85,773	33,521
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Analysis of restricted fund movements:

	Balance at 1 March 2006 (As restated) £	Incoming resources £	Resources expended £	Balance at 28 February 2007 £
Scotland	9,955	61,013	60,293	10,675
Northern Ireland – other	750	2,018	2,768	-
Northern Ireland – Awards For All	4,070	-	3,070	1,000
Northern Ireland – Big Lottery Fund	8,116	25,275	33,391	-
Wales – Big Lottery Fund	3,500	35,114	35,500	3,114
Wales – Other	5,250	-	5,250	-
North East	-	34,200	18,100	16,100
East Midlands	-	5,425	2,750	2,675
Distributions and campaigns	4,250	7,500	5,250	6,500
Youth liaison officer – Big Lottery Fund	7,410	38,277	38,687	7,000
Youth liaison officer – Other	6,125	-	6,125	-
Department of Health Grant	2,730	-	2,730	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	52,156	208,822	213,914	47,064
	<u> </u>	<u> </u>	<u> </u>	<u> </u>