



TRUSTEES' ANNUAL REPORT 2019-20



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Welcome from the Chair

I am immensely honoured to have been appointed Cranstoun's new Chair from 1 May 2020. I take over from Richard Pertwee who has led the organisation with great vision, energy and enthusiasm over the last four years. Richard is pursuing his other charitable interests and will be greatly missed.

My role as Chair is to work collaboratively with the leadership team and my fellow Trustees, to help steer the organisation's direction, ensuring that our service users remain at the heart of everything we do.

Our commitment to helping people live healthy, safe and happy lives has been truly celebrated this year, as we marked our 50th year of working to improve the wellbeing of others.

Cranstoun's dedicated employees and volunteers work hard every day to make a difference, and I am proud to be working with an organisation that shows ambition, compassion, integrity, innovation and inclusivity in everything we do. This has been exemplified throughout the ongoing coronavirus pandemic. During this time our staff and volunteers have continually risen to the challenges and maintained service delivery through working flexibly, adapting to new circumstances and embracing technology.

I look forward to supporting Cranstoun to achieve even more, continuing our mission to empower and support people to make positive changes.



Lesleigh Bounds
Chair of the Board of Trustees

Welcome from the Leadership Team

We are incredibly proud to be leading an organisation that makes such a difference to people's lives.

This year has marked Cranstoun's 50th anniversary. We have taken the time to celebrate past and present achievements. Our [50th timeline](#) reminded us of the journey that Cranstoun has been on. Our 50th Art Exhibition and [Service User Book](#) celebrated the achievements of individuals, and their personal journey to achieve healthier, safer and happier lives.

As we look towards the future, we are clear in what we have set out to achieve; to support more people to make positive changes in their lives. We have worked with **16,964 individuals** across our services throughout the year, supporting them to overcome their challenges. Our dedicated and skilled staff teams support people with a range of needs across different service settings, including substance misuse, young people, housing support, domestic abuse and criminal justice. Working alongside partner agencies and engaging with communities, we strive to increase our impact through proactively collaborating with others. The people who work with us and the people that we work for, drive everything that we do.

Cranstoun is truly an organisation to be proud of.

Three handwritten signatures in black ink. The first signature is 'K Coles', the second is 'P A Glass', and the third is 'M Holly'.

Kim Coles, Peter Glass and Martin Holly
Cranstoun's Leadership Team

Trustees' Report

The Trustees of Cranstoun present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 40 to 41 of the attached financial statements and comply with the charitable company's Articles of Association last amended 23 November 2016, applicable laws and the requirements of the Statement of Recommended Practice for Charities (SORP FRS102, second edition).

Structure, Governance and Management

Constitution

Cranstoun is a company limited by guarantee and a registered charity.

Organisation

The Board of Trustees is responsible for the governance and strategic direction of the charity, and the Senior Management Team, led by the Leadership Team, manages the charity on a day-to-day basis.

Group structure and related parties

On 15 December 2016 Cranstoun assumed control of Swanswell Charitable Trust ("Swanswell") following its appointment as sole member creating the Cranstoun Group. Swanswell is a registered charity with similar operations and objectives to Cranstoun. Following this date the results of Cranstoun and Swanswell have been reported on a consolidated basis.

On 16 November 2019, a new wholly owned subsidiary, Cranstoun Services Limited, was incorporated with Cranstoun as the sole member. This company is not a registered charity and will undertake some contracting activity on behalf of the group. Cranstoun services began trading on 1st January 2020 and the results are consolidated in the group accounts.

Trustees

A full listing of Cranstoun's Trustees is presented on page 34. All Trustees are members of the charity and agree to contribute £1 in the event of a winding up. All Trustees present themselves for election at the first Trustees' meeting, following their appointment and thereafter one third of the Trustees stand for re-election each year. As a company limited by guarantee, with no share capital, none of the Trustees has any beneficial interest in the charitable company.

Committees of Trustees deal with specific areas of the charity's governance as follows:

Nomination & Remuneration Committee (NaRC)¹

Chair Faith Jenner (to 22 May 2019)
Sue Carroll (Chair from 24 July 2019)
Richard Pertwee (to 20 May 2020)
Thomas Rutherford

Finance & Audit Committee¹

Chair Katharine Patel
Richard Pertwee (to 20 May 2020)
Thomas Rutherford

Quality, Governance & Safety Committee

Chair Franklin Apfel
Cees Goos (until 25 March 2020)
David Alcock (from 25 March 2020)
Lesleigh Bounds (from 25 March 2020)

Selection and appointment of Trustees

The Group Nomination and Remuneration Committee (NaRC), as a sub-Committee of the full Board of Trustees, oversees the selection and appointment of Trustees as well as attending to any training and development issues related to the Trustee Board.

Together with the utilisation of informal networks, Cranstoun also works with specialist recruitment organisations to strengthen the Board when necessary. Potential Trustees are offered a phased engagement with the organisation. Informal meetings with senior staff and Trustees are undertaken, including the opportunity of site visits to operational services and the central office. If mutually agreed, Trustees are then appointed in accordance with the company's Articles of Association.

Trustees are selected against the requirements of a ratified 'Board Role Profile' and 'Trustee Person Specification', which identify the relevant skill and knowledge sets being sought by the charity. New Trustees' induction includes the provision of a Trustee Directory, which details roles and responsibilities of Trustees and presents the strategic and operational plans of the charity.

¹ The Board of Trustees are currently in the process of appointing additional members to these Committees.

Further induction incorporates visits to operational sites with additional training or support provided according to identified need.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Cranstoun for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the company and group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and 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 a going concern basis unless it's inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and group and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

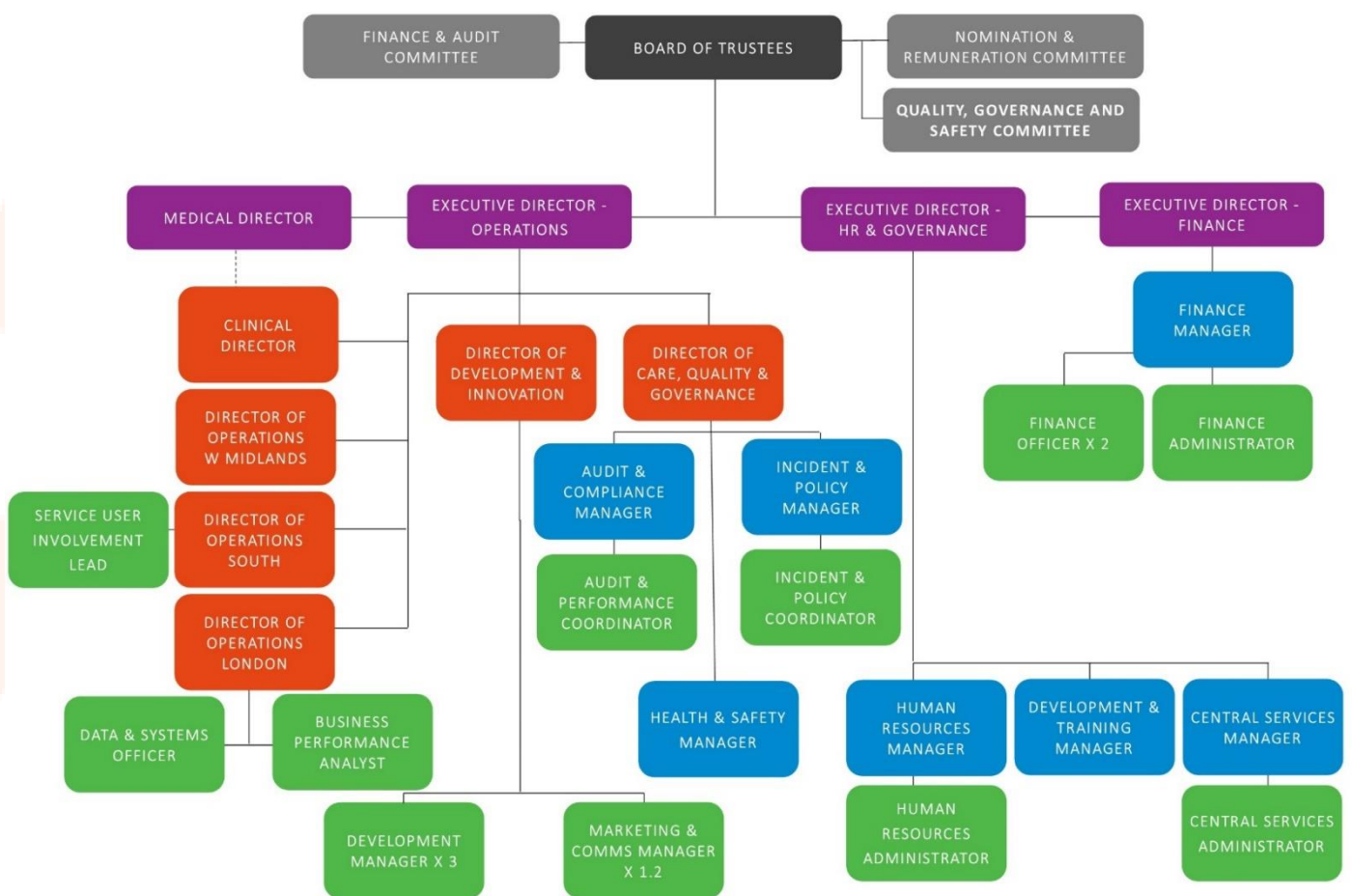
- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Pay policy for senior staff

The pay of the Leadership Team (key management personnel) is reviewed annually by the NaRC and ratified by the Board of Trustees. This review takes into account general wage inflation, any pay increases available to staff and benchmarking of the salaries and benefits of senior executives in similar organisations.

Our team



Objectives and Activities

Vision, mission and values

Our vision: We believe everyone should have the opportunity to live healthy, safe and happy lives.

Our mission: To empower and support people to make positive changes.

Our vision is the society we strive for and the reason we exist. The words 'safe' and 'happy' were identified, and continue to be highlighted, as being important to our service users, and were used to describe how our services make them feel.

Our mission describes how we achieve our vision and the society we strive for. The key words 'empower' and 'support' talk to our organisational ethos of working *with* the service user.

Our values

Ambition

We believe in our service users, our staff and our organisation, and strive to achieve service excellence.

Compassion

We act with care and consideration at all times.

Innovation

We encourage new ideas and respond intelligently and flexibly to local needs.

Integrity

We are honest, open and accountable.

Inclusivity

We make our services accessible to all members of the community and treat everyone with respect and dignity.

Cranstoun's vision, mission and values provide the organisation with a clear purpose, supporting all of our areas of focus, including substance misuse, young people and families, mental health, housing, criminal justice and domestic abuse.

Objects of the charity

The objects of the charity are:

- The relief and reduction of harm caused by drug and alcohol use to individuals and communities; and
- The relief of poverty, sickness, deprivation and distress among persons who are dependent upon or affected by dependence on drugs, alcohol and other similar substances or compounds of possible or suspected danger to the individual and the community; and
- The relief of poverty, sickness and distress and the provision of financial assistance among those related or dependent upon those persons referred to above; and
- The education and training of individuals and the community at large and the advancement of education and training in the dangers arising from the habitual or isolated or other use of drugs or alcohol together with the publication of material relating to dependence upon drugs or alcohol; and
- To undertake research into the special problems arising from persons with drug or alcohol problems and into methods of alleviating them and to publish the results of such research; and
- The prevention of dependence upon drugs or alcohol, the consultation, treatment and care of those suffering from and the rehabilitation of those relieved from dependence upon drugs or alcohol; and
- The provision of facilities for recreation and other leisure occupation for persons with drug or alcohol problems in the interests of their social welfare within the meaning of the Recreational Charities Act 1857 and as limited in that Act; and
- The advancement of education; and
- The relief of need in individuals arising from their youth, age, gender, infirmity or disability, financial hardship or social circumstances; and
- Such other exclusively charitable activities as the Trustees may from time to time determine.

Public benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the objects and planning future activities. The Trustees confirm that the activities are for the benefit of the public and that, although there is inevitably some private benefit accruing to the beneficiaries, this is necessary and incidental to the objects.

Strategic Report

Achievements and performance

Review of activities

Cranstoun continues to operate high quality, safe and successful services and in the rest of this section we concentrate on the charity's achievements, performance and impact during 2019/20.

During the year, Cranstoun continued to provide a broad range of services in Greater London, the Midlands and across Southern England. These services benefited individuals, their families and communities and included:



Adult substance misuse services delivering community-based outreach, treatment, recovery and support services



Integrated young people's services and specialist services for young people and their families & carers



Criminal justice services providing offenders with the opportunity to break the cycle of crime and substance abuse



Supported housing services, delivering holistic support targeted to develop living skills and help people to access community services and networks



Domestic abuse services including perpetrator programmes and partner support

Healthy

We received over 13,000 referrals into our services

The average successful completion rate for alcohol users is 6% higher than the national average for substance misuse providers

98.4% of young people achieved the goals agreed on their care plans, compared to an 87% national average

Safe

We provided nearly 1300 naloxone kits to service users at risk of overdose

A 10% reduction in physical abuse achieved with Drive 'high severity' clients; a 57% increase in those reporting no physical abuse

All services were rated as 'Good' by the Care Quality Commission; Sandwell was rated 'Outstanding' for 'Responsive'

Happy

We worked with nearly 17,000 adults and young people across all services providing structured and unstructured support

Our service user survey captured 'Happy' as the most frequently used word that service users had to describe how their service made them feel

Our substance misuse treatment outcome profile scores for adults & young people are consistently higher across all indicators, than national averages

Adult community services

Substance misuse

"I was badly ill and the care and comfort I felt from my key worker and staff was excellent. My key worker explains to me how to be healthy and cut down safely. She is very good at explaining and does not expect too much of me at once but pushes me enough to make a difference".

Service User from Resilience, Windsor & Maidenhead

The support we provide at our adult substance misuse services is person-centred, meaning we focus on what the service user sees as important in helping them to achieve their recovery goals, whatever they may be.

We work with the service user to develop a plan of support. Our substance misuse services offer one-to-one and group support, medical interventions, and a range of mutual aid options, providing an opportunity for people with lived experiences to support each other and build safe and uplifting networks.

Over **10,200** adults were referred to our substance misuse services in 2019-20

In 2019-20, Cranstoun delivered adult substance misuse services in the following areas:

53% of adults successfully exited our substance misuse services (**8%** more than the national average)

- Worcestershire
- Metropolitan Borough of Sandwell
- West Berkshire
- Reading
- Windsor & Maidenhead
- London Borough of Sutton
- Brighton & Hove

Our services achieve excellent outcomes for service users. In line with our values of ambition and innovation, we strive for continuous improvement. Some of our service highlights below illustrate how we have developed services, often working in partnership, to meet the specific needs of our service users and communities.

Compassion

Our services in Sutton, Sandwell and West Berkshire collaborated with local NHS Trusts to deliver specialist Hepatitis C clinics within the services. In Sutton, referrals increased by 30% and access and engagement in treatment increased from 31% to 54% when the delivery was brought into the service. In Sandwell, the same amount of people were treated for Hepatitis C in the first six months than had been in the previous three years.

In Sutton referrals increased by **30%** and access and engagement in treatment increased from **31%** to **54%** when the delivery was brought into the service

Innovation

On average our service users reported better exit outcomes across physical health, psychological health and overall quality of life compared to the national average

Increasing recovery support and building connections was a key development within our Sutton service, with the introduction of a local digital community asset map and the re-location and configuration of our recovery hub onto the high street.

Our West Berkshire service's continued involvement and delivery of the Family Safeguarding model is being recognised as emerging good practice. Our worker is co-located and works in collaboration with social care, coordinating the delivery of support to address mental health, domestic abuse and substance misuse.

This has improved services users' ability to access multi-disciplinary expertise and has enabled workers to share information promptly and appropriately.

Ambition

In Sandwell and Worcestershire, we co-ordinate a multi-agency response to support a small group of vulnerable, change resistant members of the street community to access support and change behaviour. In 2019 our work in partnership with the local authority saw Sandwell Blue Light project awarded Guardian Public Health & Wellbeing Award and Royal Society of Public Health 'Healthier Lifestyles' Award.



Sandwell Blue Light scheme wins national award

Pavilions worked closely with Sussex Police to tackle a rise in cuckooing in Brighton and Hove:

"Pavilions has been a very active and collaborative partner with regard to supporting a multi-agency approach to dealing with cuckooing. It has been really important to work together to enable the right support and guidance is given to vulnerable victims of this specific problem. The team have worked hard to establish an effective way of working together to enable police to deal with the issues of cuckooing itself whilst providing support and engaging positively with victims. We are encouraged by the way Pavilions embraces partnership working and look forward to evolving the good work in our cuckooing approach across other problem areas"

Karon Chamberlain, Prevention and Partnership Manager, Sussex Police

Housing support

Cranstoun's housing support services don't just provide a roof over peoples' heads – they deliver holistic and asset-based support to develop living skills and identify strengths. We deliver both supported housing and community based floating support, extending this provision significantly during the course of 2019-20.

Nearly **1,400** referrals were made into our housing support services in 2019/20

Just over **92%** of people successfully exited from our housing support services

We continued to deliver our Birmingham housing support services throughout 2019, including mental health floating support, and in December 2019 we began our delivery of three new housing contracts. These Lead Worker Services provide community-based floating support to up to 800 Birmingham residents at risk of homelessness and are available to:

- Households in temporary accommodation
- Single adults and childless couples
- Female and male victims of domestic abuse.

These services engage people early, preventing crisis and ensuring safety. We connect people with community services, personalised networks and activities, transitioning people into independence and enabling them to thrive.

Our Birmingham service exceeded all successful outcome targets: mental health: **98.4%**, offenders **98.1%**, single homeless **98.9%**

Our supported housing services in Wandsworth provides both accommodation based and floating support to borough residents with a history of substance misuse. Our approach is personalised and flexible, helping those with substance misuse issues and responding to changing needs including lapses and relapses.

We work in partnership with drug and alcohol treatment services and other partners to support residents in their recovery, helping them to develop strategies that enable independent living. In January, we were successfully awarded a contract to expand the service from April 2020. This includes the addition of three new properties and incorporating a floating support function to increase resettlement support beyond the housing support pathway.

Families & carers

All of the skilled practitioners across our services work with a 'whole family' approach to support behaviour change. In 2019-20, we delivered dedicated family & carer support services within Worcestershire, Brighton & Hove and East Sussex.

Our family and carer service in Brighton and Hove incorporated a counselling service staffed by volunteer counsellors and a programme of groups and activities for families/carers. Last year, they delivered around 1800 counselling sessions, 500 1:1 support sessions, and 80 support and educational groups.

Our family & carer service in East Sussex supported individuals affected by someone else's substance misuse and mental health issues. The team engaged with 165 different partners and organisations across the county to help support the families and carers of those in substance misuse treatment.

97.4% of families and carers in East Sussex say the service has been of benefit to them

Domestic abuse

Men & Masculinities was evaluated by an independent Domestic Violence expert, Dr Chris Newman, and it was established that 87% of those assessed successfully engaged whilst 93% of victims experienced increased safety

Working in partnership with domestic abuse charities, Cranstoun developed and delivered the first full perpetrator intervention programme for substance users in the UK (the Men and Masculinities programme). Since then we have expanded the scope of our intervention to support early interventions (Make a Change programme) and hold high-risk perpetrators of domestic violence to account (the Drive programme).

We're committed to challenging domestic abuse in all its forms. We have delivered a range of interventions in 2019-20 specifically targeted at supporting victims and survivors to safety as well as challenging perpetrators of abuse to take responsibility for their behaviour. Independent evaluation of our Sutton perpetrator service, showed that in 2019-20, 96% of referrals completed assessment. Of these, 98% entered treatment & 60% completed the voluntary programme.

93% of partners in our Sutton perpetrator service reported no further violence

Our services:

- Men and Masculinities programmes in Ealing, Hounslow, Islington, and Sutton
- Transform, Sutton
- Make a Change, (Brighton & Eastbourne, East Sussex)
- Domestic Abuse Housing Support Services, Birmingham
- Drive, Worcestershire

Transform

In November 2019 Cranstoun set up a new and innovative integrated domestic abuse service in the London Borough of Sutton. The service provides support to victims, survivors, families and perpetrators to deliver a clear, accessible and joined up approach for people to get help. Transform includes the expertise and experience of Cranstoun, in addition to five specialist partners combining unique local knowledge and reach.



Criminal justice

Criminal justice provision has been integral to our substance misuse services since we began developing it in the 1990s. In 2019-20 we retained the specialist 'Out of Court' disposal scheme (alcohol & violence) in the West Midlands providing our behaviour change programme for up to 400 offenders. We also expanded it by securing an alcohol and domestic violence disposal contract to start 1st April 2020.

Further success came through securing and delivering the Arrest Referral Service across the West Midlands Force area. This service began in January 2020 and provides offenders with the opportunity to break the cycle of crime and substance misuse. Our dedicated staff teams work within the custody suites of West Midlands Police offering advice, information and referrals on to further treatment.

Between January and March 2020, Cranstoun's Arrest Referral Service has completed 645 assessments. Harm reduction advice and overdose management was provided to all. Within these assessments, 46 ATR suitability assessments, 151 DRR suitability assessments, and 131 onward referrals were made.



In March 2020, Cranstoun were invited to attend the West Midlands OPCC Drug Policy Summit 2020: Two Years on Reducing Harm, Reducing Crime, Reducing Cost #SAVINGLIVES.

Our staff teams trained 75 professionals to administer Naloxone, a life-saving drug that can prevent overdosing.

Our Thames Valley services (Resilience Windsor & Maidenhead and Swanswell West Berkshire) have forged a strong partnership with Thames Valley Police through our Drug Diversion scheme.

“We have to take a pragmatic approach, and custody is not the right place for vulnerable people at risk of harm. They need wraparound, holistic support. You can’t arrest your way out of record drug-related deaths.” **Chief Inspector Jason Kew, Thames Valley Police**

“By providing a tailored diversion route and specialist support programme, we have an opportunity to engage with people who may never seek treatment, look to stop the revolving door of criminal justice engagement and address the high numbers of national drug related deaths”.

Geena Virdi, Thames Valley Area Manager – Cranstoun

The Transform Drug Policy Foundation showcased our service as a beacon of good practice with international service providers and practitioners.

“I got caught as a first-time offender when I was 18. If I hadn’t gone on this course my life would have been screwed because I’d have had a criminal record saying I’d done drugs”.

Divert participant

Based on our work in West Berkshire, the savings across the Thames Valley Police area is projected to be over £300,000 per annum. Both programmes will be reviewed with a view to rolling out the scheme to the wider Thames Valley area.

Employment

In 2019-20, we have continued to develop our employment specialism for service users within current services. This includes:

- The PURE project, part of the Birmingham Housing Support services
- Individual Placement Scheme pilot, part of the Brighton & Hove substance misuse service

The PURE project (Placing Vulnerable Urban Residents into Employment) is a part-funded European Social Funded project. It brings together a range of coordinated interventions, assisting those experiencing barriers which prevent or complicate access to employment.

Just under **85%**
successfully exited the
PURE project in 2019-20

The PURE project is eligible for participants Birmingham wide. Specific groups that we support include:

- Homeless households including families and singles
- Women fleeing domestic violence
- Offenders and those at risk of offending
- Individuals with learning difficulties, mental health issues, substance misuse issues and physical and sensory disabilities

Our team delivers intensive work focused on pre and post-employment, helping people to both access and sustain employment and educational opportunities. One to one support includes the identification of aspirations, mentoring and goal setting. We work closely with a range of employers, education providers and community partners to broker opportunities for those that we work with.

Cranstoun's Brighton integrated substance misuse service was one of seven locations selected to deliver a national trial of the suitability of IPS (Individual Placement and Support) for people in drug and alcohol treatment. Our outcomes to date indicate that people are more than five times more likely to get into work as part of this IPS group than those in receiving traditional ETE support.



Dame Carol Black visits Cranstoun's Pavilions service in Brighton: accompanying her is Justin Tomlinson MP, Minister for Family Support, Housing and Child Maintenance at DWP

Young people's community services

Substance misuse

In 2019-20, we received over **750** referrals into our young people services

We work with young people to empower them to make healthy choices around their alcohol and drug use – choices which are important to them. Our services help the young person to identify and use their strengths as a way to overcome any difficulties they may be experiencing. Our friendly and approachable workers provide support wherever the young person feels most comfortable, whether that's at home, in school or at a café.

85% of our young people successfully exit our services: **7%** better than the national average

Within our young people's services, the safety and wellbeing of our service users is paramount. We have a range of safeguarding policies, procedures and training in place across the charity to ensure that any safeguarding concerns are identified and responded to in a timely manner.

We provide services to young people in Dudley, Sutton, Worcestershire, and Buckinghamshire.



Our young people treatment outcome profile score show on average our young people are over **a third less anxious** on exiting our service compared to the national average

Integrating young people's provision

Our 'Switch' team in the Dudley Young People's Service secured a local innovation fund to offer our young people a safe place to access support and a range of provision including wellbeing activities, benefits advice, housing support, sexual health, smoking cessation. We have partnered with a local sexual health charity and continue to co-locate with sexual health charity, Brook who, in addition to other local partners contribute towards the timetable of activities. The young people we work with co-produced the service offer, style and the name, which they felt reflect the friendly service principles.

Here4Youth

Partnership working

People are at the heart of what we do and a key to delivering what service users need, when they need it is really good working relationships.

“It's been a real pleasure working in partnership with Pavilions. I find their approach professional and personable.” **Pavilions (Brighton and Hove) Stakeholder Survey 2019**

We work hard and assume nothing when it comes to building effective partnerships.

“Cranstoun have managed to understand the Sutton landscape and have rolled with it - they really have created a client-centred approach from realising early on that they don't have to do 'everything' as an individual provider to be able to meet the service specification - but if they utilise what does exist in the borough they can tick all the boxes.” **Leanne Bobb, Commissioning Manager, London Borough of Sutton**

Our five values (ambition, compassion, innovation, integrity and inclusivity) play a major role in how we at Cranstoun become embedded and integrated within local communities, for local communities and our service users. We are also proud to work collaboratively with our commissioners – it's all about the 'we' at Cranstoun.

“The PCC has worked with Cranstoun on the DRIVE project in Worcestershire for over 12 months. During this time, the professionalism, dedication to achieving outcomes, hard work, commitment and flexibility has been exemplary. They are well experienced and knowledgeable about people with complex needs and their excellent partnership working demonstrates their commitment to working through a wider lens to achieve the positive outcomes that they have come to achieve with DRIVE.” **Claire Richardson, Commissioning Officer, West Mercia Police and Crime Commissioner**

“We have one of the Swanswell team seeing patients at our surgeries and with her support we have had a greatly improved service for our drug and alcohol service users and as a result much better care.” **Our GP Shared Care Survey, Swanswell Worcestershire**

Cranstoun's 50th anniversary

2019 marked a special occasion for Cranstoun. We turned 50. It was an opportunity to reflect on the last five decades and how we have evolved as a charity as well as remind ourselves and all our service users of the power of recovery and the different ways to express it. Services held different events throughout the year including a 50th picnic in Birmingham and a 50th Funday in Reading. We asked service users right across the Cranstoun Group to submit art, stories, poems, even recipes. This enabled us to hold an art exhibition in November 2019 showcasing the artistic talents of our service users – some of the paintings can be seen on the front cover of this report. We were also able to produce a [collection of writing](#) that encompassed the written submissions – again demonstrating powerful expressions and stories. Cranstoun would again like to thank all those that shared their stories in one form or other – an inspiration to all.

Our journey as a charity continues whilst the need for our existence continues. When we look at our [timeline](#) there is something to be said for our rich history; our service users have always been, and always will be at the heart of what we do



Our people

Our people are at the heart of what we do. We recruit people who share our values and develop them to build high performing teams able to make a real difference.

100% of service users agreed that staff are friendly and approachable

We value the diversity of our workforce community, which includes employees, apprentices, volunteers, peer mentors and relief staff.

We measure our performance through a variety of indicators, including employee retention and absence, employee engagement and wellbeing, commitment to continuous professional development and awards and accreditations.

Employees

Retention and attendance

Our rates of retention and employee absence remained strong in 2019-20, reflecting Cranstoun's high level of employee engagement. Retention for the year was 82%, against a national average of 79.1%¹ in 2018. Short term absence due to sickness was 2.2%, well within our organisational target of 3.5%.

89% of staff feel that Cranstoun is a great place to work

Employee engagement and wellbeing

97% of our staff share our organisational values

We seek feedback from our staff teams through a variety of ways. Every year, we conduct an Employee Engagement Survey to gather feedback from our staff on a variety of engagement indicators.

Continuous professional development

We are committed to helping individuals and teams to grow, both professionally and personally. We have continued our investment in online learning, developed our internal training capabilities and invested in professional qualifications and management development programmes.



2132 online learning and **92** classroom-based courses were completed by staff in 2019-20. **13** managers received a management qualification

83% of staff feel they have opportunities to develop their skills

Awards

Our Staff Recognition Scheme enables team members to nominate colleagues who have gone the extra mile. In 2019-20, 18 individuals and three teams were recognised for their outstanding contribution against our core values: ambition, compassion, innovation, integrity, inclusivity.

Accreditations

We are incredibly proud to hold a Gold standard accreditation from Investors in People, recognising the importance that we place in our people.

INVESTORS IN PEOPLE™
We invest in people Gold

We have retained our Mindful Employer Accreditation and signed up to the Disability Confident Scheme.

Volunteers

Cranstoun engaged an average of 118 volunteers and peer mentors in 2019-20, an average ratio of one volunteer to every 1.8 employees.

Our 2019 volunteer survey told us that:

100% of volunteers feel valued by their service

100% of volunteers feel they had a positive impact in their service

92% of volunteers would recommend Cranstoun (no negative responses were received)

What our volunteers say:

"I love seeing people grow and watching their attitudes change"

"It makes me feel proud to learn new skills and be trusted to make a difference"

"Volunteering keeps me grounded in my own recovery; I enjoy seeing people find a way out of addiction"

We celebrated Volunteer Week by sending our central office teams out to services to help our volunteers fulfil their duties:



Jason, our Director of Care, Quality and Governance, volunteered at Pavilions Alcohol and Drug Service, meeting and greeting at reception. He also attended the Service User Forum

Kate, our Training Manager, volunteering at Switch Bucks



Clare, our Director of Development and Innovation, volunteered at our Sutton service: "I've loved being on reception (involves a lot more than I thought!) and met some great staff and service users.

Volunteers give their time and enthusiasm so we can support our service users even more, so a big thank you to each and every one of you."

Peer mentors

Our peer mentor scheme helps shape visible recovery in services. Our mentors complete an eight-week training programme, enabling them to explore their personal recovery and how they can support others. When our mentors have graduated, they volunteer within services to support clients. Our peer mentor scheme gained accreditation from the National Council for Voluntary Organisations, the national quality standard for mentoring and befriending projects.

Apprentices

Cranstoun supported five apprenticeship placements in 2019-20, supporting individuals to gain valuable work experience whilst working towards a qualification in either health and social care or business administration. We continue our commitment to supporting people into education, training and employment.

Service users are always at the heart of what we do. Every aspect of our provision is driven by the diverse needs of our service users. We consult with and involve our service users in the planning, delivery and evaluation of our service provision to ensure our services are accessible, relevant and effective.

In our 2019-20 service user survey, **96.6%** of service users said they would recommend the service

A word cloud created using responses from our service user survey:



Diversity and inclusion

Diversity and inclusion are at the heart of what we do.

All of our service users are treated fairly and with respect. We are committed to ensuring that our services are accessible, and reach all members of the communities in which we serve.

Cranstoun is an inclusive employer. We are committed to maintaining a culture of diversity and equity. We do not tolerate discrimination, harassment or victimisation. Everyone we work with is treated equally and with respect, irrespective of race, colour, religion, national origin, sex, disability, age, marital status or sexual orientation.

Modern slavery

Cranstoun is committed to meeting the requirements of the Modern Slavery Act. We take a zero tolerance approach to modern slavery of any kind within our recruitment processes, our operations and our supply chain. We take responsibility for being alert to the risks, and taking appropriate action as necessary. We cover modern slavery within our safeguarding training; our staff are expected to report concerns and our managers are expected to act upon all concerns raised.

Disabled employees

All of our policies and procedures are underpinned by a commitment to equality and diversity. Our recruitment procedures ensure that candidates with disabilities are not disadvantaged in any way; our employment practices support individuals with disabilities and ensure fair access to training, development and promotion opportunities. We are a Disability Confident Committed employer.

Employee communication and consultation

We use a variety of mechanisms to inform and consult with our workforce. We inform employees on a range of matters through internal communications, including email, a staff intranet and staff newsletters. We operate an 'Exchange Group' with elected representatives to inform and consult on important company updates and encourage members to participate in any decision-making processes that may affect them. Cranstoun is committed to informing and consulting with trade unions, where employees are members of a union, or where a recognition agreement is in place. Swanswell has a recognition agreement in place with the GMB Trade Union to represent and negotiate on behalf of its members.

Financial Review

During the year ended 31st March 2020, total group income was £24.1m (2019: £21.1m) and total group expenditure £19.7m (2019: £21.5m). The group result for the year was an overall increase in funds of £4.3m (2019: £333k decrease). This includes a significant profit on the sale of the City Roads freehold property in Cranstoun following the closure of the service in May 2019. The sale was completed on 1st November 2019 with gross sale proceeds of £5.1m and a net profit on disposal of approximately £4.3m, after deducting the book value of the property and the closure costs of the service. The underlying surplus for the year, without the impact of City Roads, was £307k reflecting the solid financial performance of both community and supported housing services.

Subsidiary results included in the consolidated group accounts were Swanswell's income of £5.9m (2019: £6.1m) and expenditure £5.6m (2019: £5.9m) giving an increase in funds of £245k (2019: £175k) and Cranstoun Services Limited breaking even with income and expenditure of £248k from its first 3 months trading.

The financial position at the end of the year was very positive and greatly boosted by the sale proceeds of the City Roads property, with a net cash position in the charity of £6.2m (2019: £2.2m) and in the group of £7.2m (2019: £2.9m). As a result of the surplus, net current assets increased in the charity from £0.8m in 2019 to £5.7m in 2020 and, in the group, from £1.4m in 2019 to £6.5m in 2020.. Total reserves of the charity at the end of the year were £7.2m (2019: £3.0m) and total reserves of the group £7.6m (2019: £3.3m).

Investment policy

Cranstoun maintains a portfolio of investments of £1.07m (2019: £1.13m), with the objective of achieving capital growth over the long-term with a medium risk profile. The funds are mainly invested in the Schroder Charity Multi-Asset Fund which aims to at least maintain the real capital value over the long term whilst generating a sustainable and reliable distribution of 4% per annum. Bond, cash and absolute return funds are held alongside the Schroder Charity Multi-Asset Fund to reduce and balance the overall risk of the portfolio to reflect the inflation mandate.

In 2019/20, the portfolio failed to reach this target, achieving a total real return of -8.5% against the target return of 6.6% This was due to stock market volatility, especially in the final quarter due to the impact of the COVID 19 pandemic. The total return the portfolio was -5.9% (2019: 3.1%).

Following the year-end there has been a strong recovery in the value of the portfolio, which has increased by 9.9% in the first quarter of the year although markets remain volatile.

Reserves policy

The Cranstoun Group maintains reserves to fund working capital, provide for future capital expenditure, maintain services in the event of significant reductions in income and provide a contingency for any unexpected expenditure or opportunities for development.

The Cranstoun Group's policy is to hold a designated reserve representing the net book value of tangible fixed assets as these are not freely available to support the group's business. The level of this reserve changes as assets are acquired, disposed or depreciated in line with the accounting policies.

At the 31 March 2020 Cranstoun's total unrestricted funds were £7.2m and unrestricted funds not committed or invested in tangible fixed assets or otherwise designated ('the free reserves') were £6.9m. With reference to the underlying operating and financial position of the charity and the risks to which it is exposed, the Board of Trustees has agreed a policy on reserves. This stipulates that the level of free reserves required is in the range between £3.1m and £3.7m and therefore, at present, the free reserves of the charity are considerably above this target range due to the profit on disposal of the City Roads freehold property. In view of the high reserve levels, the trustees plan to undertake a review of the charity's future strategic options and investment policy to determine future reserves requirements. Consequently, £4.5m of the sale proceeds is being held in a cash portfolio to protect the capital value and provide liquidity once a future strategy is determined.

Unrestricted reserves at Swanswell are held at a level that will enable the charity to meet its financial obligations if current contracts are not retained. This level at 31 March 2020 is considered to be £66k of free reserves and current reserve levels, at £558k, are well above the stated requirement.

It is not intended that Cranstoun Services Limited will hold reserves, and any future surpluses generated will be transferred back to Cranstoun through Gift Aid.

At 31 March 2020, the total reserves of the Cranstoun group were £7.6m (2019: £3.3m) and the free reserves £7.3m (2019:£2.2m). This compares with a combined target level of free reserves for the group entities of between £2.0m and £2.5m. The group's current total free reserves are therefore considerably above the specified target range.

Risk management

The Trustees maintain a register of the risks to which the group is exposed. Formal reviews of the register are undertaken on a twice yearly basis and involve senior management, together with the Trustee body. The register identifies risks, assesses their severity in terms of impact and likelihood of occurrence and then determines plans to avoid, reduce, share, transfer or mitigate these risks. As a result of this process, the Trustees are satisfied that the risks to which the charity is exposed have been identified and systems have been established and implemented to mitigate exposure to those risks.

The principal risks identified and the plans and strategies for managing these risks are as follows:

- The possible loss of contract income due to the highly competitive operational environment. This risk is mitigated by continual monitoring of service quality and performance, ongoing engagement with development activities, maintaining a competitive cost base and, where appropriate, the use of partnership arrangements to enable the charity to bid for larger contracts.
- The possibility of reduced or changed funding as a result of changes in Government policy. This risk is managed by monitoring government strategy and any legal and regulatory changes, membership of service provider bodies representing the sector and engaging with policy makers and commissioners.
- Pandemic: The coronavirus pandemic is an ongoing challenge but being mitigated through enacting business continuity plans, closely monitoring and following government advice, improved internal and external communications and adopting new methods of working. This approach has enabled Cranstoun to maintain service delivery throughout the COVID-19 crisis.

Trustee's Indemnity Insurance

Cranstoun provides insurance to its Trustees against liability in respect of action brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity insurance remains in force at the date of approving the Trustees' annual report.

Future Plans

The Cranstoun Group's current three-year strategic plan 2018-2021 built on our high levels of staff engagement and loyalty and whilst maintaining Cranstoun's excellent reputation for service delivery, quality and providing excellent value for money. During this period, Cranstoun has invested in business development, care quality & governance and clinical structures to grow and expand our service portfolio.

We are now entering a new business planning cycle and the Cranstoun group will begin reformulating its strategic plan and investment options in the New Year. This will consider how the organisation should best deploy the high reserves levels generated by the sale of the City Roads freehold properties, and future areas of operations. To lead the Cranstoun group into this exciting new era the board of trustees have appointed Charlie Mack an experienced CEO. Charlie will be joining the Cranstoun Group in November having successfully grown and developed the Extern group, a leading social justice charity in Ireland, over the last 7 years.

In approving this Trustees' Report, the Board are also approving the Strategic Report included herein in their capacity as company directors.

ON BEHALF OF THE BOARD



Lesleigh Bounds, Chair



Katharine Patel, Treasurer

21 October 2020

Reference and Administrative Details

Company number: 3306337

Charity number: 1061582

Principal/Registered office: Thames Mews, Portsmouth Road, Esher, Surrey KT10 9AD

Telephone: 020 8335 1830

Board of Trustees:

Richard Pertwee (to 30 April 2020), *Chair*

Katharine Patel, *Deputy Chair & Honorary Treasurer*

David Alcock (from 22 May 2019)

Franklin Apfel

Lesleigh Bounds (from 22 May 2019), *Chair (from 1 May 2020)*

Sue Carroll (from 24 July 2019)

Cees Goos

Wayne Haywood

Hugh Simpson (from 22 May 2019)

Senior Management Team:

Dr. Steve Brinkman, *Medical Director*

Martin Holly FCA, *Executive Director of Finance*

Peter Glass, *Executive Director of Operations*

Kim Coles, *Executive Director of Human Resources*

Niamh Donnelly, *Director of Operations*

Jeff Madzura, *Director of Clinical Services*

Clare Maryan, *Director of Business Development*

Annie Steele, *Director of Operations*

Wendy Taylor, *Director of Operations*

Jason Warriner, *Director of Care, Quality & Governance*

Bankers:

National Westminster Bank

PO Box 2BA

69 Baker Street

London W1A 2BA

Independent Auditor:

Haysmacintyre LLP

10 Queen Street Place

London EC4R 1AG

Investment Managers:

Cazenove Capital Management

12 Moorgate

London EC2R 6DA

Solicitors:

Blake Morgan LLP

New Kings Court

Chandler's Ford

Eastleigh SO53 3LG

Edell Jones & Lessers

First Floor, 54-56 Barking Road

East Ham

London E6 3BP

Independent Auditor's Report to the members of Cranstoun

Opinion

We have audited the financial statements of Cranstoun for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Consolidated and Parent Charitable Company Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 group's or the parent 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 Trustees' Annual 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.

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.

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' Annual Report (which incorporates the Strategic Report and the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

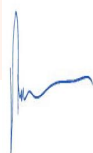
In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' Report).

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 by parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

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



Adam Halsey (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

22 October 2020

10 Queen Street Place
London
EC4R 1AG

Financial Statements

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2019 Total Funds £'000
Income from:							
Donations and legacies		15	-	15	8	-	8
Charitable activities:							
Residential services		612	115	727	1,396	115	1,511
Community services		18,753	304	19,057	19,467	93	19,560
	2	19,365	419	19,784	20,863	208	21,071
Investments		34	-	34	20	-	20
Net Gain on sale of City Roads	3	4,265	-	4,265			
Total income		23,679	419	24,098	20,891	208	21,099
Expenditure on:							
Charitable activities:							
Residential services		582	115	697	1,798	115	1,913
Community services		18,460	304	18,764	19,460	93	19,553
City Roads Closure Costs		270	-	270	-	-	-
Total Expenditure	4	19,312	419	19,731	21,258	208	21,466
Net (loss)/gains on investments		(65)	-	(65)	34	-	34
Net income/(expenditure) and net movement in funds		4,302	-	4,302	(333)	-	(333)
Reconciliation of funds							
Total funds brought forward		3,279	-	3,279	3,612	-	3,612
Total funds carried forward	17	7,581	-	7,581	3,279	-	3,279

The organisation has no recognised gains or losses other than those dealt with above.

All the group's activities derived from continuing operations during the above two financial periods.

Group and Parent Charitable Company Balance Sheet as at 31 March 2020. Company No: 3306337

	Note	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Fixed assets					
Tangible fixed assets	10	309	1,130	309	1,130
Investments	12	1,067	1,132	1,067	1,132
		<u>1,376</u>	<u>2,262</u>	<u>1,376</u>	<u>2,262</u>
Current assets					
Debtors	13	1,858	3,803	1,588	2,418
Cash at bank and in hand		7,224	2,908	6,202	2,228
		<u>9,082</u>	<u>6,711</u>	<u>7,790</u>	<u>4,646</u>
Current liabilities					
Creditors falling due within one year	14	(2,619)	(5,349)	(2,058)	(3,802)
Net current assets		<u>6,463</u>	<u>1,362</u>	<u>5,732</u>	<u>844</u>
Total assets less current liabilities		<u>7,839</u>	<u>3,624</u>	<u>7,108</u>	<u>3,106</u>
Creditors falling due after more than	14	(206)	(232)	(86)	(141)
Provision for liabilities	15	(52)	(113)	-	-
Net assets		<u>7,581</u>	<u>3,279</u>	<u>7,022</u>	<u>2,965</u>
Represented by:					
Unrestricted funds					
Designated funds	17	309	1,130	309	1,130
General funds	17	7,272	2,149	6,713	1,835
Total unrestricted funds		<u>7,581</u>	<u>3,279</u>	<u>7,022</u>	<u>2,965</u>
Restricted funds	17	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds		<u>7,581</u>	<u>3,279</u>	<u>7,022</u>	<u>2,965</u>

As permitted by section 408 of the Companies Act 2006, the charity has taken exemption from preparing a separate Statement of Financial Activities (incorporating an Income and Expenditure Account). The charity's result for the year was a surplus of £4,057k (2019: £508k deficit).

The financial statements were approved and authorised for issue by the Board of Trustees on 21 October 2020 and signed on their behalf by:

Lesleigh Bounds
Chair

Katharine Patel
Treasurer

Consolidated and Parent Charitable Company Statement of Cash Flows for the year ended 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Net cash used in operating activities	Cash 24	(680)	(360)	(1,015)	(180)
flows from investing activities					
Investment income and interest		34	20	27	16
Purchase of property plant & equipment		(148)	(30)	(148)	(30)
Proceeds from sale of assets		5,110	-	5,110	-
Net cash provided by/(used in) investing activities		4,996	(10)	4,989	(14)
Change in cash and cash equivalents in the year		4,316	(370)	3,974	(194)
Cash and cash equivalents at the beginning of the year		2,908	3,278	2,228	2,422
Cash and cash equivalents at the end of the year		7,224	2,908	6,202	2,228

No analysis of changes in net debt is presented as the charity has no borrowings.

Notes to the Financial Statements

for the Year Ended 31 March 2020

1. ACCOUNTING POLICIES

a) General Information

Cranstoun is a charitable company limited by guarantee incorporated in England and Wales (Company no. 3306337) and a registered charity (charity registration no.1061582). The charity's registered office address is Thames Mews, Portsmouth Road, Esher, Surrey KT10 9AD.

b) Accounting Convention and Basis of Preparation

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments to market value. They are prepared in accordance with Statement of Recommended Practice for Charities (SORP FRS 102, Second edition), applicable accounting standards (FRS 102) and the Companies Act 2006. Cranstoun is a public benefit entity as set out in section 3 of FRS 102.

c) Basis of Consolidation

The consolidated financial statements present the results of the charity and its subsidiary as if they form a single entity (the "Group"). Intercompany transactions between group companies are therefore eliminated in full. The results of acquired operations are included in the consolidated financial statements from the date that control passed to the charity.

d) Going concern

The Trustees consider that, there are no material uncertainties regarding the charity's ability to continue as a going concern.

e) Income

Income is recognised in the period in which the charitable company has entitlement to the funds and it is probable that the income will be received and the amount can be measured reliably. Income is deferred when the charity has to fulfil conditions before becoming entitled or where the donor or contracting party has specified the income be expended in a future period.

Grants from government and other agencies amounting to a contract for services are included as income as the charity earns the right to the consideration by its delivery of those services.

f) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

The cost of charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs relate to the cost of central functions and include governance costs. These are allocated to the charitable expenditure categories on a per capita basis which is designed to reflect the use of the resource.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

g) Tangible Fixed Assets And Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Assets costing more than £5,000 and leasehold improvements costing more than £20,000 are capitalised. The cost of tangible fixed assets is written off by equal annual instalments over their useful lives as follows:

Freehold Property	100 years
Leasehold improvements	The shorter of the remaining length of the lease or the remaining duration of the
Fixtures & fittings, equipment & motor vehicles	4 years
Refurbishment	10 years

The value of property is regularly reviewed in order to identify any permanent diminution in value which, if applicable, would be charged to the SOFA.

h) Fixed Asset Investments

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation and/or sale is taken to the SOFA.

i) Financial instruments - assets and liabilities

Debtors

Debtors are recognised at the settlement amount due.

Cash and cash equivalents

Cash at bank and cash in hand includes cash held in 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.

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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Fund Accounting

Unrestricted general funds are held by the charity to be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or contracting party or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is given in the notes to the accounts.

k) Leasing And Hire Purchase

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the SOFA over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the SOFA on a straight line basis over the lease term.

l) Employee benefits

The charity provides a range of benefits to employees including paid holiday arrangements and retirement benefits through a defined contribution pension scheme.

Short-term benefits

Short-term benefits, including holidays and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Termination benefits

Termination payments are payable when employment is terminated by the group before the normal retirement date or end of employment contract. Termination costs are recognised at the earlier of when the group can no longer withdraw the offer of the benefits or when the group recognises any related restructuring costs.

Defined contribution pension schemes

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charged represents the contributions payable under the scheme by the group to the fund. The group has no liability under the scheme other than for the payment of those contributions.

Multi-employer defined benefit pension schemes

Swanswell Charitable Trust, a subsidiary of the group, is a Direction Employer, enabling former NHS employees to remain members of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme. The cost to the group of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

2. INCOME FROM CHARITABLE ACTIVITIES

	General Funds £'000	Restricted Funds £'000	Total 2020 £'000
Residential services			
Board and lodging charges	612	115	727
Other income	-	-	-
	<u>612</u>	<u>115</u>	<u>727</u>
Community services			
Local authorities	18,316	-	18,316
Charitable Trusts	-	304	304
Other income	437	-	437
	<u>18,753</u>	<u>304</u>	<u>19,057</u>
	<u>19,365</u>	<u>419</u>	<u>19,784</u>

INCOME FROM CHARITABLE ACTIVITIES PREVIOUS YEAR

	General Funds £'000	Restricted Funds £'000	Total 2019 £'000
Residential services			
Board and lodging charges	1,373	115	1,488
Other income	23	-	23
	<u>1,396</u>	<u>115</u>	<u>1,511</u>
Community services			
Local authorities	19,288	-	19,288
Charitable Trusts	-	93	93
Other income	179	-	179
	<u>19,467</u>	<u>93</u>	<u>19,560</u>
	<u>20,863</u>	<u>208</u>	<u>21,071</u>

3. NET GAIN ON SALE OF CITY ROADS

During the financial year Cranstoun sold its freehold properties in City Road, Islington for gross sale proceeds of £5.1m. The sale was completed on 1st November 2019 and the net profit on the disposal was £4.2m.

4. TOTAL EXPENDITURE

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 5) £'000	Total 2020 £'000
Cost of charitable activities				
Residential services	339	167	191	697
Community services	9,241	8,024	1,499	18,764
City Road closure costs	181	89	-	270
	<u>9,761</u>	<u>8,280</u>	<u>1,690</u>	<u>19,731</u>

TOTAL EXPENDITURE PREVIOUS YEAR

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 5) £'000	Total 2019 £'000
Cost of charitable activities				
Residential services	1,377	338	198	1,913
Community services	8,805	9,255	1,493	19,553
	<u>10,182</u>	<u>9,593</u>	<u>1,691</u>	<u>21,466</u>

5. ANALYSIS OF SUPPORT COSTS

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2020 £'000
Cost of charitable activities					
Residential services	46	103	33	9	191
Community services	377	687	354	81	1,499
	<u>423</u>	<u>790</u>	<u>387</u>	<u>90</u>	<u>1,690</u>
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

ANALYSIS OF SUPPORT COSTS PREVIOUS YEAR

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2019 £'000
Cost of charitable activities					
Residential services	49	96	44	9	198
Community services	392	697	312	92	1,493
	<u>441</u>	<u>793</u>	<u>356</u>	<u>101</u>	<u>1,691</u>
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

6. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year for acting as a Director. During the year £1,699 (2019: £1,680) was reimbursed to three (2019: three) Trustees for travel expenses incurred in the course of charity business.

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2020 £'000	2019 £'000
Auditor's remuneration - Statutory Audit (Parent charity)	20	18
Depreciation	136	142
Operating lease rentals	<u>787</u>	<u>807</u>

8. EMPLOYEES

	2020 £'000	2019 £'000
Wages and salaries	8,738	8,722
Social security	776	788
Pension costs	391	311
Redundancy and termination payments	85	170
	<u>9,990</u>	<u>9,991</u>

The monthly average head count was 365 staff (2019: 374 staff).

The numbers of staff earning in excess of £60,000 excluding employer pension contributions but including benefits in kind are as follows:

	2020 Number	2019 Number
£60,000 to £70,000	2	2
£70,000 to £80,000	1	-
£90,000 to £100,000	2	2

The total employee benefits of the senior management team (key management personnel) were £798,185 (2019: £772,296).

9. TAXATION

The Charity's activities are exempt from corporation tax.

10. TANGIBLE FIXED ASSETS

Group

	Furniture & Equipment £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost				
At 1 April 2019	262	1,105	417	1,784
Additions	148	-	-	148
Disposals	(65)	(940)	(330)	(1,335)
At 31 March 2020	<u>345</u>	<u>165</u>	<u>87</u>	<u>597</u>
Accumulated depreciation				
At 1 April 2019	200	129	325	654
Charge for the year	40	7	89	136
Disposals	(52)	(120)	(330)	(502)
At 31 March 2020	<u>188</u>	<u>16</u>	<u>84</u>	<u>288</u>
Net book value at 31 March 2020	<u>157</u>	<u>149</u>	<u>3</u>	<u>309</u>
Net book value at 1 April 2019	<u>62</u>	<u>976</u>	<u>92</u>	<u>1,130</u>

Charity

	Furniture & Equipment £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost				
At 1 April 2019	183	1,105	376	1,664
Additions	148	-	-	148
Disposals	(65)	(940)	(330)	(1,335)
At 31 March 2020	<u>266</u>	<u>165</u>	<u>46</u>	<u>477</u>
Accumulated depreciation				
At 1 April 2019	121	129	284	534
Charge for the year	40	7	89	136
Disposals	(52)	(120)	(330)	(502)
At 31 March 2020	<u>109</u>	<u>16</u>	<u>43</u>	<u>168</u>
Net book value at 31 March 2020	<u>157</u>	<u>149</u>	<u>3</u>	<u>309</u>
Net book value at 1 April 2019	<u>62</u>	<u>976</u>	<u>92</u>	<u>1,130</u>

11. SUBSIDIARY UNDERTAKINGS

Swanswell Charitable Trust (charity no: 1074891 company no: 03692925) which is incorporated in England and Wales is deemed to be a wholly owned subsidiary of Cranstoun from 15 December 2016 on the basis that Cranstoun is the sole member of the Charity. Audited accounts for Swanswell Charitable Trust are filed with the registrar of companies. The net assets and funds as at 31 March 2020 are £558,024 (2019: £313,409). A summary of the results the year ended 31 March 2020 and a summary balance sheet at the end of the year are shown below:

Summary of results

	2020 £'000	2019 £'000
Total income	5,889	6,049
Total expenditure	(5,644)	(5,874)
Net expenditure and movement in funds	245	175

Summary balance sheet

	2020 £'000	2019 £'000
Debtors	278	1,431
Cash	1,022	680
Creditors	(742)	(1,798)
Net assets & funds	558	313

Cranstoun Services Limited (company no 12313944) which is incorporated in England and Wales is a trading subsidiary in which Cranstoun holds 100% of the ordinary share capital. Cranstoun Services was incorporated on the 13th November 2019 and commenced trading on 1 January 2020. A summary of the results for the 3 months ended 31 March 2020 and a summary balance sheet at the end of the period are shown below:

Summary of results

	3 months ended 31 March 2020 £'000
Total income	248
Total Expenditure	(248)
Net expenditure and movement in funds	-

Summary balance sheet

	2020 £'000
Debtors	298
Creditors	(298)
Net assets & funds	-

12. GROUP AND CHARITY INVESTMENTS

	2020 £'000	2019 £'000
Investment portfolio		
Market value at 1 April 2019	1,132	1,098
Net(loss)/gains on revaluation	(65)	34
Market value at 31 March 2020	1,067	1,132
Historical cost at 31 March 2020	741	741

This is made up as follows:

	2020 £'000	2019 £'000
Analysis of Investments		
Listed Investments	969	1,038
Cash	98	94
	1,067	1,132

13. DEBTORS

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade debtors	670	2,772	322	1,666
Prepayments and accrued income	1,175	1,017	946	692
Amounts owed by subsidiary undertakings	-	-	308	46
Other debtors	13	14	12	14
	1,858	3,803	1,588	2,418

14. CREDITORS

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Amounts Falling Due Within One Year				
Trade creditors	712	1,140	565	866
Accruals	986	981	747	767
Deferred income	588	2,857	528	1,874
Social Security & other taxes	253	210	156	157
Pension contributions	18	50	4	35
Other creditors	62	111	58	103
	<u>2,619</u>	<u>5,349</u>	<u>2,058</u>	<u>3,802</u>
Amounts Falling Due After More Than One Year				
Accruals	<u>206</u>	<u>232</u>	<u>86</u>	<u>141</u>

Deferred Income represents funding received in advance of the provision of the related service. All deferred income held at the end of the previous financial year has been recognised in the current financial year.

15. PROVISION FOR LIABILITIES

Where leasehold properties become vacant, the charitable company provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of disposal or sublease. As explained in Note 6 Swanswell Charitable Trust, a subsidiary of Cranstoun, vacated its former head office property in Rugby in December 2017. The provision is expected to be utilised over the remaining life of the lease which is due to end in March 2021. The movement in the onerous lease provision during the year was as follows:

	£'000s
Provision at 31st March 2019	113
Utilised in year	(56)
Reversal of provision	(5)
Provision at 31st March 2020	<u>52</u>

16. PENSION COSTS

The charity and group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds and there are three providers, Standard Life, Aviva and Scottish Ageon. The pension costs charged in the year were £391,428 (2019: £311,321). Swanswell a wholly owned subsidiary also contributes to individual defined contribution schemes and is a Directional Employer, enabling former NHS employees to remain members of the NHS Pension Scheme. As at 31 March 2020 the number of Swanswell's employees who were members of the NHS Pension Scheme was five.

For those employees who are members of NHS Pension Scheme details of the benefits payable under the provisions can be found on the NHS pension's website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers and other bodies allowed under the Direction of the Secretary of State in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme: the cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date the scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. An outline of these is as follows:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2020. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rates have increased to 20.6% of pensionable pay from this date. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2019 the government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

17. STATEMENT OF FUNDS

Group

	Balance at 01-Apr-19 £'000	<u>Movement in resources</u>		Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-20 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	304	(304)	-	-	-
Total Restricted Funds	-	419	(419)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,130	-	-	-	(821)	309
Total Designated Funds	1,130	-	-	-	(821)	309
General Funds	2,149	23,679	(19,312)	(65)	821	7,272
Total Unrestricted Funds	3,279	23,679	(19,312)	(65)	-	7,581
Total Funds	3,279	24,098	(19,731)	(65)	-	7,581

Charity

	Balance at 01-Apr-19 £'000	<u>Movement in resources</u>		Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-20 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	93	(93)	-	-	-
Total Restricted Funds	-	208	(208)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,130	-	-	-	(821)	309
Total Designated Funds	1,130	-	-	-	(821)	309
General Funds	1,835	17,790	(13,668)	(65)	821	6,713
Total Unrestricted Funds	2,965	17,790	(13,668)	(65)	-	7,022
Total Funds	2,965	17,998	(13,876)	(65)	-	7,022

Restricted funds are for the following purposes:

Residential services: This represents partial funding for 2 residential homes in London which operate programmes to rehabilitate ex-drug users so that they can lead a drug-free life.

Community services: This represents grants to support various community initiatives.

Designated funds are for the following purposes:

Fixed Asset Fund: This fund represents the net book value of freehold properties and other fixed assets.

STATEMENT OF FUNDS PREVIOUS YEAR

Group

	Balance at 01-Apr-18 £'000	<u>Movement in resources</u>		Investment Gains/Losse £'000	Transfers £'000	Balance at 31-Mar-19 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	93	(93)	-	-	-
Total Restricted Funds	-	208	(208)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,242	-	-	-	(112)	1,130
Total Designated Funds	1,242	-	-	-	(112)	1,130
General Funds	2,370	20,891	(21,258)	34	112	2,149
Total Unrestricted Funds	3,612	20,891	(21,258)	34	-	3,279
Total Funds	3,612	21,099	(21,466)	34	-	3,279

Charity

	Balance at 01-Apr-18 £'000	<u>Movement in resources</u>		Investment Gains/Losse £'000	Transfers £'000	Balance at 31-Mar-19 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	93	(93)	-	-	-
Total Restricted Funds	-	208	(208)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,242	-	-	-	(112)	1,130
Total Designated Funds	1,242	-	-	-	(112)	1,130
General Funds	2,231	14,842	(15,384)	34	112	1,835
Total Unrestricted Funds	3,473	14,842	(15,384)	34	-	2,965
Total Funds	3,473	15,050	(15,592)	34	-	2,965

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	309	-	-	-	309
General funds	-	1,067	9,082	(2,877)	7,272
Total Funds	<u>309</u>	<u>1,067</u>	<u>9,082</u>	<u>(2,877)</u>	<u>7,581</u>

Charity

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	309	-	-	-	309
General funds	-	1,067	7,790	(2,144)	6,713
Total Funds	<u>309</u>	<u>1,067</u>	<u>7,790</u>	<u>(2,144)</u>	<u>7,022</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS PREVIOUS YEAR

Group

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	1,130	-	-	-	1,130
General funds	-	1,132	6,711	(5,694)	2,149
Total Funds	<u>1,130</u>	<u>1,132</u>	<u>6,711</u>	<u>(5,694)</u>	<u>3,279</u>

Charity

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	1,130	-	-	-	1,130
General funds	-	1,132	4,646	(3,943)	1,835
Total Funds	<u>1,130</u>	<u>1,132</u>	<u>4,646</u>	<u>(3,943)</u>	<u>2,965</u>

19. STATUS

The company is limited by guarantee with no share capital and is a registered charity. In the event of the company being wound up, the Trustees' liability is limited to £1 each.

20. LEASE COMMITMENTS

At 31 March 2020, the group had the following future minimum lease payments under non-cancellable operating leases for each of the following

	2020 Land and Buildings £'000	2020 other £'000	2019 Land and Buildings £'000	2019 Other £'000
Payments due in:				
Not later than 1 year	306	17	693	14
Later than 1 year and not later than 5 years	835	1	1,029	10
More than 5 years	328	-	425	-
	<u>1,469</u>	<u>18</u>	<u>2,147</u>	<u>24</u>

21. CAPITAL COMMITMENTS

There are no capital commitments.

22. CONTINGENT LIABILITIES

There are no contingent liabilities.

23. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Net Income/ (expenditure) for the year	4,302	(333)	4,057	(508)
Depreciation charges	136	142	136	142
Loss/(Gains) on investments	65	(34)	65	(34)
Dividends, interest and rents from investments	(34)	(20)	(27)	(16)
Gain on sale of fixed assets	(4,277)	-	(4,277)	-
Increase/(Decrease) in debtors	1,945	(298)	830	608
(Decrease)/increase in creditors	(2,756)	323	(1,799)	(372)
Decrease in Onerous Lease Provision	(61)	(140)	-	-
Net Cash used in operating activities	<u>(680)</u>	<u>(360)</u>	<u>(1,015)</u>	<u>(180)</u>

24. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Cranstoun's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements 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. Key areas subject to judgement and estimation are as follows:

Provisions for dilapidation works to leased properties

Management review, and provide for, potential dilapidations in respect of properties where the lease includes an obligation to restore the premises to the condition they were in when the lease was entered into. Management review such provisions on an annual basis and update them in accordance with historical experience and events that might materially impact on the potential costs to the charity. At the balance sheet date the total amount included in creditors was £206,436 (2019: £231,842).

25. RELATED PARTY TRANSACTIONS

During the year Cranstoun recharged costs totalling £759,800 (2019: £586,321) to Swanswell its subsidiary undertaking. At the balance sheet date a balance of £59,806 (2019: £46,168) was owed to Cranstoun.

Cranstoun also recharged costs totalling £248,091.50 to Cranstoun Services Ltd its trading subsidiary. At the balance sheet date a balance of £248,091.50 was outstanding to Cranstoun.

The Charitable company was invoiced £0 (2019 £77,742) from Ridgeacre Medical Centre for services provided by Dr Stephen Brinksman, a member of Cranstoun's key management personnel.