

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE
(A company limited by guarantee)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

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 (completed term 10 August 2020) D Webster, Non-Executive Director P Webster, Non-Executive Director C Wood, Non-Executive Director M E Roberts, Executive Director J Hughes, Executive Director (resigned 25 October 2019)
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 Chartered Accountants 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
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MESSAGE FROM THE CHIEF EXECUTIVE
FOR THE YEAR ENDED 31 MARCH 2020

This has been a critical and fast changing year for Compass. We have made significant progress towards achieving our strategic aims and objectives. Our achievements include:

- Successfully defending our largest contract, the **Warwickshire School Health and Wellbeing Service**, which provides the important foundations for ensuring all school aged children (5-18 years) have equitable access to the Government's Healthy Child Programme;
- Launching '**Positive Effect**', a new trading arm to support adult workplace and school pupil wellbeing through accredited **workforce training, consultancy** and prevention across public and private sectors;
- The award of a national trailblazer NHSE **Mental Health Support Teams** (in schools) service in North East Lincolnshire;
- Development in collaboration with Thomson Screening of a **digital Health Needs Assessment (HNA) tool** for use in our own services and available to other providers;
- In response to Covid 19 adapting our public health services to deliver **accessible digital solutions** to health and wellbeing services for children, young people, families, partner agencies and communities.

As Compass diversifies its offer to include **mental health** and **family weight management programmes** that are interconnected with existing services our desire to **intervene at the earliest opportunity starts** to become a reality. Driving down from **specialist provision** to **early intervention and prevention** using individual, school, locality and population data to determine gaps and deliver interventions that make a **real difference to the young people and the families** we serve.

Our **devolved structure** where service managers focus on a specific part of the health and wellbeing system is supported by our **collaborative culture** working together both across the organisation and locally with partners. We share knowledge, skills, expertise and learning that enables the wider local system and organisation to become more **holistic and responsive** to the ever-changing needs of our service users, families and communities. This year we have:

- Used our skills and experience gained in our unique **North Yorkshire BUZZ** contract, to deliver a county wide **mental health workforce training package** to hundreds of schools and thousands of education professionals to embed a **whole school approach** to mental health in our other services;
- Warwickshire School Health have developed accessible **parent/carer workshops** on different themed wellbeing subjects that combine peer support alongside, practical no cost tips and advice for making manageable changes to their own or their child's behaviours. These types of workshops are being embedded in all our service models.

Our ambition is to intervene at the earliest opportunity; **reducing a reactive need** for people to have to get into crisis before help is available, through the development of prevention and early intervention initiatives. This ambition pushes us outside of our comfort zone, taking us into areas that are **new and untested by developing new approaches and models of practice**. Our risky behaviour services and trading arm, Positive Effect are both **trailblazers, reflecting, learning and adapting as we go**; trying to provide a holistic integrated response under 'one roof' or to bridge the gap between **public and private industry**. That provides support to the **wider working adult population** who don't often meet the thresholds for public health services but would benefit greatly from early help initiatives on a wide range of lifestyle behaviours (**i.e. mental health, emotional wellbeing, fatigue and sleep, diet and physical activity, drugs, alcohol and prescribed medication**).

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MESSAGE FROM THE CHIEF EXECUTIVE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

This is only achievable because of our incredible, talented, tenacious and creative workforce; directed by our **Compass values of being solution focused, innovative, valuing each individual and working with integrity**. I am incredibly proud of our collective achievements this year as it is a testament to the staff teams' commitment, hard work and evidenced impact that has yielded such impressive results.



Rachel Bundock
Chief Executive Officer

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Directors present their annual report together with the audited financial statements of the company for the year 1 April 2019 to 31 March 2020. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Directors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) published in October 2019.

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.

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.

b. Activities undertaken to achieve 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 and the provision of training to support wellbeing in both a school and employment setting. Its services have a wide geographical spread with services based in Yorkshire, the Midlands, the South East and London and have clients from the age of three years.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report

Achievements and performance

a. Strategy

Compass has 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 the Directors have agreed long term goals with detailed objectives to support their achievement.

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 Training and consultancy in regard to wellbeing and mental health

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

Over the past 12 months, Compass has made significant progress towards achieving its goals by:

- Retaining the Warwickshire School Health & Wellbeing Service, a nine year contract that incorporates targeted child and teen weight management programmes as part of a multi-faceted universal child health offer for all school children
- Becoming one of the few voluntary sector organisations to implement one of the NHSE's Trailblazer 'Mental Health Support Teams' programme to increase the capacity of the mental health workforce and help embed whole school approaches
- Launching 'Positive Effect', a trading arm to support workplace and school wellbeing through accredited training, consultancy and action across public and private sectors
- Implementing performance related pay within our appraisal process which rewards staff for their individual performance in their role and in delivering on Compass values
- Completing the development and implementation of our management information systems that enables services to capture activity at an individual level across multiple strands of care
- Making better use of our data systems to identify unmet needs at a school and population level in order for partners to collaborate together to find solutions and intervene early
- Developing with Thomson Screening an online tool for the completion of Health Needs Assessments for use in our Warwickshire School Nursing Service and as an offer to other providers
- Relaunching the Compass website as part of improving the Compass digital offer
- Building long lasting partnerships with technical partners and topic experts to shape its responses to the diverse and emerging health and wellbeing needs of children, young people, families and communities.
- Diversifying its portfolio; from specialist provision by driving down to early intervention and prevention across multiple health and wellbeing needs that are inter-connected
- Improving its financial standing by reducing the use of agency staff and reducing central overhead costs

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Achievements and performance (continued)

Compass aims 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 objectives with milestones have been agreed and these are reviewed regularly by both the Senior Management Team and the Directors. Adjustments are made to priorities and resources to ensure objectives are delivered.

c. Review of activities

Whilst Compass continues to deliver a wide range of activities across universal, targeted and specialist provision for individuals, families and communities from three years upwards, our emphasis remains focused on developing and delivering early intervention models of care. Our extensive knowledge, across a wide range of health and wellbeing subjects, at different levels of support provides insight and understanding of how issues are often interconnected, multi-layered and complex. A key driver is how Compass uses its aggregated data across services for itself and partners to

- Identify trends and lessons learnt
- Highlight 'what works', gaps and missed opportunities
- Identify potential solutions and early interventions

At Compass BUZZ, its four levels of mental health training (awareness, identification, early intervention and leadership) continued to make significant impact on schools in all 393 settings and 3,324 square miles across North Yorkshire via training, professional consultancy and facilitated support. The team collaborated with young people to develop a Young Peer Mental Health Champion training programme to ensure the legacy of BUZZ lives on through an embedded peer network and collective voice. For the 12 month period up to 31 March 2020, the BUZZ team delivered:

- Level 1 - Prevention and promotion training – 100 schools, 1034 professionals
- Level 2 - Early identification of need training – 195 schools, 743 professionals
- Level 3 - Early help and intervention training - 183 schools, 488 professionals
- Level 4 - Pupil wellbeing champion programme – 98 schools, 148 professionals
- Level 5 – Senior leadership training - 255 schools, 295 professionals
- BUZZ US texts from young people requesting support – 7721 text messages, generating 440 opened conversations

In addition, response to 196 requests for support from schools in relation to individual pupil needs has enabled education staff to give timely brief interventions in a familiar setting by a professional, pupils already had an established and trusting relationship with.

Supported by BUZZ, schools continued to embed a wide range of whole school approaches to mental health (e.g. awareness days, notice boards, young champions), sharing their initiatives, ideas and successes across their school clusters and networks.

Our inclusive approach with schools has laid the foundations from which Compass REACH (targeted risky behaviours service in North Yorkshire) has benefited; receiving timely referrals and requests for support from schools as a direct result of being able to identify and engage pupils with negative mental health, substance misuse and/or risky sexual health behaviours.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Achievements and performance (continued)

Compass Warwickshire School Health & Wellbeing service (school nursing) produced its fourth annual report and had its innovative work and impact published in a number of RCN and QNI journals. Our two year 'Ready for School' pilot concluded with a report that set out its recommendations for future direction of travel and collaboration between early years settings, health visiting and school nursing to further improve Good Levels of Development and attainment.

The service continued to drive forward its universal health needs assessments for pupils at key stages (reception, year 6, year 9 and post 16s) building on previous years' learning. Overall uptake increased from 65% to 68%. Based on feedback and consultation with head teachers Compass changed the way it delivered universal health needs assessment to Year 6 pupils by highlighting to head teachers, as part of their school population reports, those pupils who may require follow up support from the school nurse. This change ensured that schools, parents/carers and the service had a more joined up and co-ordinated approach to responding to identified needs.

The service progressed its targeted themed parent/carer workshops focusing on key subjects such as continence where there continues to be a significant gap for early help support. In 2019/20, 34 workshops were delivered to 169 families in a number of community settings across the county. Families received practical information, advice, tips and strategies on behaviour change and accessed valuable support from other families going through similar experiences. After 4 weeks of attending the workshop all families received a follow-up call; resulting in 30% not requiring further intervention and 40 families signposted to their GP for further support. This highly successful early intervention approach has been adopted across Compass to address other health and wellbeing topics that are considered priorities for families.

Part way through the year Compass mobilised the new contract which saw the service take on a universal and targeted healthy eating and weight management programme for children, teens and their families. This has enabled the local leadership team to work together with expert specialist partners (Rugby Borough Council, Educaterers, Soil Association, Think Active) to provide a joined-up response both in schools and communities.

The service also implemented the EMIS case management system to ensure school nurses could effectively execute their information sharing and safeguarding responsibilities, collaborated with Thomson Screening to develop an efficient and effective health needs assessment software and questionnaire. In addition, the service employed a new Digital, Communications Officer to bring its communication strategy to life and deliver on the commitment that every pupil, parent/carer and teacher becomes aware of the service and how to use it.

Compass young people's substance misuse services in **Harrow, Enfield, Warwickshire, Milton Keynes and North Yorkshire** continued to further develop integrated care pathways with statutory and voluntary partner agencies to identify and support the most vulnerable children and young people as a result of their own or others substance misuse. This has resulted in new innovations such as Equine Therapy to promote human physical and mental health and a greater allocation of resources on delivering psycho-educational and therapeutic interventions to those affected by parental substance misuse. This has resulted in a stronger partnership with local young carers projects. Ongoing collaboration with local projects to tackle problems resulting from gangs and exploitation remain a high priority with much resource invested in delivering integrated early intervention pathways of care.

During the year significant focus has been centred on our important work with commissioners and stakeholders to further develop, reflect and learn from our highly innovative **North Yorkshire, Lewisham and Tower Hamlets** young peoples' integrated health and wellbeing service delivery models; a multi-faceted strand of offer under 'one roof' delivered by one multi skilled team. The models continue to flex and adapt turning theory into practice and shaping a workforce that is capable and confident of providing a holistic response; to identify and support young people with low to moderate mental health needs, substance misuse and/or risky sexual health behaviours through the provision of psycho-education, psychosocial and pharmacological interventions.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Achievements and performance (continued)

Compass' digital offer continued to grow using its newly launched service user focused website compass-uk.org as the centre point from which all things digital connect; creating a 'one stop' shop of holistic health and wellbeing information, advice and support for young people, parents/carers and professionals. This approach has enabled all Compass services to benefit with each one leading on behalf of the others in their specialist wellbeing subjects. Compass' digital range now includes text lines, themed podcasts, webinars, animation videos and an innovative interactive e-resource toolkit for teachers to embed the resilience framework within daily lessons.

The launch of Positive Effect, Compass' trading arm has been a pivotal moment for the organisation, with the development of a multi-faceted training and consultancy offer for professionals and organisations in public and private sectors. Borne out of desire to bridge the gap between public and private sector and provide prevention and early intervention to large populations who would not normally access early help support. Compass has drawn on its unique breadth of health and wellbeing expertise as a direct delivery provider, particularly in relation to community public and population health to equip business and professionals to improve workplace wellbeing by early identification of need and support. This has resulted in:

- A 4- tiered accredited training offer to schools across the public and private sector to equip education professionals to identify pupils with additional mental health and wellbeing needs
- A mental health and emotional wellbeing e-resource toolkit for education professionals to use within the classroom for groups of pupils within lessons and on an individual basis
- A 4- tiered accredited training offer to business to raise awareness of mental health and wellbeing to leaders, managers and frontline staff to reduce absenteeism, presenteeism and work related stress, anxiety and fatigue
- A workplace health needs assessment tool to enable senior leaders to understand and identify priority wellbeing needs within their workplace and take action
- In partnership with CPC Link Ltd and Minx Consulting mental health and wellbeing and substance misuse and prescribed medication CPC accredited courses for professional drivers, alongside delivering train the trainer courses to approved trainers across England
- An efficient and effective school health needs assessment tool and software for providers and commissioners of school nursing services in collaboration with Thomson Screening

In 2019/20 Compass delivered an extensive range of high impacting services to over 14,500 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 an all embracing, person-centred approach and has been the foundation to helping over 9000 people achieve successful outcomes. In addition, through effective through care and aftercare, representations were less than one per cent of individuals accessing services.

No review of activities can be complete without a reference to Covid 19 and the subsequent lockdown. Like most organisations we first saw Covid 19 present problems in March, but Compass moved rapidly to a situation where all services were delivered remotely. The already highly developed cloud based IT infrastructure gave Compass the ability to deliver remote working and the adaptability of all staff and their willingness to take on new challenges and ways of working helped Compass to continue to provide high quality services. Activities are being delivered using

- Video calls to offer one to one interventions
- Video conferencing to conduct external professional meetings and internal team meetings
- Webinars to deliver training and parental workshops
- YouTube and bite size videos to offer information and advice

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Achievements and performance (continued)

Compass' financial position has not been affected by the financial consequences of the lockdown with all of our contracts being honoured by Commissioners.

d. 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 remained broadly the same at £7.60 Million from the previous year's figure of £7.63 Million. This position has been achieved by the gain of a contract to provide a Mental Health Support Team in NE Lincolnshire during February 2020, and the increased contract value of Warwickshire School Health and Wellbeing contract on its retention in November 2019 and the activity from the Compass training and consultancy through its trading arm Positive Effect. However these gains were offset by the non-retention of the Coventry services in September 2018.

Expenditure has seen a small decrease to £7.56 million compared to £7.83 Million. This reduction has come from 3 main sources

- Reduction in the level of agency staff
- Reduction in central overheads
- Increased margin on our traded offer

Net income before exceptional costs was £37,740 compared to last years' net costs of £204,247. This movement came about as a result of the steps taken to reduce costs. The revaluation downwards is of the Milton Keynes leasehold additions to a level that reflects the expected income that will be derived from these assets over their life.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Financial review (continued)

c. Reserves policy

The Directors recognise the need to have reserves in place to ensure the sustainability of the Company 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 potential redundancy liability and assessment of the likelihood of these liabilities crystallising. Using this methodology, the minimum requirement at 31 March 2020 is £1.24 Million.

The free reserves at 31 March 2020 are £1.55 Million. This figure excludes 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.

In this year the Directors decided to rationalise its ways of working and focus scrutiny through the full board and therefore abolished the sub-committees that had previously operated namely Audit and Risk, Business Development, Remuneration and Clinical Governance. The new structure allows all members to fully understand the issues being faced by the Company without the need for issues to be considered at both Board and Sub-committee. In the case of Clinical Governance where the sub-committee included expert participants who were not Board members an advisory group has been set up to offer the benefit of their experience to the Board when considering clinical matters.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

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. Further terms beyond the initial two must be approved by the Board on an individual basis.

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 Directors' 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 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 and Diversity, as well as specific individual development needs.

d. Organisational structure

The Directors meet regularly and are responsible for the strategic direction and policy of the company. Currently there are nine Directors, two 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

e. Risk management

The Board continues to manage risk through its scrutiny of the two principal risk registers i.e. the strategic risk register and the clinical risk register whilst at the same time seeking assurance from the Senior Management Team that identification and management of risk is core to the operational management of the business. 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 principal registers are reviewed at each Board meeting ensuring that new risks and changes in the risk environment are properly identified and that controls are in place to maintain all risks within the Board's agreed risk tolerance, along with the testing of procedures and mitigation of controls.

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 as a risk map. Risks are also monitored alongside key performance indicators per contract. Compass works closely with commissioners to minimise the risk not attaining contractual targets. In addition, the Board gave due consideration to uncertainties arising from Brexit and considered there were no material 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; and the requirements of the NHS Digital data security and protection toolkit for community providers. The Covid 19 crisis was managed in line with the Compass risk strategy where risks are identified, evaluated and mitigated. During this period Compass saw no significant increase in residual risks.

The financial risks are managed so that there are sufficient resources to meet ongoing contractual obligations. Such risks are further controlled against the Directors' approved annual budget, variances are scrutinised through the year. 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 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 Non Executive Directors. Remuneration is based on a pay range relevant to a particular role – ranges are regularly reviewed in a pay benchmarking exercise.

Compass moved from an increment pay schemes to a performance related pay system linked to appraisal in 2020; salaries also rose in line with the pre-approved 3 year pay agreement which has a further year to run.

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.

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DIRECTORS' REPORT (CONTINUED)
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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 charity'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 charity's auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated his willingness to continue in office. The designated Directors will propose a motion reappointing the auditor at a meeting of the Directors.

Approved by order of the members of the board of Directors and signed on their behalf by:

Claire Wesley

[Claire Wesley \(Sep 28, 2020 14:28 GMT+1\)](#)

C E Wesley

Chair

Date: 13 August 2020

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE
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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2020

The Directors (who are also the trustees of Compass - Services To Tackle Problem Drug Use for the purposes of charity law) are responsible for preparing the Directors' report including the Strategic 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 company and of its incoming resources and application of resources, including its income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**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 2020 which comprise the Statement of financial activities, 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 2020 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.

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 (CONTINUED)**

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.

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 have 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 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 the Directors' report and from the requirement to prepare a Strategic report.

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 (CONTINUED)**

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.

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 (Sep 29, 2020 15:43 GMT+1)

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: 29-Sep-2020

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 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	5,640	-	5,640	10,337
Charitable activities	5	-	7,586,602	7,586,602	7,612,742
Investments	6	3,461	-	3,461	2,860
Total income		9,101	7,586,602	7,595,703	7,625,939
Expenditure on:					
Charitable activities	7	28,916	7,529,047	7,557,963	7,830,186
Total expenditure		28,916	7,529,047	7,557,963	7,830,186
Net (expenditure)/income		(19,815)	57,555	37,740	(204,247)
Transfers between funds	17	57,555	(57,555)	-	-
Net movement in funds before other recognised gains/(losses)		37,740	-	37,740	(204,247)
Other recognised gains/(losses):					
Losses on revaluation of fixed assets	14	(48,450)	-	(48,450)	-
Net movement in funds		(10,710)	-	(10,710)	(204,247)
Reconciliation of funds:					
Total funds brought forward		1,818,249	-	1,818,249	2,022,496
Net movement in funds		(10,710)	-	(10,710)	(204,247)
Total funds carried forward		1,807,539	-	1,807,539	1,818,249

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

The notes on pages 22 to 37 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	257,837	354,202
		<u>257,837</u>	<u>354,202</u>
Current assets			
Debtors	15	1,493,425	1,218,699
Cash at bank and in hand		1,406,940	1,260,633
		<u>2,900,365</u>	<u>2,479,332</u>
Creditors: amounts falling due within one year	16	(1,350,663)	(1,015,285)
		<u>1,549,702</u>	<u>1,464,047</u>
Net current assets		1,549,702	1,464,047
Total net assets		1,807,539	1,818,249
		<u><u>1,807,539</u></u>	<u><u>1,818,249</u></u>
Charity funds			
Restricted funds	17	-	-
Unrestricted funds			
Designated funds	17	257,837	354,202
General funds	17	1,549,702	1,464,047
		<u>1,807,539</u>	<u>1,818,249</u>
Total unrestricted funds	17	1,807,539	1,818,249
Total funds		1,807,539	1,818,249
		<u><u>1,807,539</u></u>	<u><u>1,818,249</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Directors on 13 August 2020 and signed on their behalf by:

Claire Wesley

[Claire Wesley \(Sep 28, 2020 14:28 GMT+1\)](#)

C E Wesley

Chair

Rachel Bundock

[Rachel Bundock \(Sep 28, 2020 10:14 GMT+1\)](#)

R V Bundock

Chief Executive

The notes on pages 22 to 37 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	182,437	184,313
Cash flows from investing activities			
Bank interest		3,461	2,860
Purchase of tangible fixed assets		(39,591)	(71,331)
Net cash used in investing activities		(36,130)	(68,471)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		1,260,633	1,144,791
Cash and cash equivalents at the end of the year	21	1,406,940	1,260,633

The notes on pages 22 to 37 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 2020

1. General information

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 company 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.

2. Accounting policies

2.1 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

2.2 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 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.

All expenditure is inclusive of irrecoverable VAT.

2.5 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.

2.6 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 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.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 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.

2.10 Cash at bank and in hand

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

2.11 Liabilities 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.

2.12 Financial instruments

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

2.13 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.

2.14 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 2020**

3. 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.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	5,640	5,640	10,337
Total 2019	10,337	10,337	

5. Income from charitable activities

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Contract Income - Universal Services	3,366,951	3,366,951	3,113,880
Contract Income - Target and Specialist Services	4,219,651	4,219,651	4,498,862
	7,586,602	7,586,602	7,612,742
Total 2019	7,612,742	7,612,742	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	3,461	3,461	2,860
Total 2019	2,860	2,860	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Universal Services	11,895	3,097,080	3,108,975	3,063,615
Target and Specialist Services	17,021	4,431,967	4,448,988	4,766,571
	28,916	7,529,047	7,557,963	7,830,186
Total 2019	28,870	7,801,316	7,830,186	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Support costs

	Universal Services 2020 £	Target and Specialist Services 2020 £	Total funds 2020 £	Total funds 2019 £
Support costs	183,070	261,976	445,046	483,871
Total 2019	185,502	298,369	483,871	

Support costs, which are included within expenditure on charitable activities (Note 7), cover the costs of governance and HR, Finance and Administration departments. They have been allocated on the basis of direct costs.

9. Governance costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Audit fees	13,000	13,000	13,000
Staff cost allocation (Note 10)	15,916	15,916	15,870
	28,916	28,916	28,870
Total 2019	28,870	28,870	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Analysis of resources expended by expenditure type

	Staff costs	Depreciation	Other costs	Total	Total
	2020	2020	2020	2020	2019
	£	£	£	£	£
Universal Services	2,243,294	33,566	820,220	3,097,080	2,990,803
Target and Specialist Services	2,796,951	51,166	1,583,850	4,431,967	4,810,513
Sub total	5,040,245	84,732	2,404,070	7,529,047	7,801,316
Expenditure on governance	15,916	-	13,000	28,916	28,870
Total	5,056,161	84,732	2,417,070	7,557,963	7,830,186

11. Net income/(expenditure)

This is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	84,732	93,570
Loss on disposal of computer equipment, fixtures and fittings	2,774	93,570
Auditor's remuneration - audit	13,000	13,000
	100,506	200,110

12. Staff costs

	2020	2019
	£	£
Wages and salaries	4,447,119	4,759,452
Social security costs	358,157	361,824
Contribution to defined contribution pension schemes	250,885	236,598
	5,056,161	5,357,874

Redundancy or termination payments which are included as an expense within wages and salaries above, amounted to £nil (2019: £34,833)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Staff costs (continued)

The average number of persons employed by the company during the year was as follows:

	2020	2019
	No.	No.
Project staff	143	149
Administrative staff	8	8
	<u>151</u>	<u>157</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

13. Directors' remuneration

Details of Executive Directors' remuneration and expenses are given below

	2020	2019
	£	£
Executive Directors' remuneration	<u>181,640</u>	<u>202,218</u>

In addition, employers national insurance contributions in respect of the above directors amounted to £21,102 (2019: £23,136).

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £82,500 (2019: £82,500), including pension contributions of £7,500 (2019: £7,500).

The Executives Directors' individual remuneration including pension contributions was:

M Roberts - £60,000 (2019: £60,000)

R Bundock - £82,500 (2019: £82,500), including pension contributions of £7,500 (2019: £7,500)

J Hughes - £39,140 (2019: £59,718), including pension contributions of £1,846 (2019: £2,844)

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

3 Directors received expenses amounting to £11,740 in the current year (2019: £4,384).

6 Non-Executive Directors received expenses amounting to £2,768 in the current year (2019: £4,440).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Tangible fixed assets

	Short-term leasehold property improvements £	Computer equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2019	318,775	282,834	601,609
Additions	-	39,591	39,591
Disposals	-	(60,584)	(60,584)
Revaluations	(48,450)	-	(48,450)
At 31 March 2020	<u>270,325</u>	<u>261,841</u>	<u>532,166</u>
Depreciation			
At 1 April 2019	43,200	204,207	247,407
Charge for the year	31,877	52,855	84,732
On disposals	-	(57,810)	(57,810)
At 31 March 2020	<u>75,077</u>	<u>199,252</u>	<u>274,329</u>
Net book value			
At 31 March 2020	<u>195,248</u>	<u>62,589</u>	<u>257,837</u>
At 31 March 2019	<u>275,575</u>	<u>78,627</u>	<u>354,202</u>

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	1,074,551	774,820
Prepayments and accrued income	418,874	443,879
	<u>1,493,425</u>	<u>1,218,699</u>

COMPASS - SERVICES TO TACKLE PROBLEM DRUG USE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	311,791	457,938
Other taxation and social security	145,204	177,923
Accruals and deferred income	893,668	379,424
	1,350,663	1,015,285
	1,350,663	1,015,285
	2020	2019
	£	£
Deferred income at 1 April 2019	68,917	50,000
Resources deferred during the year	125,000	68,917
Amounts released from previous periods	(68,917)	(50,000)
	125,000	68,917
	125,000	68,917

Within accruals and deferred income is a balance of £125,000 (2019: £68,917) of 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 £41,011 (2019: £96,380),

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
Designated funds						
Fixed asset reserve fund	354,202	-	-	(47,915)	(48,450)	257,837
General funds						
General funds	1,464,047	9,101	(28,916)	105,470	-	1,549,702
Total Unrestricted funds	1,818,249	9,101	(28,916)	57,555	(48,450)	1,807,539
Restricted funds						
Universal Services	-	3,366,951	(3,097,080)	(269,871)	-	-
Target and Specialist Services	-	4,219,651	(4,431,967)	212,316	-	-
	-	7,586,602	(7,529,047)	(57,555)	-	-
Total of funds	1,818,249	7,595,703	(7,557,963)	-	(48,450)	1,807,539

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Unrestricted funds					
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

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	354,202	-	-	(47,915)	(48,450)	257,837
General funds	1,464,047	9,101	(28,916)	105,470	-	1,549,702
Restricted funds	-	7,586,602	(7,529,047)	(57,555)	-	-
	1,818,249	7,595,703	(7,557,963)	-	(48,450)	1,807,539

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds	376,442	-	-	(22,240)	354,202
General funds	1,632,054	13,197	(28,870)	(152,334)	1,464,047
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>

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.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	257,837	257,837
Current assets	2,900,365	2,900,365
Creditors due within one year	(1,350,663)	(1,350,663)
Total	<u>1,807,539</u>	<u>1,807,539</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted 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)
Total	1,818,249	1,818,249

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

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	37,740	(204,247)
Adjustments for:		
Depreciation charges	84,732	93,570
Bank interest	(3,461)	(2,860)
Loss on the sale of fixed assets	2,774	-
Increase in debtors	(274,726)	(49,249)
Increase in creditors	335,378	207,099
Release of grant	-	140,000
Net cash provided by operating activities	182,437	184,313

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,406,940	1,260,633
Total cash and cash equivalents	1,406,940	1,260,633

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22. Analysis of changes in net debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash in hand	1,260,633	146,307	1,406,940
	<u>1,260,633</u>	<u>146,307</u>	<u>1,406,940</u>

23. Operating lease commitments

At 31 March 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	200,186	241,519
Later than 1 year and not later than 5 years	58,100	315,900
Later than 5 years	-	198,163
	<u>258,286</u>	<u>755,582</u>

24. 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 13 of the financial statements.