

Registered number: 02054594
Charity number: 518048

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its Directors and advisers	1
Message from the Chief Executive	2 - 3
Directors' report	4 - 14
Independent auditor's report on the financial statements	15 - 18
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 36

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Directors	C E Wesley, Non Executive Director and Chair R V Bundock, Chief Executive S Kingsnorth, Non Executive Director C L Pendle, Non Executive Director D Webster, Non Executive Director and Vice Chair P Webster, Non Executive Director (resigned 12 May 2022) C Wood, Non Executive Director M E Roberts, Executive Director of Finance
Company registered number	02054594
Charity registered number	518048
Registered office	Suite 1, Ground Floor, Marlborough House Westminster Place York Business Park York North Yorkshire 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

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**MESSAGE FROM THE CHIEF EXECUTIVE
FOR THE YEAR ENDED 31 MARCH 2023**

It has been an extraordinary year of achievement for Compass, as we have continued to focus our efforts and resources on upscaling the organisation's infrastructure whilst growing the contract base. As a result, our workforce has almost doubled to 300 people over the past 12 months. Our achievements have been as a result of the hard work and commitment of people at all levels of Compass centrally and locally, from the frontline to the Board. We move forward together and at pace to achieve our ultimate aim – to bring our high quality person-centred care to as many children and young people as possible. This progress has been based on continuous improvement, taking learnings from our diverse models of care to drive forward our quality agenda and areas for improvements.

Following planned investment, we increased our operational senior leadership team, attracting a wide range of talent and expertise from across the NHS, social care, local authority and third sector as well as bringing in additional specialist roles to expand resource within our central functions. We drew on the skills, knowledge and experience of these new members of the senior leadership team to co-develop our infrastructure, systems, governance arrangements and values-based ways of working, helping us achieve Compass' mission, vision and strategic aims. We are part way through this journey of whole organisational transformation.

We have focused our efforts on establishing a ONE Compass approach, where all staff know what it means to actively display the core Compass values, characteristics and ways of working. This approach brings together expert knowledge through our services that deliver different aspects of health and wellbeing that are inter-connected. We do this with the ambition of upstreaming integrated care and support at the earliest opportunity through co-developed systems and holistic care pathways in collaboration with operational and strategic partners, at place, regionally and nationally. Compass staff are values-based change agents proactively working with partners to help find innovative and cost effective solutions to meet the increasing demands for support on a wide range of health and wellbeing issues, including mental health.

Led by our brilliant local leadership teams, our services have continued to go from strength to strength, and this is evident in their reach, breadth of offer and diverse modes of delivery; centred on creating choice and maximising access and support; when, where and how children, young people and parent/carers want to receive it. We have begun to create the structures whereby staff share, both internally and externally, their outcomes, impacts and learning, which in turn will identify best practice and areas for improvement.

By year end, Compass were partnering with four universities; Wolverhampton, Sheffield, Edge Hill and Derby, supporting 56 staff achieve their post graduate diplomas in school nursing, education mental health and clinical supervision. We continued to play an important role in helping to achieve the NHS's goal of expanding a skilled and qualified workforce. These achievements have been down to the hard work and dedication of our managers and team leaders, working together with course tutors to provide all year round support to staff in training, helping them balance the demands of the role alongside their course qualification. Significant progress has been made with establishing career progression pathways including volunteering across the Compass directorates of public health school nursing, mental health and emotional wellbeing, and substance misuse and risky behaviours. This year saw the arrival of new roles such as assistant education mental health practitioners and nurse associates.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

MESSAGE FROM THE CHIEF EXECUTIVE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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

- Increasing senior leadership across the three directorates enabling greater visibility and collaboration with commissioners and stakeholders.
- Winning a contract to deliver 11 mental health support teams (MHSTs) in Derby City and Derbyshire.
- Winning contracts to deliver community-based emotional health and wellbeing support for children and young people in Coventry and Wakefield.
- Expanding the number of teams within the Barnsley and Lancashire MHSTs.
- Enhancing the offer within the North East Lincolnshire MHSTs, through additional grant funding to deliver the resilience and youth justice projects.
- Enhancing the Warwickshire school nursing service to work with education settings to deliver effective Relationship Health and Sex Education programme.
- Enhancing the substance misuse and risky behaviour services to increase engagement with at risk groups through additional Office for Health Improvements and Disparities funding.
- Significantly expanding the local digital, marketing and communications offers to extend reach and improve the accessibility of self-help resources.
- Expanding our digital Cognitive Behaviour Therapy (CBT) offer with Lumi Nova and SilverCloud for children and young people not wanting to access face to face support.
- Developed new partnerships with Mental Health Initiatives to provide the SHOUT 24/7 texting service in Wakefield, and Visiba Care to co-develop and pilot an innovative app providing a virtual one stop shop of support.
- Supporting more public and private sector organisations to improve their workplace wellbeing through training, coaching and implementing initiatives.

Our progress this year demonstrates we are slowly and surely building on our reputation as a trusted, collaborative and innovative partner: one that is capable of developing and delivering high quality, flexible services based on experiential learning from a wide range of evidence based health and wellbeing models of care. We know, however, there is still much to do in achieving our ultimate vision.

At the heart of Compass' achievements, are our staff, who work tirelessly every day directly and indirectly to improve the lives of children and young people, whether that's within local services or central departments. It has not been without challenge. However, the commitment by staff to be responsive, solution-focused and adaptable where needed, has been central to our way of working. Everyone has played their part and I have no doubt will continue to do so; helping us take Compass to its next level of transformation.

Rachel Bundock
Rachel Bundock (Aug 14, 2023 09:25 GMT+1)

Rachel Bundock

Chief Executive Officer

Date: 10 August 2023

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their annual report together with the audited financial statements of Compass – Services to improve health and wellbeing (the Company), for the year ended 31 March 2023.

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 had the following objectives during the year to March 2023:

To promote the health and well-being of children, young people, families and adults with particular focus on disadvantaged groups and those at risk of developing unhealthy lifestyles and risk taking behaviours by:

- Promotion of activities that support positive health and wellbeing.
- Providing training and resources to relevant professionals to understand a wide range of health and wellbeing issues and their role in supporting individuals.
- Identification of population health needs by the gathering of information, on lived experiences of members of communities.
- Providing consultation, coaching and support to families, partners and wider stakeholders.
- Delivering specialist support to those with substance misuse, sexual health and/or risky behaviour needs.
- Delivering therapeutic support to those with low to moderate mental health needs.

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 for achieving objectives

Compass' activities span universal, targeted and specialist provision of public health and wellbeing related services to support children, young people, parents/carers, families, professionals, and local communities. Our core areas of activity are mental health, emotional health, and wellbeing; public health nursing and weight management; risky behaviours and substance misuse. They include delivering whole school approaches, education prevention, early help, structured treatment, and aftercare.

Underpinning these services is a thematic, tiered training and consultation programme for different stakeholders to upskill and coach them to identify children and young people with additional health and wellbeing needs early and put in place strategies to support them including making appropriate referrals. Compass has extended its public health expertise and knowledge to support employers and businesses within local communities and particular professional groups who are at greater risk of health inequalities to embed mentally healthy cultures within the workplace. Compass has a broad geographical spread with services based in Yorkshire, Lincolnshire, the Midlands, Lancashire, and London; and supports school aged children and their families from the age of four years up to 25 years for young people with special educational needs and disabilities (SEND).

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report

Achievements and performance

a. Strategy

Compass recognised that in an ever changing environment where the speed of change is accelerating, 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 Terms Goals

- To grow its contract base at a steady and sustainable rate:
 - o Secure further mental health support team (MHSTs) and school nursing contracts.
 - o Secure substance misuse and risky behaviour contracts in areas where Compass already has a footprint.
 - o Secure organic growth within current local contracts by broadening and deepening the offer based on evidence-need.
 - o Achieve annual surpluses.
- 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.
- Diversification of income streams to include workforce training and professional consultancy in the areas of mental health and wellbeing.

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

- Winning a contract to deliver six established mental health support teams (MHSTs) and three new teams in Derby and Derbyshire.
- Winning contracts in Coventry and Wakefield to provide community emotional health and wellbeing services.
- Achieving significant levels of organic growth across a number of services including the substance misuse services in Harrow and Warwickshire and MHSTs in North East Lincolnshire, Barnsley and Lancashire.

Distribution of contracts at 31 March 2023

<u>Annual Contract Value</u>	<u>Number of Contracts</u>	<u>% of Total Value</u>
> £3 million	1	25.3
£2.5-3.0 million	1	18.5
£2.0-2.5 million	-	-
£1.5-2.0 million	3	29.5
£1.0-1.5 million	1	9.5
£0.5-1.0 million	1	4.7
<£0.5 million	4	12.5

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

Compass aims to further grow through the acquisition of new business in its successful MHST market and further growth within geographical areas it has a presence in by offering integrated services which cover the range of models it offers to meet the holistic needs of children, young people and their families. This growth will be in a manageable way, ensuring delivery of high impacting services that are built on collaborative partnerships, of consistent high quality, achieve high levels of performance, and continually improve and innovate based on evidence-need, to increase the impact Compass has on the lives of children and young people.

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

Throughout 2022/23 the theme has been one of development and continuous improvement as established teams have continued to grow with additional contract income and develop with greater emphasis on holistic high quality services that are children and young people led. This has been alongside the successful mobilisation of new services for Children, Young People and Families in Coventry, Derby City, Derbyshire and Wakefield, building on Compass' existing low-intensity, early intervention and prevention models of care and continuing to build and strengthen collaborative partnerships and systems with key partners across the health, education, social care and voluntary sectors.

Compass remains committed to employing creative means to meet the diverse needs of the young people who will benefit from our services and we have continued to adapt and develop our delivery models, including:

- Direct therapeutic and health promotion activities in education settings.
- Extending our range and availability for therapeutic groupwork in schools.
- Enhancing the range of self-help resources through different medias.
- Promoting the wider use of digital technology in our services.
- Deploying practitioners in schools and communities to engage with those who may otherwise not access the service.

Recovery from the global pandemic has seen a significant and sustained impact on the health and wellbeing of children and young people with the longer-term impact on social, emotional and educational wellbeing resulting in demand exceeding capacity. For Compass, this has resulted in unprecedented demand for our services, with, sadly, children and young people having to wait longer for support and the need for us to adapt our models to meet the sustained surge.

These themes have taken shape in each of our services differently reflecting the needs of local children, young people and families and bringing benefit to the local system.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

In Compass Phoenix our North Yorkshire emotional health early intervention and prevention service, we saw a significant increase in both the number of children and young people waiting for services and the length of time waiting. The service needed to act to address the impact of these factors on demand and, in agreement with local commissioners, acted to introduce new models of care designed to meet the need for greater access to support for mild-moderate mental health needs whilst addressing the relationship between capacity and demand. The team adopted a formal waiting list response plan, which included purposeful action to reduce the numbers of children and young people waiting for services and increase capacity to meet demand, this has included:

- Treatment pathways specifically for primary school children and secondary school children based on new eligibility criteria.
- A 'group-first' model for all CYPF who are appropriate for groupwork.
- A 'lean' review of care processes to reduce the number of transition points for children and young people and release practitioner time.
- Introduction of a digital only practitioner who works 1:1, using remote modes of delivery.
- Introduction of a pilot using 'Lumi-Nova' an accredited digital tool for CYP under the age of 12.

This has started to see a significant impact on the waiting times for service and continues to be a key feature of our work.

Across our services Compass quickly resumed direct delivery with children, young people and parents/carers once post-covid restrictions were lifted. This was done at scale and pace in our **Warwickshire Connect for Health** school nursing service which resumed all activities in schools and education settings providing Health Needs Assessments for pupils at the different key stages, alongside safeguarding, family weight management, healthy lifestyles and wellbeing services. The service did not stand still and whilst resuming business as usual were also building on best evidence in practice by employing creative means to meet the needs of children, young people with Special Educational Needs and Disability, Elected Home Education and those in Alternative Provision. Connect for Health was inspected by the regulator Care Quality Commission and received an overall rating of 'good' with no areas requiring improvement, which is a testament to the dedication and hard work of the team.

Staying in Warwickshire, our **Warwickshire Drug and Alcohol service** continued to strengthen its holistic offer with a focus on health promotion and prevention, working with children and young people to create positive change and to address underlying causal and contributory factors to substance use. The team have been able to extend the benefit of early intervention and prevention with the addition of new roles specifically supporting engagement with at risk and vulnerable groups, young people not in employment, education or training, or who are involved with youth justice services.

Our children and young people's substance misuse and risky behaviour services in London made-up of **Tower Hamlets, Harrow and Enfield** have seen significant change over the year.

In **Enfield, Compass Sort It!**, our longest serving contract came to an end, Compass having taken the decision that we would not be best placed to meet the new service requirements when it came up for re-tender. Both staff and managers worked professionally and positively to support children and young people to safely transition to the new provider without disruption to their care.

We were delighted to recruit through internal promotion to the Service Manager for **Compass Safe East** in Tower Hamlets who takes a lead for the young people's substance use and sexual health services in the borough. The team are our second regulated service and also received an inspection from the Care Quality Commission and again were rated 'Good' overall with no areas requiring improvement. The team have continued to increase the provision of early intervention and prevention services for CYPF and engaged schools and education settings through an outreach approach whilst also being

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

based from within the local youth hub ('Spotlight'), making our services easily accessible and part of an integrated model in Tower Hamlets. The service also benefitted from the employment of a dedicated engagement worker promoting early intervention within communities for people who might otherwise find it more difficult to engage.

In our **Harrow Drug and Alcohol** service, there has been significant change to the local leadership and workforce. We have been delighted to recruit internally to the Team Leader vacancy and through a process of change have integrated Harrow leadership with Warwickshire services to support a longer-term sustainable development plan. Harrow have successfully secured funding for a fixed term engagement worker to drive forward service promotion and improve engagement in our communities, whilst working with young people to brand the service for a re-launch.

Our Compass Mental Health Support Teams have continued to grow in number and thrive as services mature and develop. Compass Go... our first MHST in North East Lincolnshire established in January 2020 as part of the Wave 2 rollout has continued to grow with additional teams added by responding to the identified local needs in the borough. The service has worked collaboratively with health and local authority commissioners and partners to extend services to include specialist work in addition to the core MHST, this has included, the Autism in Schools, Youth Justice and Resilience programmes.

These programmes of work have benefitted from integration within the MHST providing consistent access and support to cohorts of children and young people at greater risk of developing health inequalities by intervening early and preventing long-term impact or harm associated with mental and emotional distress. Across the Compass Go... range of services the team have been creative, forward thinking and outwardly facing to deliver on prevention and promotion ambitions alongside the direct delivery of therapeutic services.

Compass Be in Barnsley, our second MHST and part of the Wave 4 rollout, has continued to work with partners at South West Yorkshire Partnership NHS Trust to provide a single point of access for children and young people through a co-located and jointly provided duty system. In collaboration with young people, it has been branded locally as '**Branching Minds**'.

The team, alongside all children's mental health providers, has seen a significant and sustained demand for services and waiting times have increased. This is in part as a result of providing a full borough coverage in anticipation of increased investment which has now been realised with the addition of an additional team as part of the Wave 9 rollout. These staff are now in training ahead of assuming their clinical roles in 2023.

The service's impact has also secured an additional two years' funding from the local authority to provide direct interventions to children and young people impacted by Adverse Childhood Experiences (ACE's) and will be developing a Family Hub model aligned to and complementary to the MHST. The additional services provided on fixed term funding have been strengthened with permanent and fixed term funding of Specialist Bereavement Counsellors, and a Healthy Peer Relationships Practitioner.

In Central and West Lancashire **Compass Bloom** MHST staff concluded their year in training and commenced delivery of Wave 6 with four teams providing direct services across Chorley, Preston, South Ribble and West Lancashire. This has been further enhanced with an additional 0.5 team equivalent funding from the local authority to enhance provision in Preston with an additional four trainee practitioners having commenced their post graduate qualification in January 2023. The team has continued to work proactively to engage schools, pupils and families undertaking significant promotional activity, branding and delivery of whole school approach activities. And despite some challenges with recruitment and retention have maintained progress throughout the first year in operation.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

Compass were delighted to be awarded the contract to deliver the Derby City and Derbyshire MHSTs made up of six existing teams and three new, additional teams as part of the wave 8 roll-out. The service locally branded as **Compass Changing Lives** went live on 1st January 2023. The service has provided an opportunity to work within a new 'Centre of Excellence' model with teams based in secondary schools across the county from Derby City to Bakewell whilst supporting the primary feeder schools within a cluster. Mobilisation included both TUPE of staff from the existing provider alongside a significant recruitment campaign which resulted in our support of trainees at Derby University for the first time. The team have made a significant early impact with the development of a duty system to improve system navigation and support timeliness as well as the provision of an extensive range of direct interventions and whole school approach activities within education settings. The team have successfully secured funding for an additional two teams to be mobilised as part of the Wave 10 rollout and are working with commissioners to identify the education settings which will benefit from this expansion.

We have been further developing our emotional wellbeing offer with a focus on emotional health practice for children and young people with low level emotional health needs for whom early support, advice and information will reduce the risk of deterioration and/or increase the capacity for coping and resilience. We have applied this principle in successfully securing new contracts in both Coventry and Wakefield.

The **Compass Coventry Emotional Health and Wellbeing Service** has been in the early stages of implementation since contract start on 1st December 2022. The first activities centred around recruitment to a suitably experienced and skilled workforce as well as engaging with health and local authority partners to seek to reduce barriers to access and avoid duplication of purpose.

Recruitment remains on-going and when fully staffed, the team will provide a range of services such as counselling, professionals training and consultation, emotional health groups and individual work, for children and young people with identified early concerns regarding anxiety, emotional coping, low mood, loss etc. The service is based on a co-location model with staff based out of family hubs. This has enabled us to work closely with a wide range of health, social care and VCSE professionals within the local community to implement easy access pathways for referrals.

Throughout the final quarter of 22/23 Compass prepared for the mobilisation of the **Wakefield Emotional Wellbeing Service** which went live on 1st April 2023. Mobilisation for this new resilience focused team will include direct work with children and young people using goal based theory in practice to support them to develop the skills and confidence to manage difficult emotions, as well as working in schools and communities to promote wellbeing, self-care and resilience. The team includes staff who have TUPE transferred from previous providers and recruitment to new posts, who together over the first few months, will work collaboratively at place to embed within the multi-agency Wakefield Risk and Resilience Framework.

Positive Effect, Compass' trading arm offers our knowledge and expertise as a community public health and wellbeing provider to businesses across a wide range of public and private organisations with the aim of improving professionals' competence and confidence in managing their own and others health and wellbeing.

In the education sector our Senior Mental Health Lead training course was quality assured again for Department for Education grant-funding and we have delivered to c. 90 delegates, running termly Community in Practice events for all those trained. We also successfully delivered the Warwickshire Young Wellbeing Champions project and ad hoc training for individual schools, multi-academy trusts and teacher training providers.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic report (continued)

Achievements and performance (continued)

Workplace wellbeing training has included delivering the WeCare programme to seafarers globally on behalf of our partner Mission to Seafarers, developing health-related modules for the British Army's Initial Training and continuing to work with London bus operators Abellio and Stagecoach on a bus driver wellbeing and alertness pilot as part of Transport for London's Innovations project.

Our Health and Wellbeing Trainer has also been supporting other Compass initiatives; delivering external workforce training for Compass Go...s Youth Justice programme and internal training for Compass, such as Mental Health for Managers and Senior Mental Health Lead training as part of the induction for new MHSTs staff.

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 rose to £10.21 million from the previous year's figure of £8.00 million. This increase resulted from the full year effect of the Central and West Lancashire contract gained in February 2022 and the partial effect of the Derbyshire and Coventry contracts gained January 2023 and December 2022 respectively.

Expenditure has risen to £10.33 million compared to £7.18 million partially in line with increases in turnover but in addition £539k of planned expenditure from a designated reserve to support the successful growth strategy and to improve underpinning infrastructure.

Net expenditure was £118k compared to net income in the previous year of £824K. This reduction reflects the spending of £539K from the designated reserve created at March 2022 and the return to more normal levels of surpluses as face to face delivery of services resumed, as opposed to less resource intensive remote delivery. Compass still has £200K in a designated reserve to fund further investment in infrastructure.

Total funds carried forward at 31 March 2023 are £3.11 million (2022: £3.23 million). All funds carried forward are unrestricted.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 reviewed the method of calculating the minimum reserves requirement that Compass prudently needs to hold based on the changing size and nature of its contract portfolio. The calculation still 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. But the calculation for working capital is no longer based on turnover but on the costs of the Compass central overheads. Compass turnover is nearly exclusively made up of secured contracts which are part of core NHS services, if Compass were unable to fulfil its contracts they and their costs would be transferred to a new provider. This would leave no funds to cover central overheads and therefore it has been decided to hold funds to cover 6 months of central overheads which would allow ample time for costs to be terminated. Using this methodology, the minimum requirement at 31 March 2023 is £1.65 million. Using the old methodology this figure would have been £2.43 million.

The free reserves at 31 March 2023 are £2.654 million. This figure excludes the fixed assets reserve fund and the designated reserve. The excess of free reserves over the reserves required will be used to support future business growth and any financial impact of high rates of both general and wage inflation which may not be covered by increases in funding.

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 for managing the affairs of the company.

All business is conducted through board meetings without the use of sub-committees. Clinical Governance, issues are scrutinised by an advisory group made up of Non Executive Directors, members of the senior management team and external clinical experts.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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, may be 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 Board 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 seven Directors, two of whom are Executive Directors. The five 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.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

e. Risk management

The Board manages risk through its scrutiny of the two principal risk registers, 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 of not attaining contractual targets. Risks in relation to data protection are managed through Compass' Information Governance policies and procedures which ensure compliance with the General Data Protection Regulations; and the requirements of the NHS Digital data security and protection toolkit.

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 and 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 operates a performance related pay system linked to appraisal; salaries also rose by 5% in April 2022 with a further 5% at the 1st April 2023 to reflect inflationary pressure in the labour market.

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.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 their willingness to continue in office. The Directors reappointed the auditors at a meeting of the Board on 10th August 2023.

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


Claire Wesley (Aug 14, 2023 13:04 GMT+1)

C E Wesley
Chair

Date: 10 August 2023

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS - SERVICES TO IMPROVE
HEALTH AND WELLBEING**

We have audited the financial statements of Compass - Services to Improve Health and Wellbeing (the 'charitable company') for the year ended 31 March 2023, which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and notes to the financial statements, including 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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Directors' report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS - SERVICES TO IMPROVE
HEALTH AND WELLBEING (CONTINUED)**

Opinions 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 Trustees' Report (incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 the 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 trustees 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 trustees' responsibilities statement, the Directors (who are also the directors of the charitable company for the purposes of company 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 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.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS - SERVICES TO IMPROVE
HEALTH AND WELLBEING (CONTINUED)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and directors, and from our knowledge and experience of this charity;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, CQC inspections, safeguarding health and safety and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and directors; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit-and-assurance/Standards-and-guidance/Standardsand-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our Auditor's report.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPASS - SERVICES TO IMPROVE
HEALTH AND WELLBEING (CONTINUED)**

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



[Jane Marshall \(Aug 17, 2023 13:12 GMT+1\)](#)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants
Statutory Auditor's
Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

Date: Aug 17, 2023

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	5,704	-	5,704	3,381
Charitable activities	5	-	10,193,492	10,193,492	7,997,716
Investments	6	12,135	-	12,135	332
Total income		17,839	10,193,492	10,211,331	8,001,429
Expenditure on:					
Charitable activities	7	36,482	10,292,736	10,329,218	7,177,648
Total expenditure		36,482	10,292,736	10,329,218	7,177,648
Net (expenditure)/income		(18,643)	(99,244)	(117,887)	823,781
Transfers between funds	17	(99,244)	99,244	-	-
Net movement in funds		(117,887)	-	(117,887)	823,781
Reconciliation of funds:					
Total funds brought forward		3,230,902	-	3,230,902	2,407,121
Net movement in funds		(117,887)	-	(117,887)	823,781
Total funds carried forward		3,113,015	-	3,113,015	3,230,902

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 22 to 36 form part of these financial statements.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)
REGISTERED NUMBER: 02054594

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	259,507	98,640
		<u>259,507</u>	<u>98,640</u>
Current assets			
Debtors	15	1,773,874	829,537
Cash at bank and in hand		3,098,036	3,878,831
		<u>4,871,910</u>	<u>4,708,368</u>
Creditors: amounts falling due within one year	16	(2,018,402)	(1,576,106)
Net current assets		<u>2,853,508</u>	<u>3,132,262</u>
Total net assets		<u><u>3,113,015</u></u>	<u><u>3,230,902</u></u>
Charity funds			
Restricted funds	17	-	-
Unrestricted funds			
Designated funds	17	459,507	837,640
General funds	17	2,653,508	2,393,262
		<u>3,113,015</u>	<u>3,230,902</u>
Total unrestricted funds	17	<u>3,113,015</u>	<u>3,230,902</u>
Total funds		<u><u>3,113,015</u></u>	<u><u>3,230,902</u></u>

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 and signed on their behalf by:

Claire Wesley
Claire Wesley (Aug 14, 2023 13:04 GMT+1)

C E Wesley
Chair

Rachel Bundock
Rachel Bundock (Aug 14, 2023 09:25 GMT+1)

R V Bundock
Chief Executive

Date: 10 August 2023

The notes on pages 22 to 36 form part of these financial statements.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	19	(568,532)	1,597,003
Cash flows from investing activities			
Bank interest	6	12,135	332
Purchase of tangible fixed assets	14	(224,398)	(74,853)
Net cash used in investing activities		(212,263)	(74,521)
Change in cash and cash equivalents in the year		(780,795)	1,522,482
Cash and cash equivalents at the beginning of the year		3,878,831	2,356,349
Cash and cash equivalents at the end of the year	20	3,098,036	3,878,831

The notes on pages 22 to 36 form part of these financial statements

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Compass - Services to improve health and wellbeing 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 improve health and wellbeing 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 from charitable activities includes income recognised as earned (as the related service is provided) under contract. Where income is received in advance of a specified service, it is deferred until the charity is entitled to that income.

Investment income is included when receivable by the charity.

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 IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

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.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

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, fixtures and fittings	- 33.33% straight line

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.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.15 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.

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 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	5,704	5,704	3,381
Total 2022	3,381	3,381	

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Income from charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from charitable activities - services	10,193,492	10,193,492	7,997,716
Total 2022	7,997,716	7,997,716	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	12,135	12,135	332
Total 2022	332	332	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Governance costs	36,482	-	36,482	34,231
Expenditure on charitable activities - services	-	10,292,736	10,292,736	7,143,417
	36,482	10,292,736	10,329,218	7,177,648
Total 2022	144,831	7,032,817	7,177,648	

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Support costs

	Total 2022 £	Total 2021 £
Support costs	1,013,622	641,376
	1,013,622	641,376

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 2023 £	Total funds 2023 £	Total funds 2022 £
Audit fees (Note 10)	18,000	18,000	17,556
Staff cost allocation (Note 10)	18,482	18,482	16,675
	36,482	36,482	34,231
Total 2022	34,231	34,231	

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Analysis of resources expended by expenditure type

	Staff costs	Depreciation	Other costs	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Charitable activities	7,994,220	63,531	2,234,625	10,292,376	7,143,417
Expenditure on governance	18,842	-	18,000	36,842	34,231
Total	8,013,062	63,531	2,252,625	10,329,218	7,177,648
2022 total	5,517,394	42,030	1,618,224	7,177,648	

11. Net income/(expenditure)

This is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	63,531	42,030
(Profit)/Loss on disposal of fixed assets	-	39,389
Auditor's remuneration - audit	18,000	17,556

12. Staff costs

	2023	2022
	£	£
Wages and salaries	6,830,881	4,723,325
Social security costs	638,291	428,057
Contribution to defined contribution pension schemes	543,890	366,012
	8,013,062	5,517,394

Included within the wages and salaries figures above are agency staff costs for 2023 of £347,970 (2022: £158,131). Total staff costs excluding agency staff was £7,665,092 (2022: £5,359,263).

Redundancy or termination payments which are included as an expense within wages and salaries above, amounted to £53,230 to 4 individuals (2022: £nil).

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Staff costs (continued)

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

	2023	2022
	No.	No.
Project staff	227	164
Administrative staff	19	12
	<u>246</u>	<u>176</u>

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-

13. Directors' remuneration

Details of Executive Directors' remuneration and expenses are given below

In addition, employers national insurance contributions in respect of the above directors amounted to £20,274 (2022: £17,120).

During the year retirement benefits were accruing to 2 directors (2022: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £95,049 (2022: £86,625), including pension contributions of £8,641 (2022: £7,875).

The Executives Directors' individual remuneration including pension contributions was:

M Roberts - £73,104 (2022: £63,000) including pension contributions of £1,783 (2022: £nil)

R Bundock - £95,049 (2022: £86,625), including pension contributions of £8,641 (2022: £7,875)

Under the Articles of Association, Executive Directors are permitted to be remunerated for their services provided as an employee to the charitable company.

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

1 Director received expenses amounting to £170 in the current year (2022: £595 paid to 1 Director).

2 Non-Executive Directors received expenses amounting to £138 in the current year (2022: £nil).

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets

	Short-term leasehold property improvements £	Computer equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2022	-	375,246	375,246
Additions	38,599	185,799	224,398
Disposals	-	(19,216)	(19,216)
At 31 March 2023	38,599	541,829	580,428
Depreciation			
At 1 April 2022	-	276,606	276,606
Charge for the year	2,252	61,279	63,531
On disposals	-	(19,216)	(19,216)
At 31 March 2023	2,252	318,669	320,921
Net book value			
At 31 March 2023	36,347	223,160	259,507
At 31 March 2022	-	98,640	98,640

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	1,325,735	433,517
Prepayments and accrued income	448,139	396,020
	1,773,874	829,537

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	687,300	622,051
Other taxation and social security	309,705	189,715
Accruals and deferred income	1,021,397	764,340
	2,018,402	1,576,106
	2,018,402	1,576,106
	2023	2022
	£	£
Deferred income at 1 April	550,157	35,761
Resources deferred during the year	618,593	534,596
Amounts released from previous periods	(321,282)	(20,200)
<i>Deferred income at 31 March</i>	847,468	550,157
	847,468	550,157

Within accruals and deferred income is a balance of £847,468 (2022: £550,157) 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 £106,612 (2022: £64,163).

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Fixed asset reserve fund	98,640	-	-	160,867	259,507
Covid 19 recovery fund	739,000	-	-	(539,000)	200,000
	<u>837,640</u>	<u>-</u>	<u>-</u>	<u>(378,133)</u>	<u>459,507</u>
<i>General funds</i>					
General funds	2,393,262	17,839	(36,482)	278,889	2,653,508
<i>Total Unrestricted funds</i>	<u>3,230,902</u>	<u>17,839</u>	<u>(36,482)</u>	<u>(99,244)</u>	<u>3,113,015</u>
<i>Restricted funds</i>					
Services	-	10,193,492	(10,292,736)	99,244	-
<i>Total of funds</i>	<u>3,230,902</u>	<u>10,211,331</u>	<u>(10,329,218)</u>	<u>-</u>	<u>3,113,015</u>

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Fixed asset reserve fund	105,206	-	-	(6,566)	98,640
Covid 19 recovery fund	600,000	-	(110,600)	249,600	739,000
	<u>705,206</u>	<u>-</u>	<u>(110,600)</u>	<u>243,034</u>	<u>837,640</u>
<i>General funds</i>					
General funds	1,701,915	3,713	(34,231)	721,865	2,393,262
<i>Total Unrestricted funds</i>	<u>2,407,121</u>	<u>3,713</u>	<u>(144,831)</u>	<u>964,899</u>	<u>3,230,902</u>
<i>Restricted funds</i>					
Services	-	7,997,716	(7,032,817)	(964,899)	-
<i>Total of funds</i>	<u>2,407,121</u>	<u>8,001,429</u>	<u>(7,177,648)</u>	<u>-</u>	<u>3,230,902</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. During the year, a transfer has been made from unrestricted funds to restricted funds to represent unrestricted funds covering the deficit incurred on the provision of services during the year.

Covid 19 recovery fund has been designated by the Directors to improve breadth, quality and impact of services offered by the charity.

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	259,507	259,507
Current assets	4,871,910	4,871,910
Creditors due within one year	(2,018,402)	(2,018,402)
Total	<u>3,113,015</u>	<u>3,113,015</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	98,640	98,640
Current assets	4,708,368	4,708,368
Creditors due within one year	(1,576,106)	(1,576,106)
Total	<u>3,230,902</u>	<u>3,230,902</u>

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

	2023 £	2022 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(117,887)	823,781
Adjustments for:		
Depreciation charges	63,531	42,030
Bank interest	(12,135)	(332)
Loss/(profit) on the sale of fixed assets	-	39,389
(Increase)/decrease in debtors	(944,337)	70,506
Increase in creditors	442,296	621,629
Net cash provided by/(used in) operating activities	(568,532)	1,597,003

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	3,098,036	3,878,831
Total cash and cash equivalents	3,098,036	3,878,831

21. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash in hand	3,878,831	(780,795)	3,098,036
	3,878,831	(780,795)	3,098,036

COMPASS - SERVICES TO IMPROVE HEALTH AND WELLBEING
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. Operating lease commitments

At 31 March 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	238,100	39,668
Later than 1 year and not later than 5 years	320,160	15,000
	<hr/> 558,260 <hr/>	<hr/> 54,668 <hr/>

23. 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.