



**Encompass Care Organisation UK  
(Formerly Encompass (Dorset))**

**Report and Accounts  
of the Trustees  
for the year ended**

**31 March 2022**

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## **Encompass Care Organisation UK**

### **Report of the Trustees for the Year ended 31 March 2022**

#### **Introduction**

Please note that Companies House accepted the change of name from Encompass (Dorset) to Encompass Care Organisation UK with effect from 19 April 2022. The change of name has been registered with the Charity Commission.

#### **CERTIFICATE OF INCORPORATION ON CHANGE OF NAME**

Company Number 2526640

The Registrar of Companies for England and Wales hereby certifies that under the Companies Act 2006:

ENCOMPASS (DORSET) a company incorporated as private limited by guarantee; having its registered office situated in England and Wales; has changed its name to: ENCOMPASS CARE ORGANISATION UK Given at Companies House on 19th April 2022

The Trustees submit the statutory Report and Accounts of Encompass Care Organisation UK, for the year ended 31 March 2022.

The results for the year are presented in the form of a Statement of Financial Activities, which incorporates the traditional income and expenditure account, in order to comply with the revised Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. This, together with the notes on pages 18 to 26, provides full information on the movements during the year on all funds of the company.

## Reference and Administrative Details

**Registered Office:**

Grove House  
Millers Close  
Dorchester  
Dorset DT1 1SS

**Registered Company No:**

2526640

**Charity No:**

1003779

**Website:** [www.encompassdorset.co.uk](http://www.encompassdorset.co.uk)

**Directors and Trustees**

**Trustees:** Mr Christopher Kennedy (Chairman)  
Revd Nigel Tooth  
Mrs Norma Lee  
Mr Grant Usmar  
Mr David Corbin  
Mr Alan Scutt resigned 03 September 2022  
Mr Stephen Edlmann

**Company Secretary and Chief Executive:**

Mrs Vivien De la Fuente

**Bankers:**

Barclays Bank plc  
Tagus House  
Ocean Way  
Southampton  
Hampshire  
SO14 3TJ

**Solicitors:**

Porter Dodson  
53 High West Street  
Dorchester  
Dorset  
DT1 1UX

**Auditors:**

Elson Geaves Accountants Ltd  
Statutory Auditors and Chartered Certified Accountants  
12 Haviland Road  
Ferndown Industrial Estate  
Wimborne  
Dorset  
BH21 7RG



# Structure, Governance and Management

## Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 31 July 1990. The Company was established under a Memorandum of Association and is governed under its Articles of Association. In the event of the company being wound up members may be required to contribute an amount not exceeding £1.

## Appointment of Trustees

The Trustees constitute Directors of the charity for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 1993. The Trustees work on a voluntary basis but all have a background relevant to the work of Encompass Care.

Rotation for re-election:

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Alan Scutt (resigned)	Norma Lee	Stephen Edlmann	Grant Usmar
Christopher Kennedy	David Corbin		
Nigel Tooth			

## Trustee Induction and Training

New Trustees are briefed as to their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

## Organisation

A Board of Trustees manage the company through its Chief Executive. An appropriately qualified, registered Home or Scheme Manager manages the company's Residential Care Homes, Supported Living Services and Out Reach Service. Managers are supported by the company's central management team regarding HR, Operations, Finance, Training and Administration.

## Risk Management

The charity holds a Corporate Risk Register, updated monthly, quarterly and annually, which identifies any risks against a risk matrix of consequence and likelihood that the company/charity may be exposed to. Where appropriate, systems or procedures have been established to mitigate and resolve potential risks, demonstrating controls and assurance to the Board at quarterly Committees and Board Meetings. Guidance, protocols, policies and procedures, including audit, are in place to ensure compliance with all applicable statutory regulations including health and safety of staff, service users and visitors to all Encompass Care properties.

## Objectives and Activities

The principal activity of the company is to provide accommodation, personal care and support to adults with a learning disability and adults with enduring Mental Health needs to optimise their abilities and enhance their quality of life.

The company is regulated by the Care Quality Commission and the Charities Commission.

At the start of 2021, the company provided 27 residential and respite beds in North, Central and West Dorset and Supported Living Services to 73 Tenants in 15 sub locations. Our Community Outreach Service Pan Dorset supports people in their own homes.

The addresses of the locations where we operate can be found in Appendix 1.

## Achievements and Performance

The annual Business Plan outlines the company's direction and focus until the end of the current financial year, identifying measurable, achievable goals for the business as a Charity and not-for-profit organisation. The plan was produced for the Encompass Care Board of Trustees on 25<sup>th</sup> July 2021. It was reviewed and updated quarterly with a final Position Statement and key achievements reported to the Board in April 2022.

Efficiencies and system improvements have been implemented in the financial year. The Board reports, Committee recommendations and the quarterly position statements of the Annual Business Plan provides assurance, evidences quality and robust governance confirming that we have effectively managed and overcome many challenges.

### Mission Statement

- ❖ Encompass (Dorset) is a registered charity providing specialist support and personal care to individuals with a learning disability or enduring mental health needs.
- ❖ We take pride in enabling, encouraging and supporting people to reach their full potential.
- ❖ We offer individualised care plans and provide outstanding personal care for successful outcomes.
- ❖ We work with people and their families in their homes for fulfilled, supported living which is safe, caring and respects their dignity and choices at all times.

### Encompass Core Values

- Person Centred Support
- Personalised Planning
- Proactive, Flexible, Safe Activities
- Provide Quality Assured Services

## **Corporate Objectives by 2022**

- To meet and exceed the expectations of the people we support, commissioners and regulators
- To ensure long term viability of Encompass
- To be a preferred provider of choice

### **Achieve These by:**

- Delivering sound governance
- Maximising financial efficiency and operational effectiveness
- Implementing digital technology and improving our IM&T systems
- Raising the profile of Encompass locally and nationally

## **Key Achievements by 31 March 2022**

- Compliance with GDPR via registration on the DPST by June 2021 and obtain cyber security insurance, key energy contracts reviewed and prices fixed
- Team Leaders received formal leadership and foundation management training.
- Developed a clear pricing and invoicing structure by negotiating and agreeing more detailed commissioning and operational processes within the non-framework agreement between Encompass Care and DC. The impact of negotiations may not show until 2022/23.
- Completed a Pay Review Programme in consultation with staff. Operations, Finance and HR to directed and delivered the programme. The outcome presented to Board for support/approval during 2021.
- Audit of IM&T systems, cleansed and organised for easier access to files/folders and added security, set up for Divisions/ Departments.
- Improved relationships with commissioners now we are on the new Dorset Framework.
- Remote working and staff wellbeing alongside flexibility without losing productivity during this challenging time.
- A well-developed culture of transparency, trust and respect at all levels within The Company. Transparency helps to build interpersonal trust between employees, regardless of position, especially when there are clear systems in place to communicate.
- We have re-ignited the social media platforms and our website has been reviewed pending full rebuild in 22-23.



## Key Risks Outstanding

1. Financial Forecast dependent upon commissioner rates and recovery of debts.
2. Agency usage and escalating expenditure owing to a national recruitment challenges and implications of the NMW. Controls and monitoring are in place. The on-going outbreaks of Covid have forced us to use agency to keep our service users safe.

All risks are monitored through our operational and corporate risk registers which are presented for scrutiny at the Board and other committees throughout the year.

## Future Plans

During quarter 4 of 2021/22, we have engaged with our staff and the Board to develop our 3-year strategy from 2022 – 2025. Our Annual Business Plan in 2022/23, reflects our consolidation following the period of the Pandemic and the challenges we face in the Adult Social Care Sector. National benchmarking and national / local changes to commissioning are expected to improve our sustainability in 2023/24. Where we have recurrent issues with one commissioner to pay us enough to cover our costs, we have a service improvement plan formulated and being implemented in 2022 to compensate and rationalise our services to ensure they are sustainable and create a positive financial position. The key area to address is our use of agency, which is still high as the Covid pandemic settles, but outbreaks continue on a regular basis, so efficiency through renegotiation of rates and employing the right agency are fundamental in our operational delivery.

We are raising our social value in the community by promoting our charity and partnering with other charities to provide activities and support to the people we support. Our vision is to provide 'Pioneering support in an inclusive and accessible community'.

## Financial Review

This was a difficult year as the Covid-19 pandemic continued impacting on our income but financial support from Local Authorities wasn't as significant as the previous year. Our rates for support saw marginal uplifts as we waited for the new framework from Dorset Council, while recruitment and retention were difficult in a challenging workforce market. This led to an increase in spend on agency staff.

Our income this year was £6,938k from charitable activities (2021: £7,041k), however, this included £136k of grants and support from central government paid by Dorset Council to cover costs of the pandemic. Our investment income was £13k (2021: £15k) and we had donations of £nil (2021: £10k). Our occupancy rate during the year was 87% (2021: 93%) for supported living and our residential services. Our occupancy rate for our respite services at Encombe, Dorchester was 58% (2021: 44%) this had recovered significantly compared to the prior year. We continue to work hard to fill vacancies as they have a significant impact on our bottom line. Increase in costs, specifically the National Minimum Wage, and no increases in our hourly support rates continue to put pressure on our margins.

This year we had outgoing resources of £310k compared to outgoing resources of £96k in the prior year. The difference was mainly due to the reduced support from Local Authorities and increased agency costs. Cash at year end was £605k at year end (2021: £707k). The deficit in the year and a significant increase in debtors meant cash from operating activities was an out-flow of £348k compared to an inflow of £22k in 2021. We withdrew £259k from our investments in order to maintain our cash levels.

Our investment advisers continue to take a cautious approach to our investment portfolio during the year we withdrew £259k in order to support our cash position. Our investments were re-valued at year end with an increase of £16k compared to the prior year. At the year-end our investments were valued at £403k (2021: £646k).

Our balance sheet position has weakened with net assets at the year-end of £1,041k (2021: £1,335k). The change is mainly due to the deficit in the year.

### Investment Powers and Policy

Encompass has a cautious attitude to risk but wishes to make the most of its cash reserves. Encompass' investment advisors, Charles Stanley, manage all investments and advise the company of any changes that should be made. Any major changes or withdrawals are approved at Board level. The investment portfolio advised by Charles Stanley on Encompass' behalf is low risk and comprises UK Index Linked Gilts, various Unit Trusts and low risk Equities.

### Reserves Policy

Encompass intends to maintain adequate reserves to fulfil its obligations to both staff and service users should the need for re-organisation arise. Working capital requirements will be funded from normal operating cash flow.



## **Trustees' Responsibilities in Relation to the Financial Statements**

Company law requires the Trustees (Directors) to prepare the Report of the Trustees, including the Strategic Report and Financial Statements for each financial year. Under that law the Trustees have elected to prepare financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees 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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Statement as to Disclosure to our Auditors**

Insofar as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- The Trustees, having made enquiries of fellow directors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



Elson Geaves Accountants Ltd were re-appointed auditors following the AGM on 24 October 2022.

By Order of the Board

Trustee's signature:

*Chris Kennedy*

Date of approval: 8<sup>th</sup> December 2022

Chair of Trustees: **Mr Christopher Kennedy**

# **Report of the Independent Auditors to the Members of Encompass Care Organisation UK (formerly known as Encompass (Dorset))**

## **Opinion**

We have audited the financial statements of Encompass Care Organisation UK (the 'charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet and Notes to the Financial Statements, 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 (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 2022 and of its incoming resources and application of resources, including its result, 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 Auditors 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**

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

## **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 Trustees' 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 take advantage of the small company's exemption from the requirement to prepare a strategic report or in preparing the Report of the Trustees.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees Responsibilities, the Trustees (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 Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Our 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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## **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 auditors' 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.

**Gary David Elson, FCCA**  
Senior Statutory Auditor



For and on behalf of:

Elson Geaves Accountants Ltd  
Chartered Certified Accountants and Statutory Auditors  
12 Haviland Road  
Ferndown Industrial Estate  
Wimborne  
Dorset  
BH21 7RG

Date: 8 DECEMBER 2022

## Statement of Financial Activities for the Year Ended 31/03/22

	Note	Redecorating Reserve £'000s	Donated Funds £'000s	General Fund £'000s	Total Funds 2022 £'000s	Total Funds 2021 £'000s
<b>Income</b>						
Donations & legacies		-	-	-	-	10
Income from investments	2	-	-	13	13	15
Income from charitable activities	2	-	-	6,938	6,938	7,041
<b>Total income</b>		-	-	6,951	6,951	7,066
<b>Expenditure</b>						
Expenditure on charitable activities	3/4	-	-	7,261	7,261	7,162
<b>Total expenditure</b>		-	-	7,261	7,261	7,162
<b>Net incoming / (outgoing) resources</b>		-	-	(310)	(310)	(96)
<b>Net gain/(loss) on investments</b>	5	-	-	16	16	97
<b>Net income / (expenditure)</b>		-	-	(294)	(294)	1
Adjustment to prior year reserves	6	-	-	-	-	352
<b>Net movement in funds</b>		-	-	(294)	(294)	353
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 April 2021		50	180	1,105	1,355	982
<b>Total funds carried forward at 31 March 2022</b>		<b>50</b>	<b>180</b>	<b>811</b>	<b>1,041</b>	<b>1,335</b>

## Balance Sheet as at 31/03/22

		<u>2022</u>		<u>2021</u>	
	Notes	£'000s	£'000s	£'000s	£'000s
<b>FIXED ASSETS</b>					
Tangible Assets	7	95		126	
Investments	8	403		646	
			498		772
<b>CURRENT ASSETS</b>					
Debtors	9	683		511	
Cash at Bank and in Hand		605		707	
		1,288		1,218	
<b>CURRENT LIABILITIES</b>					
Creditors - amounts falling due within one year	10	(648)		(558)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			640		660
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,138		1,432
<b>PROVISIONS</b>	11	(97)		(97)	
<b>NET ASSETS</b>			1,041		1,335
<b>CAPITAL AND RESERVES</b>					
General Fund			811		1,105
Redecoration Reserve			50		50
Donated Funds Reserve			180		180
			1,041		1,335

The accounts were approved by the Board of Directors on 8<sup>th</sup> December 2022 and signed on its behalf by:

*Chris Kennedy*

Christopher Kennedy

The notes on pages 18 to 26 form part of these financial statements



## Cash Flow Statement for the Year Ended 31/03/22

	2022 £'000s	2021 £'000s
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Per note below	<u>(348)</u>	<u>22</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	13	15
Purchase of tangible fixed assets	(26)	(100)
Proceeds from sale of investments	259	94
Cash provided (used in) investing activities	<u>246</u>	<u>9</u>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	(102)	31
Cash and cash equivalents at the beginning of the year	707	676
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>605</u>	<u>707</u>
<b>ANALYSIS OF CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net (out-going)/incoming resources	(310)	(96)
Depreciation	57	55
Decrease / (increase) in debtors	(172)	122
(Decrease) / increase in creditors	90	(44)
(Decrease) in provisions	-	(352)
Investment income	(13)	(15)
Prior year adjustments	-	352
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(348)</u>	<u>22</u>

# Notes to the Accounts for the Year Ended 31/03/22

## 1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimations in the preparation of the financial statements are as follows:

### a) Basis of Preparation

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 (FRS102) effective 1 January 2015 – (Charities SORP (FRS102)), the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Encompass Care meets the definition of a public benefit entity under FRS102.

Assets and liabilities are stated at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note to the financial statements.

### b) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, whether capital or revenue, is recognised when the charity has entitlement to the funds, any performance conditions have been met, and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken at the time when a distribution is received from the estate of the deceased.

### c) Investment Income

Interest and other investment income is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification from the bank or fund managers.

### d) Fund Accounting

Unrestricted (general) funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside for specific purposes. Restricted funds are donations and legacies which have been received for a specific purpose.

#### e) **Expenditure, including Irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure is classified under the following activity headings:

- Costs directly attributable to the principal activities of the charity.
- Support costs attributable to the principal activities of the charity.
- Costs attributable to the control and governance of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### f) **Allocation of Support Costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include head office costs, finance, personnel, and payroll and training costs. These costs are allocated between direct charitable activities and governance, and are set out in the notes.

#### g) **Operating Leases**

The charity classifies the leases of medical equipment and motor vehicles as operating leases. The title to the assets remains with the lessor. Rental charges are charged on a straight line basis over the terms of the lease.

#### h) **Tangible Fixed Assets**

Individual fixed assets costing over £500 are capitalised at cost and are depreciated over their estimated useful economic life on a straight line basis as follows:

Improvements to leasehold property	10% per annum
Fixtures and fittings	20% per annum
Computer equipment	33% per annum
Motor vehicles	25% per annum

#### i) **Investments**

Investments are valued at the current mid-market value. Any gain or loss on the investment is recognised in the Statement of Financial Activities.

#### j) **Debtors**

Trade debtors are recognised at the settlement amount due after taking provision for any doubtful debts. Prepayments are valued at the net amount prepaid.



**k) Cash at Bank and In Hand**

Cash at bank and in hand includes cash and short term highly liquid investments.

**l) Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**m) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value, the exception being the fixed asset investments which are valued at mid-market price.

**n) Pension Costs**

The charity operates three different pension schemes:

*i) NHS Pension Scheme*

This scheme is only available to those staff that transferred from the local Health and Social Authorities. It is a defined benefit scheme, with benefits depending on final salary and years of service and contribution. The NHS Pension scheme is a multi-employer defined benefit scheme. The Trustees are unable to confirm the charity's share of the underlying assets and liabilities of the NHS Pension scheme and therefore the scheme is accounted for as defined contribution scheme.

*ii) Defined Contribution Scheme*

This scheme is operated and administered by Aviva on behalf of the Charity.

*iii) Auto Enrolment Scheme*

This scheme is operated and administered by The Peoples Pension on behalf of the Charity.

Details of employee and employer contributions to these schemes are set out in note four of these financial statements.

## 2 Charitable Income

<b><u>General Fund</u></b>		<b>2022</b>		<b>2021</b>
	<b>%</b>	<b>£'000s</b>	<b>%</b>	<b>£'000s</b>
<b><u>Fee Income</u></b>				
Supported living	67.5	4,693	68.2	4,815
Outreach	2.1	146	1.6	114
Respite	7.8	545	4.6	322
Residential care	17.8	1,235	17.6	1,243
Other	2.0	136	4.9	348
	97.2	6,755	97.0	6,842
<b><u>Other Income</u></b>				
Rental income	1.6	111	2.0	138
Housing management	0.5	33	0.5	34
Interest	0.2	13	0.2	15
Other	0.5	39	0.4	27
	2.8	196	3.0	214
<b><u>Total Income</u></b>	<b>100.0</b>	<b>6,951</b>	<b>100.0</b>	<b>7,056</b>

NB: Other Fee Income included £136,000 (2021: £322,000) of grants and additional income provided by Dorset Council to cover additional costs incurred due to Covid.

### 3 Expenditure on Charitable Activities

Costs directly allocated to activities	2022				2021			
	Donations	Service user support	Governance	Total	Donations	Service user support	Governance	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Staff Costs	-	5,398	-	5,398	-	5,331	-	5,331
Facilitation of support	-	553	-	553	-	620	-	620
Motor & Travel	-	34	6	40	-	37	4	41
Insurance	-	26	13	39	-	24	10	34
Recruitment	-	43	-	43	-	37	-	37
Audit Fees	-	-	16	16	-	-	14	14
	-	6,054	35	6,089	-	6,049	28	6,077
<b>Support costs allocated to activities</b>								
Head Office Staff	-	515	257	772	-	530	264	794
Depreciation	-	19	13	32	-	19	13	32
Training	-	-	35	35	-	-	53	53
Communications	-	21	10	31	-	21	9	30
Head Office Costs	-	137	68	205	-	92	45	137
Legal & Professional	-	-	97	97	-	-	39	39
	-	692	480	1,172	-	662	423	1,085
<b>Total Resources Expended</b>	-	<b>6,746</b>	<b>515</b>	<b>7,261</b>	-	<b>6,711</b>	<b>451</b>	<b>7,162</b>

NB: These staff costs include £1,131K, (2021: £619K), of agency costs. Agency costs are not included in Note 4, which gives employee salary costs only.

Directors' indemnity insurance of £3,795 (2021: £3,538) was charged in this year's accounts.



#### 4 Employees

	2022	2021
The average number of whole time equivalent employees	180	198
The average number of employees	252	264

Number of employees whose annual emoluments came within the following ranges:

£60,000 to £69,999	0	0
£70,000 to £79,999	0	0
£80,000 to £89,999	1	1

	2022 £'000s	2021 £'000s
The cost incurred in respect of all employees:		
Salaries and wages	4,558	5,033
Social security	363	396
Pensions	111	130
Apprenticeship Levy	8	10
	<u>5,040</u>	<u>5,569</u>

Employee contributions to the NHS Pension Scheme are set between 5% and 9% depending upon their individual pensionable salary. Contributions towards the Friends Provident Pension scheme are variable and The People's Pension (auto enrolment) schemes were 3%.

Encompass contributes 14.38% to the NHS scheme, between 3 and 5% to Friends Provident and 2% to The People's Pension.

#### 5 Net Gains / (Losses) on Investments

The company has recognised a gain of £16,713 (2021: gain of £97,295) in the market value of its investments.

#### 6 Adjustment to Prior Year Reserves

No prior year adjustments in 2022. In 2021 a provision for potential additional pay for staff doing sleep-ins was released. This was because during the year the Supreme Court ruled that, in interpreting the application of the National Minimum Wage Regulations 2015, that sleep-in care workers are only entitled to be paid the National Minimum Wage when they are awake on shift for the purposes of working, not when they are permitted to sleep. A provision had been made in prior years should it have been necessary to pay the National Minimum Wage for sleep-ins. This was released to the General Reserve.

## 7 Tangible Assets

	Land & Building Improve	Fixtures, Fittings & Equip Purchase d	Total
	£'000s	£'000s	£'000s
<b>Cost</b>			
As at 1 April 2021	10	260	270
Additions	-	26	26
Disposals	-	-	-
As at 31 March 2022	10	286	296
<b>Accumulated Depreciation</b>			
As at 1 April 2021	9	135	144
Charge for the year	1	56	57
Disposals	-	-	-
As at 31 March 2022	10	191	201
<b>Net Book Value</b>			
As at 31 March 2022	-	95	95
As at 31 March 2021	1	125	126

## 8 Investments

These consist of a low risk portfolio, including UK index linked Gilts, various unit trusts and equities.

	2022 £'000s	2021 £'000s
Charles Stanley Investment Portfolio	646	643
Sale of investments	(259)	(94)
Gain/(Loss) on investments	16	97
	403	646

## 9 Debtors

	2022 £'000s	2021 £'000s
Fee debtors	620	433
Prepayments	63	78
	683	511

## 10 Creditors

Amounts falling due within one year:

	2022 £'000s	2021 £'000s
Trade Creditors	136	95
Social Security and other taxes	101	110
Other Creditors	3	4
Accruals and Deferred income	408	349
	<u>648</u>	<u>558</u>

## 11 Provisions

	2022 £'000s	2021 £'000s
Staff	50	50
Property and dilapidations	47	47
	<u>97</u>	<u>97</u>

## 12 Contingent Liabilities

There are no contingent liabilities at the balance sheet date.

## 13 Service Users Monies

The charity maintains bank deposit accounts to the benefit of many of the service users. At the year end these funds amounted to £51,376 (2021: £196,017).

## 14 Capital Commitments

There were no capital commitments at the balance sheet date.

## 15 Leasing Commitments

The following leases were in place at the balance sheet date:

- A ten year lease for the head office in Millers Close, Dorchester. Expires - 30.04.2028 - £39,655 pa
- A fifteen year lease on a residential home at Rawleigh House, Sherborne. Expires - 17/12/2044 - £29,445 pa
- A ten year lease for a respite home at 5 Prince of Wales Road, Dorchester. Expires - 29/06/2032 - £85,123 pa
- A lease on a residential home at Elsadene, Weymouth. Expired - rolling lease - £36,209 pa
- A lease on supported living accommodation at 46 West Allington, Bridport. Expired - rolling lease - £22,992 pa
- A lease on supported living accommodation at 32 Knightstone Rise, Bridport.

- Expired - rolling lease - £9,304 pa
- A lease on supported living accommodation at The Coach House, Weymouth.  
Expired - rolling lease - £14,035 pa
- A ten year lease on supported living accommodation at 196 Abbotsbury Road, Weymouth. Expires - 31/03/2030 - £5,750 pa

Total rental commitments for the year ended 31 March 2022 amount to £242,513.

## **16 Related Parties**

No Board member receives any remuneration for services as members of the Board. No Board member had any beneficial interest in any contract with the charity during the year. Expenses totalling £215 (2021: £nil) were reimbursed for two of the Trustees.

## Encompass Service Locations as at 31/03/22

### Residential Care Homes:

Elsadene	Rawleigh House
1 Verne Road	The Avenue
Weymouth	Sherborne
Dorset	Dorset
DT4 0RX	DT9 3AJ

### Respite Care Home:

Encombe  
5 Prince of Wales Road  
Dorchester  
Dorset  
DT1 1PW

### Domiciliary Services:

Grove House  
Millers Close  
Dorchester  
Dorset  
DT1 1SS

### Supported Living Services:

193 St Andrews Road	32 St Andrews Road	46 West Allington
Bridport	Bridport	Bridport
Dorset	Dorset	Dorset
DT6 3BW	DT6 3BQ	DT6 5BH

32 Knightstone Rise  
Bridport  
Dorset  
DT6 3DR

2 Bullen's Mead  
St. Swithins Road  
Bridport  
Dorset  
DT6 5DP

Sandhills  
Lower Road  
Stalbridge  
Dorset  
DT10 2NJ

The Lime Tree Bungalow  
Culverhays  
Long Street  
Sherborne  
Dorset  
DT9 3BY

109 Coldharbour  
Sherborne  
Dorset  
DT9 4JL

111 Coldharbour  
Sherborne  
Dorset  
DT9 4JL DT6 3BW

3 Prince of Wales Road  
Dorchester  
Dorset  
DT1 1PW

5 Dick O' Th' Banks  
Crossways  
Dorchester  
Dorset  
DT2 8BJ

Beechcroft  
20A Alexandra Road  
Weymouth  
Dorset  
DT4 7QQ

196 Abbotsbury Road  
Weymouth  
Dorset  
DT4 0NA

The Coach House  
3-5 Verne Road  
Weymouth  
Dorset  
DT4 0RX

18/20 Alexandra Road  
Weymouth  
Dorset  
DT4 7QQ