

Registered number: 02054594
Charity number: 518048

**COMPASS - SERVICES TO TACKLE
PROBLEM DRUG USE**

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its directors and advisers	1
Directors' report	2 - 8
Directors' responsibilities statement	9
Independent auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 29

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2019

Directors

C E Wesley, Non-executive director/Chair
R V Bundock, Chief Executive
A J Begg, Non-executive director
A J Biddle, Non-executive director
R B Clark CBE, Non-executive director
D Webster, Non-executive director
P Webster, Non-executive director
C Wood, Non-executive director
M E Roberts, Executive director
J Hughes, Executive director (appointed 17 May 2018)

Company registered number

02054594

Charity registered number

518048

Registered office

Floor 2, Kensington House, Westminster Place, York Business Park, York, YO26 6RW

Company secretary

M E Roberts

Chief Executive

R V Bundock

Independent auditor

BHP LLP, Rievaulx House, 1 St Mary's Court, Blossom Street, York, YO24 1AH

Bankers

The Royal Bank of Scotland, 6 Nessgate, York, YO1 1FY

Solicitors

CMS, 1 South Quays, Victoria Quays, Sheffield, S2 5SY

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their annual report together with the audited financial statements of Compass-Services To Tackle Problem Drug Use (the company) for the year ended 31 March 2019. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the company.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the company's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Objectives and Activities

a. Policies and objectives

The company was established in 1986, for the public benefit, and has the following objectives:

- (i) the relief of individuals, families and communities from the health, social and economic problems and crime that attend substance misuse;
- (ii) the prevention or reduction of the crime that attends substance misuse by providing services to substance misusers that enable them to become drug free and therefore reduces their need to commit crimes to buy illicit substances;
- (iii) the support of individuals who misuse substances or who are at risk of misusing substances to achieve stable and productive lives that are free from substance misuse through the delivery of services at all stages of the journey to abstinence;
- (iv) the advancement of the education of persons working in or generally concerned in the field of drug and alcohol services and of the public generally in problems resulting from substance misuse;
- (v) to promote the health and well being of children, young people and adults by such exclusively charitable means as the Trustees shall from time to time determine.

b. Public benefit statement

The Directors review the performance, aims and objectives of the company every year. In carrying out the review, the Directors refer to the Charity Commission's guidance on public benefit to ensure that all activities meet that guidance. Details of the activities that meet this guidance are noted on page 4.

c. Activities for achieving objectives

Compass operates in two divisions, universal and targeted and specialist. The service range spans the prevention, early help, treatment and recovery process, including identification of risky behaviours and universal services in its School Health and Wellbeing service. Its services have a wide geographical spread with services based in Yorkshire, the Midlands, South East and London and have clients from the age of three years.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

Strategic Report

a. Strategy 2016 to 2020

In 2018/19 Compass recognised that in an ever changing environment where the speed of change is accelerating that a detailed four year strategy was neither desirable nor effective. In its place Compass has agreed long term goals in line with those expressed in its previous strategy and set detailed objectives for the next two years to support the achievement of these goals.

Long Term Goals

- To achieve financial stability by targeting a range of key financial measures:
 - o Income of largest contract as a percentage of total income
 - o Contribution of largest contract as percentage of total income
 - o Central overheads as percentage of income
 - o Annual Surplus

- Diversification of income streams to include:
 - o Contract income
 - o Grant income
 - o A traded offer using the skills and experience of Compass in a commercial setting

- Rationalising systems and processes to reflect the necessary balance between costs, benefits and risks

Key areas of development

Over the past year, Compass has made progress towards achieving these goals including designing a training and action learning module for senior school leaders in regard to mental health and emotional wellbeing of pupils which was implemented with funds received from a grant issued by Health Education England; developing health and wellbeing awareness training courses for the wider workforce, one of which is targeted at professional drivers and has been accredited as part of their mandatory training offer; rationalising our approach to Quality Assurance and its management; cost reductions in central overheads, with savings utilised to match the pay increases awarded by the NHS to maintain competitiveness in the labour market.

During the year there has been a continuing focus on embedding Compass' highly innovative integrated Young Peoples Health and Wellbeing services in Lewisham and Tower Hamlets. As a result both services were successfully launched to a wide range of stakeholders, including the Young Mayor, young people and parents/carers. Significant progress has been made, working together with Commissioners to better capture the outcomes of service interventions, particularly young people who present with multiple needs (substance misuse, sexual health and mental health).

Compass BUZZ continues to grow from strength to strength, with a strong identifiable regional brand co-produced with children and young people, and is now actively working with all 393 schools in North Yorkshire to embed a whole school approach to mental health. This is further enhanced by the BUZZ Wellbeing team supporting designated leads to bring their local action plans to life ensuring mental health is fully integrated within the school culture and curriculum.

Compass Warwickshire School Health and Wellbeing service produced its third annual report and in partnership with other NHS providers were also recognised for their achievements at the national Audio & Radio Academy Awards (ARIAS) for their inspiring work with Youth Health Champions to create a series of health and wellbeing podcasts. Greater inroads were also made in the number of school-aged children completing their on-line health needs assessment (particularly Year 9), enabling them to have an active voice in what public health programmes are important to them. As a result

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

uptake was increased from 62% to 65% and in collaboration with head teachers improved the information sharing pathways with schools, including individual children where concerns were identified.

Compass extended its digital offer to children, young people and parents/carers to include a text messaging helpline for parents and online counselling. The Compass website underwent a major overhaul, shifting from a corporate website to a service user focused one, combining service and health and wellbeing information and navigation. Alongside this, it made significant progress through its universal services to co-produce videos and podcasts for service users to provide them with easily accessible information and resources at the touch of a button. The Warwickshire School health team also held its first group Facebook chat for parents/carers of school-aged children on health topics that mattered most to them; and the North Yorkshire BUZZ team extended its use of ChatHealth (adolescent text line) to deliver individual therapeutic interventions via live chat.

Compass continues, as its portfolio diversifies, to work proactively with a wealth of operational and strategic partners and external topic experts who are helping the organisation achieve its strategic aims. The diversification of the portfolio is based on analysis of activity data allowing opportunities and gaps in service provision to be identified based on evidenced need. An example of this is in the Harrow Young People's Substance Misuse service where the Compass team has proactively worked with young people and delivery partners to prioritise their needs and create a 'one stop' shop from its Pinner Road site. This has removed unnecessary duplication for young service users by providing a wide range of health and wellbeing services under one roof.

Over the life of the strategy, Compass will aim to strengthen further its financial position through the acquisition of new business. This growth will be in a manageable way, ensuring quality, innovation and high levels of performance in order to enhance Compass' long term sustainability.

b. Risks to strategy

Clear milestones have been set for all elements required to meet the objectives and these are regularly reviewed by both the Senior Management Team and the Directors. Necessary adjustments are made to priorities and resources to ensure the overall plan is delivered.

c. Review of activities

Compass continues to broaden its range of activities across universal, targeted and specialist provision for individuals and families from three years upwards; in particular adding new areas of activity such as advocacy support, care navigation, body image and assessment panels for residential rehabilitation. Through a continuous cycle of improvement and collaboration with key delivery partners, Commissioners and stakeholders, Compass remains focused on developing integrated models based on actual evidenced need encompassing physical health, emotional wellbeing and lifestyle behaviours (specifically substance misuse, sexual health, coercive relationships and mental health).

In 2018/19 Compass concluded the second year of its 'Ready for School' pilot in North Warwickshire working in collaboration with key delivery partners such as nurseries, children and family centres, speech and language department, early years leaders and Coventry University (evaluating the pilot). Its success has been built upon Compass' staff engagement with professionals working inclusively and openly to identify approaches that work best for early years' settings. The recommendations from the pilot will be concluded by the University and rolled out across Warwickshire. Compass Warwickshire Young Peoples Substance Misuse Service utilised the aggregated health needs assessment data from its School Health and Wellbeing Service Warwickshire SH&WB to identify schools and year groups who requested more support on alcohol, drugs and smoking. As a result over 40 schools and 500 children and young people received targeted interventions to increase their knowledge and resilience.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

Compass North Yorkshire BUZZ Compass Buzz has helped transform the way schools approach school-aged children's mental health and wellbeing. Working with all 393 schools across 3,324 square miles, the impact has been profound: prevention and promotion training 376 schools, 9455 professionals; early identification of need training 250 schools, 963 professionals; early help and intervention training 220 schools, 673 professionals; senior leadership training 255 schools, 292 professionals.

In 2018/19 Compass delivered an extensive range of high impacting services to over 14,000 children, young people, adults and families across Yorkshire, the Midlands, London and the South East. Compass services pride themselves on having minimal waiting times, with 99 per cent of individuals seen within five working days from referral. Engagement is maintained through a holistic, person-centred approach and has been the foundation to helping over 8,500 people achieve successful outcomes. In addition, as a result of effective through care and aftercare, representations were less than 1.5 per cent of individuals accessing services.

e. Investment policy

The Directors have the power to invest in such assets as they consider appropriate. The company has a policy of keeping any surplus liquid funds in short term deposits which can be readily accessed. Investments in property are permitted if the purchase of a property is for the use of furthering the organisation's activities.

Financial review

a. Going concern

The Directors are of the opinion that Compass is a going concern on the basis of the level of its reserves and the level of income which will be delivered in the next two years via contracts currently secured.

b. Financial review

Income during the year rose to £7.63 Million from the previous year's figure of £7.07 Million mainly as a result of expansion of the Adult Milton Keynes contract to include the management of the costs of prescribed drugs and residential care and organic growth within services. Expenditure has increased to £7.83 Million compared to £7.16 Million, £0.56 Million reflects the costs associated with delivering the services reflected in the increase in income. In addition extra costs were incurred as result of the implementation of pay increases in line with the lifting of the public sector pay cap and in particular the rises agreed for the NHS. To remain competitive in the labour market it was agreed that these rises were essential, particularly in respect of nurses who are critical to the delivery of many of Compass' services. No funding was provided from Central Government for these increases.

Net expenditure rose to £204,247 from the previous year's figure of £87,994. This movement came about as a result of the increases in wages costs and other costs in relation to reshaping the business.

c. Reserves policy

The Directors recognise the need to have reserves in place to ensure the sustainability of the organisation in the event of the loss of a major contract. The Directors are also aware of the need to balance the levels of free reserves with the need to maximise the service delivered to current beneficiaries.

The Directors have agreed a method of calculating the minimum reserves requirement that Compass prudently needs to hold. The calculation takes into account the need for working capital, any long term lease commitments, levels of

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

potential redundancy liability and assessment of the likelihood of these liabilities crystallising. Using this methodology, the minimum requirement at 31 March 2019 is £1.37 Million.

As at 31 March 2019 the charity had total funds of £1.82 Million (2018: £2.02 Million), with free reserves at 31 March 2019 of £1.46 Million. This figure takes into account the fixed assets reserve fund. The excess of free reserves over the reserves required will be used to support future business growth.

d. Principal funding

The principal funding source for the company is contractual income from Local Authorities, Clinical Commissioning Groups and Police and Crime Commissioners.

Structure, governance and management

a. Constitution

The charity is constituted as a company limited by guarantee and governed by its Articles of Association which set out a Unitary Board arrangement whereby Executive Directors share with Non-Executive Directors full responsibility under law for managing the affairs of the company.

b. Recruitment and appointment of Directors

The Directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known collectively as the Board of Directors. Directors are elected to the Board either to fill a vacancy or to add to the number of Board members, up to a maximum of sixteen. The Articles provide that of the total number of Directors; no less than two thirds should be Non Executive Directors. The Non Executive Directors will hold office for a term of three years and will be able to put themselves forward to be elected for a further three year term.

The Chief Executive and Director of Finance are Executive Directors by virtue of office and any other Executive Directors, subject to a maximum of one third of total Board membership, are elected by the Board. The Chair of the Board is elected by the Non Executive Directors; Claire Wesley was elected to the role in March 2016.

Non Executive Directors have been recruited through advertising in local and national media, through a consultant led headhunting campaign, and through the use of professional and personal networks.

c. Non-Executive Director induction and training

All new Non Executive Directors are given a starter information pack and meet with the Chief Executive and Chair and are briefed on the history of the organisation, its current strategy and future developments in the context of related national strategy and the wider issues of social policy.

Directors regularly visit service sites, where practice issues and organisational development are discussed by staff. Directors and the Senior Management Team meet at least annually separate from standard meetings to focus on a review of the company's core vision, its values and its performance. The Non Executive Directors' training schedule covers core components such as the Role of a Director and Trustee, Health and Safety, Safeguarding Children and Equal Opportunities, as well as specific individual development needs.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

d. Organisational structure

The Directors meet regularly and are responsible for the strategic direction and policy of the company. Currently there are ten Directors, three of whom are Executive Directors. The seven Non Executive Directors are drawn from a variety of professional backgrounds relevant to the work of the company.

A scheme of delegation is in place and day to day responsibility for the administration of the company and the delivery of the services rests with the Chief Executive and the Senior Management Team.

e. Risk management

The Board continues to make efforts to improve the risk maturity of the organisation and move positively towards a more risk aware culture by embedding risk management into business and usual practices. In 2018-19 the principal (strategic) risk register was enhanced by separating core business risks into its own register, reviewable on a less regular cycle, with the key strategic or business plan risks under more regular review. As a consequence risks are now more clearly identified to risk owners, with separate registers enhanced to further scrutinise the cause and consequence of each principal risk. The risk review process is underpinned by the Board's evaluation of the forward strategy and annual business plan which together ensure that risks are identified and evaluated for likelihood of crystallisation, and to support effective decision making.

The strategic risk register is reviewed at each meeting of the Audit and Risk Committee when procedures and mitigation of controls are tested to maintain all risks within the Board's agreed tolerance to risk. The Board's Clinical Governance sub-committee's own risk register manages client risk and health and safety related issues in a complex and challenging client environment. The Board's accountability for risk extends to the annual approval of its risk management policy and risk appetite statement. In turn the Senior Management Team is responsible for setting and communicating clear control principles for managers and staff.

The principal risks to which Compass is exposed are regulatory/compliance and financial risks. Key risks with their corresponding risk scores are highlighted for the Board in a risk map. Risks are also monitored in line with a series of key performance indicators per contract, particularly important to achieve and gain competitive edge over peers in the sector. The organisation works closely with a variety of commissioners to achieve viable outcomes, and aims to minimise any risk of being distracted from its core business to attain contractual targets. In addition, the Board gave due consideration to any uncertainty arising from Brexit and has considered there are no material associated risks that would affect outcomes. Risks in relation to data protection are managed through Compass' Information Governance policies and procedures which ensure compliance with the General Data Protection Regulation pre and post its implementation in May 2018; and the requirements of the NHS Information Governance toolkit for business partners.

The financial risks are managed to ensure that there are sufficient resources to meet ongoing contractual obligations. Such risks are further controlled against the Directors' approved annual budget where variances are scrutinised through the year by the Audit and Risk Committee. This committee works closely with the Business Development Committee in evaluating future opportunities. Procedures are maintained for all operations and are subject to planned reviews and updating for business and statutory changes. Compass has in place a fraud and whistleblowing policy and has no exposure to financial risk instruments other than to ensure Compass maximises the return on credit bank balances. The Audit and Risk Committee periodically invites risk owners to attend its meetings to satisfy itself with compliance to internal controls, policies and procedures, identifying any weaknesses for corrective actions. During the year the Committee received reports from the Clinical Governance Committee and the HR Director's attendance at committee. The Audit and Risk Committee is itself responsible also for reviewing financial risks and procedures and provides the necessary assurance to the Board that systems of internal financial control are in place up to the date of approval of the annual accounts.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

The Board has given due consideration to its key strategic risks and is satisfied that Compass systems, procedures and policies are in place to manage these risks.

f. Key management pay and remuneration

The pay of Executive Directors is set by the Remuneration Committee, which is made up solely of Non Executive Directors. Remuneration is based on a pay range relevant to a particular role – ranges are regularly reviewed in a pay benchmarking exercise.

The Remuneration Committee has considered the labour market conditions and in particular the impact of lifting the public sector pay cap in 2018. As a result of this labour market review, the Board accepted the Remuneration Committee's recommended three year pay deal for Compass workforce in order to keep salaries competitive. In addition, the Board accepted the Remuneration Committee's recommendations regarding moving from existing Compass increment pay schemes to a performance related pay system linked to appraisal, commencing 2019.

Information on fundraising practices

The charity does not actively engage in fundraising practices nor contract with a third party to fundraise on the charity's behalf.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

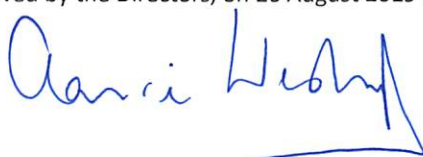
- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated its willingness to continue in office. The Directors reappointed the auditors at a meeting of the Board on 20 August 2019.

This report was approved by the Directors, on 20 August 2019 and signed on their behalf by:

C E Wesley
Chair



COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

The Directors (who are also trustees of Compass - Services To Tackle Problem Drug Use for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

Opinion

We have audited the financial statements of Compass - Services to Tackle Problem Drug Use (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors 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.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

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 matters 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

Auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, 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 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants
Statutory Auditors

Rievaulx House
1 St Mary's Court
Blossom Street
York

YO24 1AH

Date: 19 September 2019

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	2	10,337	-	10,337	1,510
Charitable activities	4	-	7,612,742	7,612,742	7,068,444
Investments	3	2,860	-	2,860	4,823
Total income		13,197	7,612,742	7,625,939	7,074,777
Expenditure on:					
Charitable activities		28,870	7,801,316	7,830,186	7,162,771
Total expenditure	8	28,870	7,801,316	7,830,186	7,162,771
Net income/ (expenditure) before transfers		(15,673)	(188,574)	(204,247)	(87,994)
Transfers between funds	15	(174,574)	174,574	-	-
Net expenditure before other recognised gains and losses		(190,247)	(14,000)	(204,247)	(87,994)
Net movement in funds		(190,247)	(14,000)	(204,247)	(87,994)
Reconciliation of funds:					
Total funds brought forward		2,008,496	14,000	2,022,496	2,110,490
Total funds carried forward		1,818,249	-	1,818,249	2,022,496

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

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

REGISTERED NUMBER: 02054594

BALANCE SHEET

AS AT 31 MARCH 2019

	Note	£	2019 £	2018 £
Fixed assets				
Tangible assets	12		354,202	516,441
Current assets				
Debtors	13	1,218,699	1,169,449	
Cash at bank and in hand		<u>1,260,633</u>	<u>1,144,791</u>	
		2,479,332	2,314,240	
Creditors: amounts falling due within one year	14	<u>(1,015,285)</u>	<u>(808,185)</u>	
Net current assets			1,464,047	1,506,055
Net assets			<u>1,818,249</u>	<u>2,022,496</u>
Charity Funds				
Restricted funds	15		-	14,000
Unrestricted funds:	15			
General funds		1,464,047	1,632,054	
Designated funds		<u>354,202</u>	<u>376,442</u>	
			1,818,249	2,008,496
Total Charity funds			<u>1,818,249</u>	<u>2,022,496</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Directors on 20 August 2019 and signed on their behalf, by:



C E Wesley
Chair



R V Bundock
Chief Executive

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

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE**(A company limited by guarantee)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	<u>184,313</u>	<u>(265,717)</u>
Cash flows from investing activities:			
Bank interest		2,860	4,823
Purchase of fixtures and fittings		<u>(71,331)</u>	<u>(370,864)</u>
Net cash used in investing activities		<u>(68,471)</u>	<u>(366,041)</u>
Change in cash and cash equivalents in the year		115,842	(631,758)
Cash and cash equivalents brought forward		<u>1,144,791</u>	<u>1,776,549</u>
Cash and cash equivalents carried forward	18	<u><u>1,260,633</u></u>	<u><u>1,144,791</u></u>

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

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

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 on 16 July 2014, as updated through Update Bulletin 1 published on 2 February 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Compass - Services to Tackle Problem Drug Use 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.

These financial statements are prepared in Sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Company status

Compass - Services to tackle problem drug use is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the being wound up, the liability in respect of the guarantee is limited to £1 per member. The registered office of the charity is given in the charity information on page 1.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants and contracts income due for the year have been included in full and have been allocated as restricted income where appropriate.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 accounted for on an accruals basis. All expenses including support costs and governance are allocated to the applicable expenditure headings.

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

1.6 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the charity has adequate resources to continue in existence for the foreseeable future. The Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	4% straight line
Short-term leasehold property improvements	-	10% straight line
Computer equipment and fixtures & fittings	-	33.33% straight line

1.8 Interest receivable

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

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.9 Operating leases

Rentals under operating leases are charged to the SOFA on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Debtors

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

1.11 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.

1.12 Creditors and provisions

Liabilities are recognised when there is an obligation at the Balance sheet 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 company 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.

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year in accordance with section 28 of FRS 102.

1.15 Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	10,337	-	10,337	1,510
Total 2018	1,510	-	1,510	

3. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	2,860	-	2,860	4,823
Total 2018	4,823	-	4,823	

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Income from charitable activities

	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019	Total funds 2018 restated
	£	£	£	£
Contract Income - Universal Services	-	3,113,880	3,113,880	3,093,005
Contract Income - Target and Specialist Services	-	4,498,862	4,498,862	3,975,439
	<u>-</u>	<u>7,612,742</u>	<u>7,612,742</u>	<u>7,068,444</u>
Total 2018	<u>-</u>	<u>7,068,444</u>	<u>7,068,444</u>	

5. Analysis of expenditure on charitable activities

	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019	Total funds 2018 restated
	£	£	£	£
Universal Services	-	2,990,803	2,990,803	3,203,391
Target and Specialist Services	-	4,810,513	4,810,513	3,923,116
	<u>-</u>	<u>7,801,316</u>	<u>7,801,316</u>	<u>7,126,507</u>

Of the 2018 expenditure on charitable activities £7,126,507 was restricted.

6. Support costs

	Universal Services	Target and Specialist Services	Total 2019	Total 2018 restated
	£	£	£	£
Support costs	<u>185,502</u>	<u>298,369</u>	<u>483,871</u>	<u>493,252</u>
Total 2018	<u>271,533</u>	<u>221,719</u>	<u>493,252</u>	

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6. Support costs (continued)

Support costs, which are included within expenditure on charitable activities (Note 5), cover the costs of governance and HR, Finance and Administration departments. They have been allocated on the basis of direct costs.

7. Governance costs

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Audit fee	13,000	-	13,000	12,000
Staff cost allocation	15,870	-	15,870	24,264
	<u>28,870</u>	<u>-</u>	<u>28,870</u>	<u>36,264</u>

Of the 2018 expenditure on governance costs, £36,264 was unrestricted.

8. Analysis of resources expended by expenditure type

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Universal Services	2,244,856	35,797	710,150	2,990,803	3,203,391
Target and Specialist Services	3,097,148	57,773	1,655,592	4,810,513	3,923,116
Sub total	<u>5,342,004</u>	<u>93,570</u>	<u>2,365,742</u>	<u>7,801,316</u>	<u>7,126,507</u>
Expenditure on governance	15,870	-	13,000	28,870	36,264
Total	<u>5,357,874</u>	<u>93,570</u>	<u>2,378,742</u>	<u>7,830,186</u>	<u>7,162,771</u>

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. Net income/(expenditure)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	93,570	75,015
Auditor's remuneration - audit	13,000	12,000
	<u>106,570</u>	<u>87,015</u>

10. Staff costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	4,759,452	4,656,325
Social security costs	361,824	355,775
Staff pension costs	236,598	220,297
	<u>5,357,874</u>	<u>5,232,397</u>

Redundancy or termination payments which are included as an expense within wages and salaries above, amounted to £34,833 (2018: £58,447).

The average number of employees was 157 (2018: 159).

	2019	2018
	No.	No.
Project staff	149	151
Administrative staff	8	8
	<u>157</u>	<u>159</u>

The number of higher paid employees was:

	2019	2018
	No.	No.
In the band £ 60,001 - £ 70,000	1	1
In the band £ 70,001 - £ 80,000	0	1
In the band £ 80,001 - £ 90,000	1	1

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

11. Directors' remuneration

Details of Executive Directors' remuneration and expenses are given below.

	2019	2018
	£	£
Executive Directors' remuneration	<u>202,218</u>	<u>223,420</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £82,500 (2018 - £84,531).

The Executive Directors' individual remuneration was:

S Hamer - £nil (2018: £78,889) - retired 31 December 2017;

M Roberts - £60,000 (2018: £60,000);

R Bundock - £82,500 (2018: £84,531);

J Hughes - £59,718 (2018: £nil);

No remuneration was paid to the Non-Executive Directors during the year.

3 Executive Directors received expenses amounting to £4,384 in the current year (2018: £5,691)

5 Non-Executive Directors received expenses amounting to £4,440 in the current year (2018: £4,365)

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets

	Freehold property £	Short-term leasehold property improvements £	Computer equipment, fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 April 2018	140,000	259,484	270,794	670,278
Additions	-	59,291	12,040	71,331
Disposals	(140,000)	-	-	(140,000)
At 31 March 2019	-	318,775	282,834	601,609
<i>Depreciation</i>				
At 1 April 2018	-	15,137	138,700	153,837
Charge for the year	-	28,063	65,507	93,570
At 31 March 2019	-	43,200	204,207	247,407
<i>Net book value</i>				
At 31 March 2019	-	275,575	78,627	354,202
At 31 March 2018	140,000	244,347	132,094	516,441

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2019 £	2018 £
Cost	-	220,000
Accumulated depreciation	-	(70,400)
Net book value	-	149,600

13. Debtors

	2019 £	2018 £
Trade debtors	774,820	439,071
Prepayments and accrued income	443,879	730,378
	1,218,699	1,169,449

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

14. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	457,938	350,631
Other taxation and social security	177,923	118,469
Other creditors	-	140,000
Accruals and deferred income	379,424	199,085
	<u>1,015,285</u>	<u>808,185</u>

Deferred income

	£
Deferred income at 1 April 2018	50,000
Resources deferred during the year	68,917
Amounts released from previous years	(50,000)
Deferred income at 31 March 2019	<u>68,917</u>

Within other creditors, £nil (2018: £140,000) relates to a grant from Hull Teaching Primary Care Trust to Compass to enable the purchase of freehold property at 27 Beverley Road, Hull. A legal charge was in place from Hull PCT on this property up to the point of its disposal.

Within accruals and deferred income is a balance of £68,917 (2018 £50,000) for deferred income. This relates to amounts received in advance of the contract or work commencing.

Total pension commitments, which are included within creditors, amount to £96,380 (2018: £31,805).

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2018 £	Income £	*Resources Expended £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds					
Fixed asset reserve fund	376,442	-	-	(22,240)	354,202
General funds					
General funds	1,632,054	13,197	(28,870)	(152,334)	1,464,047
Total unrestricted funds	2,008,496	13,197	(28,870)	(174,574)	1,818,249
Restricted funds					
Universal Services	-	3,113,880	(2,990,803)	(123,077)	-
Target and Specialist Services	14,000	4,498,862	(4,810,513)	297,651	-
	14,000	7,612,742	(7,801,316)	174,574	-
Total of funds	2,022,496	7,625,939	(7,830,186)	-	1,818,249

Statement of funds - prior year

	Balance at 1 April 2017 £	Income £	*Resources Expended £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds					
Operational development	127,000	-	-	(127,000)	-
Fixed asset reserve fund	-	-	-	376,442	376,442
General funds	1,959,490	6,333	(36,264)	(297,505)	1,632,054
Restricted funds					
Adult services	-	1,421,915	(1,740,984)	319,069	-
Young person services	24,000	5,646,529	(5,385,523)	(271,006)	14,000
	24,000	7,068,444	(7,126,507)	48,063	14,000
Total of funds	2,110,490	7,074,777	(7,162,771)	-	2,022,496

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****Summary of funds - current year**

	Balance at 1 April 2018 £	Income £	*Resources Expended £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds	376,442	-	-	(22,240)	354,202
Unrestricted funds	1,632,054	13,197	(28,870)	(152,334)	1,464,047
	<u>2,008,496</u>	<u>13,197</u>	<u>(28,870)</u>	<u>(174,574)</u>	<u>1,818,249</u>
Restricted funds	14,000	7,612,742	(7,801,316)	174,574	-
	<u>2,022,496</u>	<u>7,625,939</u>	<u>(7,830,186)</u>	<u>-</u>	<u>1,818,249</u>

Summary of funds - prior year

	Balance at 1 April 2017 £	Income £	*Resources Expended £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds	127,000	-	-	249,442	376,442
General funds	1,959,490	6,333	(36,264)	(297,505)	1,632,054
	<u>2,086,490</u>	<u>6,333</u>	<u>(36,264)</u>	<u>(48,063)</u>	<u>2,008,496</u>
Restricted funds	24,000	7,068,444	(7,126,507)	48,063	14,000
	<u>2,110,490</u>	<u>7,074,777</u>	<u>(7,162,771)</u>	<u>-</u>	<u>2,022,496</u>

Restricted funds are for the provision of services commissioned to tackle issues in Health and Well-being. Where applicable surpluses accrued in the year are released to general reserves to be used for the charitable purpose of the Company. These are shown as transfers between funds.

During the prior year, the charity transferred fixed assets to a separate designated fixed asset fund within unrestricted funds, to enable greater clarity on the free reserves position.

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	354,202	-	354,202
Current assets	2,479,332	-	2,479,332
Creditors due within one year	(1,015,285)	-	(1,015,285)
	<u>1,818,249</u>	<u>-</u>	<u>1,818,249</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	516,441	-	516,441
Current assets	2,300,240	14,000	2,314,240
Creditors due within one year	(808,185)	-	(808,185)
	<u>2,008,496</u>	<u>14,000</u>	<u>2,022,496</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(204,247)	(87,994)
Adjustment for:		
Depreciation charges	93,570	75,015
Bank interest	(2,860)	(4,823)
(Increase)/decrease in debtors	(49,249)	244,822
Increase/(decrease) in creditors	207,099	(492,737)
Release of grant	140,000	-
Net cash provided by/(used in) operating activities	<u>184,313</u>	<u>(265,717)</u>

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,260,633	1,144,791
Total	<u>1,260,633</u>	<u>1,144,791</u>

19. Operating lease commitments

At 31 March 2019, the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
<i>Amounts payable:</i>		
Within 1 year	241,519	207,464
Between 1 and 5 years	315,900	295,727
After more than 5 years	198,163	261,000
Total	<u>755,582</u>	<u>764,191</u>

20. Related party transactions

There were no related party transactions during either period other than the remuneration paid to Directors of the charity disclosed in Note 11 of the financial statements.