



TRUSTEES' ANNUAL REPORT 2017-18

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A message from the Chair

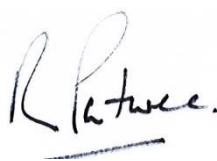
Cranstoun has had an incredibly busy year and we have much to be proud of. The team have worked hard to integrate Swanswell Charitable Trust into Cranstoun, combining systems and functions. The joint vision and values of both charities have helped to create a successful venture.

The Board of Trustees is very grateful for the leadership which Steve Rossell provided, steering Cranstoun successfully over the last 20 years. We are now very proud to be working with our Leadership Team Martin Holly, Kim Coles and Peter Glass who collectively bring to the organisation a clear, ambitious and compassionate vision.

Our services continue to achieve excellent outcomes for our beneficiaries. I share the Leadership Team's ambition to grow the organisation to provide support to more service users. This can only be achieved through the determination and passion of Cranstoun's people – and we have determination and passion in abundance.

We said farewell to Linda Moir in March 2018 after nearly ten years as a Trustee of Cranstoun. Linda made a significant contribution to the Board and to Cranstoun's management team, with her impressive experience in customer services. Also, following the year end, Charlotte Bunyan decided to step down as a trustee due to work and family commitments. We are extremely grateful to Charlotte for supporting the charity over the last three years and in particular, her contribution to marketing and communications. I now look forward to expanding our Board of Trustees as we seek to diversify our expertise. We will be building on our existing sub-committees – with the introduction of a Quality, Governance and Safety Committee – in response to Cranstoun's changing needs and to support ongoing developments.

Finally, I would like to thank all of the staff team at Cranstoun and all of our fantastic volunteers and mentors who make such a difference to the lives of others.



Richard Pertwee
Chair of the Board of Trustees

A message from the Leadership Team

The three of us are incredibly proud to be leading an organisation that truly puts people at its heart. Cranstoun's staff are committed to empowering people, and our job is to make sure they have the support, guidance and leadership in place to be able to make this their priority.

In April 2017, after over 20 years, Steve Rossell, Cranstoun's former CEO, left to pursue a life in New Zealand. Since that time, we have worked with our highly experienced senior management team, to steer the organisation in supporting more and more people to be the very best that they can be.

We have been pleased to bring our new colleagues from Swanswell Charitable Trust into the Cranstoun Group. They have brought new skills, experiences and services to complement our existing portfolio. We continue to work well together, with a joint vision and values for the group.


Our services have worked with thousands of individuals and families, to help them live healthy, safe and happy lives. Testament to the fantastic work taking place in our services, 96.7% of service users say that they would recommend Cranstoun. We work hard to have a positive and sustainable impact.

The recognition from Investors in People of our approach to people management has certainly been a highlight of 2017-18. We are honoured to be recognised as a Gold standard employer. We know there is always more that we can achieve to make Cranstoun an even better place to work and we are excited about our future people plans. We are grateful for the contribution made by our fantastic team of volunteers and mentors. They dedicate their time and their skills to enrich the services that we offer.

We're proud to be celebrating our 50th anniversary in 2019 and are planning a series of events to mark this golden anniversary. We asked staff and service users for ideas to help us to co-create plans, which we will set out towards the end of 2018.

In developing our 2018-21 strategy, we have been ambitious for Cranstoun. We want to extend our reach by delivering more services in substance misuse and through diversification into associated and complementary areas where we can make a difference. We pride ourselves on our ability to proactively adapt to the ever changing needs of our stakeholders. We will continue to strengthen our structures, systems and governance and look for innovative ways to do what we do best: empowering and supporting people to make positive changes.

Whilst we have many achievements to be proud of, we are very much looking ahead to how we can make Cranstoun even better for our service users, our commissioners and our staff.



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

Introduction to the Trustees' Report

The Trustees of Cranstoun present their report and financial statements for the year ended 31 March 2018.

The report has been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 35 to 48 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 2015).

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.

Trustees

A full listing of Cranstoun's Trustees is presented on page 31. 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

Chair Faith Jenner
 Richard Pertwee
 Steve Rossell (to 30 April 2017)
 Thomas Rutherford

Finance & Audit Committee

Chair Katharine Patel
 Richard Pertwee
 Steve Rossell (to 30 April 2017)
 Thomas Rutherford

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 'centre'. 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 and the opportunity to attend the induction course for new staff. 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 Senior Management 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.

Objectives and Activities

Vision, mission and values

During the year we reviewed our vision, mission and values. This involved consultation with service users, staff and trustees and the revised statements and values were ratified by our Board of Trustees and came into effect in April 2018.

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 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.

All of these statements encapsulate feedback received from trustees, staff and service users and achieve our aim for inclusivity.

Our values

Our values describe how we, as an organisation, behave and feel. In reviewing our values, we considered feedback from our staff, including an exercise carried out with our employee information and consultation forum, The Exchange.

Our re-drafted values across the Group are:

- **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.

The new vision, mission and values provide Cranstoun with a clear purpose, which supports all of our areas of focus, including substance misuse, young people and families, mental health, housing 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

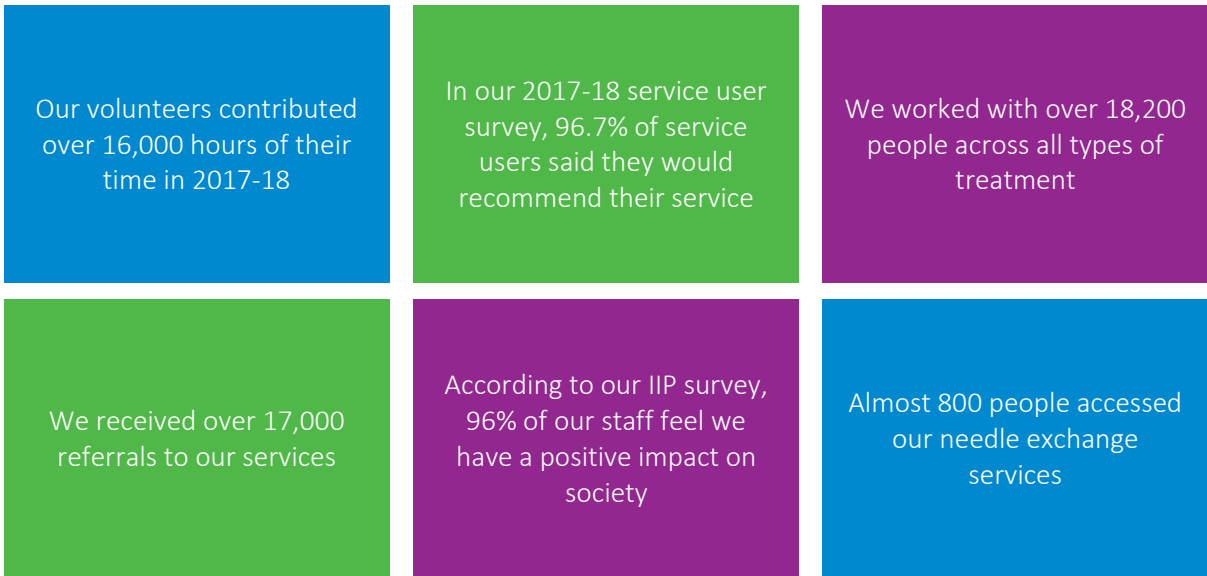
Review of activities

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:

- In-patient detoxification service, delivering high quality clinical care, detox, crisis intervention and stabilisation.
- Residential rehabilitation service providing high care support following detoxification
- Community treatment and recovery services, including community-based outreach, treatment, recovery and support services; specialist services for young people, and families and carers, and criminal justice services.
- 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

Cranstoun continues to operate highly successful services and in the remainder section we concentrate on the charity’s achievements, performance and impact during 2017/18.

At a Glance



Our service users

We supported thousands of service users and their families in 2017/18 to live healthy, safe and happy lives.

Referrals

We received over 17,300 referrals to our services.

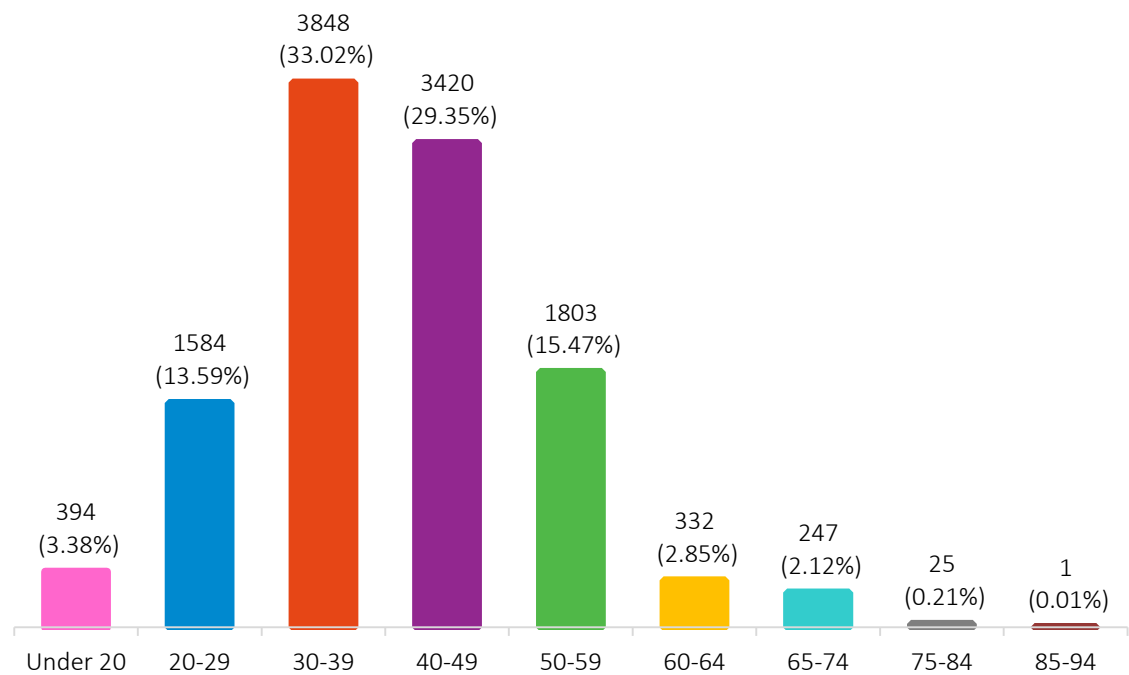
Treatment

We worked with over 18,200 people across all types of treatment last year.

Service	Referrals	Service users in structured treatment	Service users in non-structured treatment only	Total service users in treatment
Change @ 28B	173	141	n/a	141
City Roads	494	409	n/a	409
Dudley Switch	196	183	n/a	183
iHEAR Hounslow	1376	1,038	412	1,450
Inspire Sutton	943	646	164	810
IRiS Reading	1,087	972	136	1,108
IRiS/Cranstoun Sandwell	2,204	1,353	1,226	2,579
Pavilions	1,288	2,415	1,268	3,683
Ritherdon Road	9	12	n/a	12
West Hill	29	15	n/a	15
Sutton Switch	116	41	56	97
Trelawn House	39	38	n/a	38
Visions	128	141	370	511
Resilience	325	446	330	776
Swanswell-Sandwell Alcohol	1,660	592	821	1,413
Swanswell Worcestershire	3,955	2,176	462	2,638
Swanswell Worcs Young People	244	111	76	187
Swanswell Worcs Family Team	271	n/a	220	220
Swanswell Birmingham	1,662	n/a	985	985
Swanswell West Berks	749	421	214	635
WMP Sandwell Violence and Alcohol	353	n/a	324	324
Cranstoun Total	17,301	11,150	7,064	18,214

Age distribution

Our service users are of all different ages, with over 60% aged 30-49.

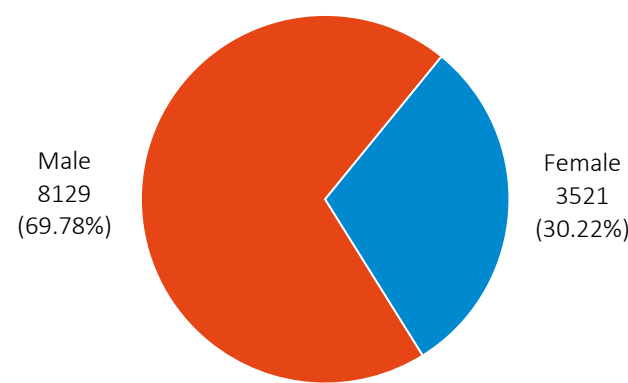


Children and young people

In 2017-18, we worked with almost 400 service users aged under 20, making up 3.4% of all service users.

10.3% of the structured service users Cranstoun worked with at its services for young people had a care status of either Child in Need or Looked-after Child. 7.4% were identified as being victims of sexual exploitation, and 16.8% had a mental health treatment need.

Gender distribution



In 2017/18, 70% of our service users were male, and 30% were female. This is comparable to the 70% male, 30% female gender split in recovery services across England.

Service user involvement

Service users are at the heart of what we do. We believe that for our services to be of any value, they need to be driven by the diverse needs of our service users. Service user involvement is a key tool in ensuring that services are accessible, relevant and effective.

We recognise the countless mutual benefits to consulting with and involving service users in the planning, delivery and evaluation of our service provision, including empowerment, a sense of ownership and trust, and services that genuinely respond to the needs of service users.

Service user forums

Service users held 126 local forums with an average of five service users at each. There were also four national forums with an average of seven service users at each. That's over 600 appearances from our service users at service user forums over the course of the year.

Service user survey

We carried out our annual service user survey across our services from 1 November 2017 to 31 January 2018. The survey was open to all service users in any type of treatment, from drop-in attendees to service users in structured treatment.

We received over 1,600 responses across 15 services, including nine adult community substance misuse services, two young people's community substance misuse services, two residential services, one supported housing service, one family and carers service and one family and carers dedicated team.

Here are some key results from the survey:

96.7% of service users said they would recommend their service.	The top three words used to describe the service were safe, happy and positive.	The most commonly given quantitative score was 10 out of 10.
The highest scoring question was on staff friendliness and approachability.		
The most common positive outcomes experienced by our service users are abstinence or less use, stability, understanding substance use and improved relationships with loved ones.		

And some service user quotes from the survey:

All of the staff and community at Swanswell have helped me back from the brink of a very dark place and without them I probably wouldn't still be here. Thank you!

- Swanswell Worcestershire

I've been coming here for over a year now, and I am finally accepting the fact that recovery is a journey and I can see how far I have come in that time. IRiS have helped me immensely and quite literally have been my life line. I will beat addiction. Thank you :-)

- Iris Reading

We are so relieved to find a service for families with members with mental health and drug addiction. We have felt very alone coping with our son's problems and not sure if we are doing 'the right thing'. I now have someone I can talk things through with. Having free counselling sessions arranged for him with no waiting list has been a real help to him and to us and something that would have been so helpful several years ago but was not offered by GP or any other mental health service. Cranstoun has really given me HOPE! Thanks.

- East Sussex FACT

Recovery Orientated Audit and Development (ROAD)

ROAD is an initiative developed by Cranstoun that brings together service users, staff, volunteers and peer mentors as equals. It provides an opportunity to evaluate the service against six core objectives (below) and develop action plans to improve service provision and stay recovery focused.

Together we will:

1. Put Cranstoun's values at the heart of all activity
2. Protect and promote health and wellbeing
3. Support every individual's recovery journey
4. Inspire hope and optimism
5. Learn and change together
6. Support community connections

While service user forums provide the opportunity for service users to input to and feedback on the day-to-day operation of the service, ROAD asks service users to evaluate the service against these strategic guiding principles and contribute to developing actionable ideas for improvement.

Performance and Quality

Adult community services

The support we provide at our adult community 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 community 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.

Resilience, Windsor & Maidenhead

The performance of our Windsor and Maidenhead service, Resilience, continued to be in the top quartile for criminal justice services. Consequently, Resilience was again awarded additional funding by the Police and Crime Commissioner to continue its prison in-reach work, which has been instrumental in service users' continual high engagement following their release from prison.

A positive Care Quality Commission (CQC) report in February 2018 commented on the improvement in training provided to staff members, as well as the improvements in staff morale and the support available.

In October 2017 Resilience had a visit from Prime Minister, and local MP, Theresa May, following which, team members were invited to both the Houses of Parliament and Downing Street.



Inspire Sutton

Our Sutton service, Inspire, continued to produce excellent results and benefited in 2017/18 from moving into a new building in March 2017. The new and improved facilities are a great asset and we received very positive feedback on the new premises from staff, clients, commissioners and other visitors.

During the year, the service was enhanced through setting up regular sessions with a range of agencies in the community to help our clients get easy and quick access to support. These include:

- a weekly housing/homelessness advice and support drop-in
- a fortnightly benefit support clinic by Sutton council's welfare outreach team
- a monthly sexual health/contraception clinic run by Sutton's sexual health team
- an education, training and employment support agency offering appointments to clients
- a link with FareShare whereby Tesco donates food three times a week for our clients

IRiS/Cranstoun Sandwell

Cranstoun was awarded the new alcohol and drug services contract in Sandwell from 1 February 2018. It was successfully mobilised following a great deal of hard work from the Sandwell team and has started the journey of service transition towards having a greater emphasis on self-help, prevention and early intervention. This builds on the excellent achievements and success of our pre-existing services (Cranstoun's IRiS Sandwell and Swanswell's alcohol service). These services continued for ten months of the year producing positive results with Iris Sandwell running a recovery football event with more than 100 service users, family members and professionals in attendance.

Pavilions, Brighton & Hove



Our Brighton service, Pavilions, improved its performance throughout the year, meeting all of its successful completion targets by year end.

The service continued to promote and build a recovery community; training 20 peer mentors who work throughout the service. There were also 26 volunteers supporting all aspects of service delivery. Groups were run at Cascade Creative Recovery and mutual aid groups delivered in all Pavilions premises.

The service was inspected by CQC in May 2017 and commended for the quality of joint-working and for the quality of the care provided to service users. In particular, the work of the Health Promotion Team was noted as outstanding.

During the year Pavilions paired up with volunteers from the National Community Service to design a new garden at the back of our premise at Richmond House. The funding for the materials was secured from the People's Postcode Lottery and volunteers completed the transformation in less than a week.

Pavilions took part in the Pride parade for the first time in 2017, with staff, volunteers and peer mentors raising awareness of the service to Brighton and Hove's LGBT+ communities.

Pavilions also started to deliver a two year pilot Individual Placement Scheme (IPS). The scheme supports service users to find and sustain employment and is based upon a well-evidenced model used within mental health services.

Iris Reading

During the year, IRiS Reading continued its good work and enhanced its links with other services and professionals around Mental Health. The reception area now includes a Mental Health stall and banner, designed and made by the Creative Skills group, to provide information. Whilst local mental health services, such as Depression Xpression, Reading Your Way and Reading Recovery College were invited into IRiS to share information about their services and facilitate groups.



The service was represented at a workshop hosted by Reading Community Learning Centre & Thames Valley Police in May 2017 to reach out to the black, Asian and minority ethnic (BAME) community and facilitate engagement. IRiS Reading set up an information stand providing a good opportunity to highlight stigmas around BAME clients and promote IRiS to a community that is often hard-to-engage.

In June 2017, IRiS Reading was awarded a 'Group Award' at Reading Voluntary Action's Volunteers Week event. The awards celebrate those in the community who volunteer their time, talents and skills for the benefit of Reading. This recognised the valuable contribution of IRiS Reading's volunteers and peer mentors with over 140 members of the local community attending the awards ceremony.

Pride of Reading

IRiS Reading was nominated as Charity of the Year in the Pride of Reading Awards 2017.

Swanswell West Berkshire

Our West Berkshire service has introduced a Family Safeguarding Model with two members of the team working out of children's services bringing treatment to families through outreach. This is a completely new way of working; one of only five active models in the country. During the year, the service also grew its volunteer involvement programme with five new volunteers.

Swanswell Worcestershire

In 2017/18 the Worcestershire service continued to support service users to access and exit treatment successfully. As well as improving access to treatment through routes such as shared care or criminal justice pathways, we increased the number of service users’ achieving better recovery outcomes through individual care plans mapping their treatment journey.

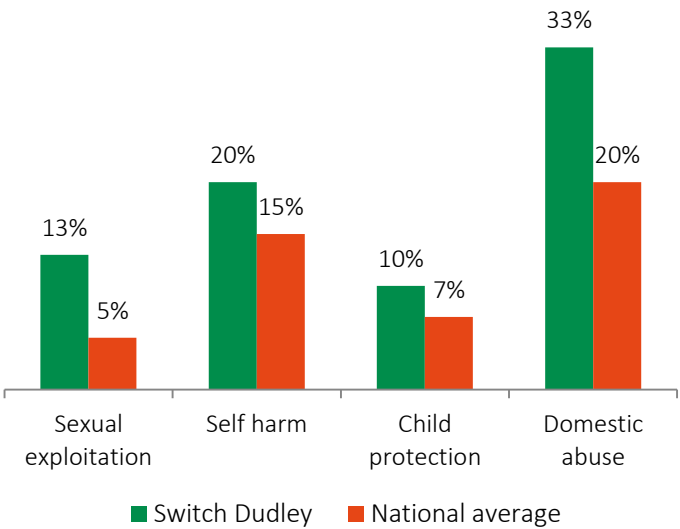
Housing has been a particular success in Worcestershire and of those with housing issues at the start of treatment, 90% reported no housing issues at the point of exit.

In Worcestershire, service user groups were introduced during the year by the Cranstoun Group. Across the year we held ten local service user forums and attended two national forums. The forums have helped further develop additional recovery and diversionary activities. For example, as a result of a suggestion, the service now has a therapy garden and a weekly gardening group that maintains the space.

Young people

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, school or a café.

Switch Dudley



Our Switch Dudley service sees a greater number of vulnerabilities than the national average, reflecting the complex issues young people face in their local community.

89% of the young people accessing our Dudley service leave in a planned way. This is 11% above the national average, reflecting our ability to engage and support young people to succeed despite the local level of complexity. Re-presentations to the service remain very low.

Switch Dudley (continued)

Our strong partnership relationships are reflected in the number of referrals we receive from stakeholders. Switch Dudley’s top referrers are children’s and family services and education at 51%, which is 6% above the national average. 24% are referred via the youth offending service, 3% above the national average. We are pleased to have a number of relatives referring into service, 50% more than the national average, which demonstrates that the service is well known.

We have developed the Switch building into a one-stop shop for Dudley’s young people and families and in turn welcomed Brook, the sexual health service, as part of that development. In November 2017 Switch Dudley was awarded a contract to train other professionals about substance misuse and the changing drug scene. There was great demand for this course and over 160 people were trained before March 2018 with positive feedback from the attendees.

Swanswell Worcestershire

Swanswell also provides a young person’s service in Worcestershire. We supported 78 young people (aged 13 to 21) with substance misuses issues to attend their assessment appointment and engage with treatment in 2017/18. The breakdown of those entering treatment is as follows:

Substance type	% of total service users
Alcohol and non-opiate	11.5%
Alcohol only	7.5%
Non-opiate only	78%
Opiate	2.5%

Families and carers

Our family and carer services support those affected by someone else’s substance misuse. We listen to each situation and the impact it has had on the family member or carer emotionally, physically, socially and financially. We then offer a wide range of services tailored to suit them.

East Sussex FACT

Our East Sussex Families and Carers service (ESFACT) provides advice and support to people who care for those with a dual diagnosis. Service users can often be isolated; ESFACT offers them a lifeline of support and a chance to meet others in a similar situation. The service saw an average of 100 families per quarter throughout the year. This included seeing people for assessments, group work and one-to-one support. The groups in particular are well attended, and receive positive feedback:

The group is the one place you can say the unsayable about the person you care for and not be judged.

The group makes me feel normal. There are lots of others going through the same as me.

The group is the only place I feel safe.

Swanswell Worcestershire

Swanswell provides a family service in Worcestershire. 140 people received support from the service, with 93% receiving a positive outcome.

Residential detox

This year has seen an increase in provision for high care clients at our City Roads residential detox service in Islington. As the emphasis has shifted from opiate detoxification to alcohol over the past few years, we have considered how to facilitate this more complex client group, who frequently have mobility and balance problems, and often need personal care assistance. With the increase in alcohol clients, our staff training programme has been expanded to ensure that their differing needs and presentations are understood and managed. Successful completions for City Roads continued at a very high level and are in excess of 80%.

Supported housing

Our supported housing services provide a vital pathway away from homelessness and often rough sleeping. They provide a home with stability where residents can begin to address their substance use and wider wellbeing.

West Hill and Ritherdon Road, London

West Hill is a high-support house with 24-hour staff cover and Ritherdon Road is covered on a floating support service with staff visiting three times a week.

We moved into West Hill in February 2017. Staff and residents have made good use of the garden with residents regularly maintaining it, having barbecues and obtaining new furniture for the summer house. The on-site gym is being used with a volunteer running twice-weekly sessions for residents at both houses.

Occupation has been excellent with West Hill at 99% and Ritherdon Road at 91%. There have been six planned positive move-ons from the houses, three of which went into private rented accommodation, one into a care home and two to family/previous homes. An ongoing challenge is accessing the private rented market; however, the service makes good use of the Wandsworth rent deposit scheme.

Swanswell Birmingham

Swanswell delivers part of the supporting people service for offenders, single people and people requiring support with mental health issues in Birmingham. We also support people living with HIV and TB. These services offer practical help around housing, budgeting, debt management, benefits, volunteering, training and employment.



*Nomsa Sibanda, HIV Support Worker
for Children and Young People, and Sam
Mountford, Assistant Service Manager*

Our Assistant Service Manager was a key speaker at the Recognising the Carer Conference and presented how our HIV service supports carers of children and adults living with HIV. We are also part of a new HIV peer mentoring model in Birmingham called Project 100, which offers people living with HIV the opportunity to become a peer mentor and deliver peer-led support across the area.

Domestic abuse

Our domestic abuse services offer a range of trauma-informed interventions for those perpetrating intimate partner violence. The programmes are designed to support any other treatment that the perpetrator may be involved with, and are first and foremost behavioural programmes.

During the year, Cranstoun was awarded the contract for the Sutton Domestic Violence Perpetrator Programme. This is a result of the development work that has been taking place, originating within our Islington service, and the growing evidence of success that Cranstoun's programme has seen. We are members of Respect and all of our existing perpetrator delivery is aligned to the Respect Outcomes Framework.

In 2017/18, we worked with 72 perpetrators and their partners in Islington and Sutton. 42 men were assessed in Islington where we provide linked substance misuse support alongside perpetrator intervention. Of these, 86% (36) committed to the programme and 81% completed over 30 hours of structured domestic violence prevention work.

Social value

In addition to the positive outcomes we achieve working with individual service users; we deliver wider social value for the communities in which our services operate. This includes the financial and non-financial impact that our programmes have as we seek to proactively enhance the wellbeing of individuals, communities and the environment through:

Investing in communities: We fully engage with the local economy and use local suppliers, employ local people and provide volunteer and social care student placements and training. We also secure additional funding through obtaining grants to improve local provision and provide community support for service users.

Involving people: We use our career pathway to invest in volunteers and service users, providing mentor training which is accredited by the National Council for Voluntary Organisations and introduce service users to skill-building opportunities and employment.

Influencing a collaborative approach: We deliver training to partner agencies to build workforce competency and promote a whole system approach to local challenges. We provide employees and volunteers with environmental training, operate a cycle to work scheme and have targets to reduce our carbon footprint. We establish co-location working arrangements and work in partnership to develop and deliver innovative services which respond to emerging needs and local requirements.

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.

We measure performance through a variety of indicators, including employee retention and absence, volunteering opportunities, engagement surveys and accreditations.

Our staff

Our rates of retention and employee absence remained strong in 2017/18, reflecting Cranstoun's high level of employee engagement. Retention for the year was 84%, against a national average of 77%¹ in 2016. Short term absence due to sickness was 1.82%, well within our organisational target of 3.5%.

Staff Recognition Scheme

Every four months, we ask for nominations from across the organisation for individuals or teams who have gone the extra mile. In 2017-18, 14 recognition awards were presented to teams and team members for their outstanding contribution in the following areas: people, performance, service users, growth, volunteers and peer mentors.

An extra day of leave

Cranstoun employees were gifted an additional day of annual leave for 2017/18, in celebration of the hard work and commitment our staff show, and in particular, for our place in the Sunday Times Best 100 Not for Profit Organisations to Work For.

Our volunteers

Cranstoun engaged 137 volunteers and 46 peer mentors in 2017/18; an average ratio of 1 volunteer to every 1.8 employees.

Our volunteers work with us for a variety of reasons. Our 2017 volunteer survey told us that our volunteers want to make a contribution to their community; learn new skills; gain work experience; and meet new people.

The survey also revealed that 98.5% of volunteers had their volunteering expectations fully or partially met. Significantly, 97% of volunteers said they feel valued by Cranstoun.

¹ XpertHR data on labour turnover across all sectors

Awards

The health and wellbeing of our employees is of utmost importance. We're a 'Mindful Employer' and retained our charter signatory status in 2017/18.

Cranstoun was assessed by Investors in People (IIP) between February and May 2018. Following this assessment, we were thrilled to receive a Gold standard IIP award for our approach to people management. The assessment reflects the strength of engagement and culture within Cranstoun. IIP commended Cranstoun for its focus, commitment and perseverance in what is becoming an ever challenging sector to work in. The assessor was struck by the consistency of Cranstoun's people practices and leadership overall and its culture of continuous improvement that links so closely to our value of innovation.

We achieved a place in the Sunday Times Best 100 Not for Profit Organisations to Work For 2017; climbing from position 68 in 2016, to 59 in 2017. In addition, we were awarded a one star accreditation from Best Companies in recognition of our high levels of employee engagement.

Learning and development

We have continued to invest in learning and development across the Cranstoun Group:

- We developed our eLearning platform and expanded the range of courses available. Across our nine mandatory and eight optional modules, Cranstoun staff completed 963 courses and Swanswell staff completed 1,034 courses.
- We delivered 106 classroom-based training sessions to Cranstoun staff and 132 classroom-based training sessions to Swanswell staff.
- We supported 15 employees to work towards a Level 3 qualification in either Health and Social Care or Business Administration.
- We enrolled new managers on a Level 5 diploma in Leadership & Management.
- We continued our commitment to supporting individuals towards professional qualifications e.g. HR, Project Management, Finance.

Apprenticeships

Cranstoun offered eight apprenticeship placements in 2017/18, supporting individuals to gain valuable work experience whilst working towards a qualification in either health and social care or business administration. Five of our apprentices have transitioned from volunteering/peer mentoring placements, as part of Cranstoun's Career Development Pathway.

Peer mentors

Our peer mentor scheme is accredited by the National Council for Voluntary Organisations, which is the national quality standard for mentoring and befriending projects.

Diversity

Cranstoun is an equal opportunities employer. All of our team members and applicants for employment are given equal opportunity in employment irrespective of their race, colour, religion, national origin, sex, disability, age, marital status or sexual orientation.

We are committed to preventing and discouraging discrimination, harassment and victimisation of any team member on any grounds.

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.

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 communication systems, 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.

Growth and Sustainability

Bringing positive change to more people

We want to extend our reach and provide our services to as many people as possible. We have invested in our development and innovation team to support growth across the following markets:

- Substance misuse
- Young people and families
- Mental health
- Supported housing
- Domestic abuse

Contract extensions

We continue to deliver high performing services and work closely with commissioners to maintain proactive and productive relationships. This is built on our belief that working flexibly in partnership helps both Cranstoun and commissioners to achieve objectives and overcome challenges. Combined, this has helped secure contract extensions in Worcestershire, Reading and West Berkshire.

Contracts and funding

West Midlands

Cranstoun was delighted to be awarded the following contracts:

- Sandwell Alcohol and Drug Service
- West Midlands Police Conditional Caution (Alcohol) Scheme
- Dudley Professional Training Programme
- Sutton Domestic Violence Perpetrator Service

And the following funding:

- West Berkshire Council - Specialist Family Safeguarding posts (pilot until June 2019)
- Public Health England - Individual Placement Scheme (two year pilot)
- East Sussex County Council - East Sussex Family and Carer Team (ESFACT)
- The Office of the Sussex Police and Crime Commissioner (ESFACT)

Research

We have continually developed our expertise, contributing to national and international learning. We have supported the establishment of a longitudinal study of group work interventions at Kings College London and sit on the steering group for this project. An independent evaluation of our Islington domestic abuse programme has been made available by Public Health England, and we have shared our experience within Respect guideline consultations. We are a member of the international learning alliance, researching and studying approaches into intimate partner violence with partners in Australia, Brazil and Spain.

Marketing and communications

We conducted a full review of our marketing and communications offer as part of a wider project aiming to fully integrate all of Cranstoun and Swanswell's operations. Following the review, during the last quarter of 2017-18 we launched a new website for Cranstoun. This is more interactive, user friendly and in line with our updated brand.

Financial Review

During 2017/18, total income was £24.4m (2017: £19.6m) and total expenditure £24.5m (2017: £19.6m). Cranstoun assumed control of Swanswell in December 2016 and the increase in both income and expenditure largely arises from the results of Swanswell being consolidated in the Group accounts for a full year in 2017/18.

The result for the year was an overall reduction in funds of £58k (2017: £78k increase). This is after charging an exceptional item of £253k relating to the lease of Swanswell's former head office at Hilton House, Rugby. This was vacated in December 2017 with all operations now serviced from Cranstoun's central office in Esher. The property is being marketed and it is hoped that it can be let in due course. However, as the lease currently has no demonstrable future economic benefit it is classified, for accounting purposes, as an onerous lease and consequently all future lease payments must be provided at the balance sheet date. This adjustment is a timing difference and the provisions will reverse over future accounting periods. Without this adjustment the group produced an overall surplus of £195k.

This underlying surplus primarily reflects the solid financial performance of the community services offset by income reductions from variable occupancy levels at residential services. To address the ongoing funding issues and lack of demand for high care residential services regrettably the Trustees made the decision to close the Trelawn House service during the year.

The financial position at the end of the year remained secure, with a net cash position in the charity of £2.4m (2017: £3.4m) and in the group of £3.3m (2017: £3.7m). The net current assets increased in the charity from £1.1m in 2017 to £1.3m in 2018 and in the group from £1.3m in 2017 to £1.8m in 2018, as a result of the underlying surplus. Total reserves of the charity at the end of the year were £3.5m (2017: £3.4m) and total reserves of the group £3.6m (2017: £3.7m).

Investment Policy

Cranstoun maintains a portfolio of investments of £1.1m (2017: £1.1m), 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. In 2017/18, the fund failed to reach this target, achieving a total real return of -2.7% against the target return of 7.5%, due to stock market volatility during the period.

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.

Reserves Policy (continued)

The Cranstoun Group maintains 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 2018 Cranstoun's total unrestricted funds were £3.5m and unrestricted funds not committed or invested in tangible fixed assets or otherwise designated ('the free reserves') were £2.2m. 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 £2.1m and £2.8m and therefore, at present, the free reserves are within this target range.

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 2018 is considered to be £285k of free reserves and the level of free reserves, at £138k, is below the stated requirement. However, the Charity is operating sustainably and the onerous lease provision will reverse over the next three financial years at a rate of £94k per annum to generate future surpluses.

At 31 March 2018 the free reserves of the Cranstoun group were £2.4m. This compares with a combined target level of free reserves for the group entities of between £2.4m and £3.1m. The group's current total free reserves are therefore within 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.

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

A major focus, following the end of the 2017/18 financial year, has been the development of the Cranstoun Group's new three-year strategic plan for the period 2018 to 2021. This builds on our high levels of staff engagement and loyalty and seeks to maintain Cranstoun's excellent reputation for service delivery, quality and providing excellent value for money. To this end Cranstoun has recently invested in business development, care quality and governance and clinical structures in order to grow and expand our service portfolio. Our organisational strategy for 2018-21 supports these key strategic priorities and builds on our assets to place Cranstoun in a strong position and best serve our beneficiaries.

In summary, Cranstoun's strategic priorities will be:

- Growth of 10% each year through obtaining new contracts, taking advantage of merger opportunities and, where appropriate, expanding in associated markets.
- Further developing care quality systems to ensure that our services maintain their high performance levels and are delivering the highest quality.
- Building our offer to employees and volunteers to maintain high levels of commitment, engagement, expertise and professionalism.
- Ensuring performance is consistently high, maintaining good practice through external accreditations and expanding and developing our use of digital solutions and technology.
- To work with our service users and staff to embed a systematic approach to co-production.
- Developing an integrated marketing and communications strategy to raise the profile of Cranstoun and support our organisational objectives.

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



Richard Pertwee
Chair
21 November 2018



Katharine Patel
Deputy Chair and Honorary Treasurer

Reference and Administrative Details for the Year Ended 31 March 2018

Company Number: 3306337

Charity Number: 1061582

Principal/Registered Office:

Thames Mews
Portsmouth Road
Esher
Surrey KT10 9AD
t: 020 8335 1830

Board of Trustees:

Chair
Deputy Chair
Deputy Chair (from 22 March 2018) and Honorary Treasurer

Richard Pertwee
Linda Moir (to 21 March 2018)
Katharine Patel
Franklin Apfel
Charlotte Bunyan (to 11 September 2018)
Cees Goos
Wayne Haywood
Faith Jenner
Steve Rossell (to 30 April 2017)

Senior Management Team:

Executive Director – Finance
Executive Director – Operations
Executive Director – HR & Governance
Clinical Director
Director of Care, Quality and Governance
Director of Operations
Director of Operations
Director of Operations
Director of Development & Innovation

Martin Holly FCA
Peter Glass
Kim Coles
Jeff Madzura
Jason Warriner
Niamh Donnelly
Annie Steele
Wendy Taylor
Clare Maryan

Bankers:

National Westminster Bank
PO Box 2BA
69 Baker Street
London W1A 2BA

Independent Auditor:

haysmacintyre
10 Queen Street Place
London EC4R 1AG

Solicitors:

Blake Morgan LLP	Edell Jones & Lessers
New Kings Court	First Floor, 54-56 Barking Road
Chandler's Ford	East Ham
Eastleigh SO53 3LG	London E6 3BP

Investment Managers:

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

Independent Auditor's Report to the Members and Trustees of Cranstoun

Opinion

We have audited the financial statements of Cranstoun for the year ended 31 March 2018 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 2018, 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) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' 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.



Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 26 November 2018

Financial Statements

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the Year Ended 31 March 2018

		Unrestricted Funds £'000	2018 Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	2017 Restricted Funds £'000	Total Funds £'000
Note							
	Income from:						
	Donations and legacies	12	-	12	9	-	9
	Charitable activities:						
	Residential services	1,822	115	1,937	1,975	115	2,090
	Community services	22,386	43	22,429	17,043	118	17,161
2		24,208	158	24,366	19,018	233	19,251
	Investments	9	-	9	25	-	25
	Acquisition of Swanswell	-	-	-	226	49	275
3		-	-	-	-	-	-
	Total income	24,229	158	24,387	19,278	282	19,560
	Expenditure on:						
	Charitable activities:						
	Residential services	2,180	115	2,295	2,493	115	2,608
	Community services	21,847	60	21,907	16,884	150	17,034
4		24,027	175	24,202	19,377	265	19,642
	Exceptional Items						
	Onerous Lease	253	-	253	-	-	-
6		-	-	-	-	-	-
	Total Expenditure	24,280	175	24,455	19,377	265	19,642
	Net gains on investments	10	-	10	160	-	160
	Net (expenditure)/income and net movement in funds	(41)	(17)	(58)	61	17	78
	Reconciliation of funds						
	Total funds brought forward	3,653	17	3,670	3,592	-	3,592
18	Total funds carried forward	3,612	-	3,612	3,653	17	3,670

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 2018
Company No. 3306337

	Note	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Fixed assets					
Tangible fixed assets	11	1,242	1,446	1,242	1,361
Investments	13	1,098	1,088	1,098	1,088
		<u>2,340</u>	<u>2,534</u>	<u>2,340</u>	<u>2,449</u>
Current assets					
Debtors	14	3,505	2,304	3,026	1,659
Cash at bank and in hand		<u>3,278</u>	<u>3,726</u>	<u>2,422</u>	<u>3,400</u>
		6,783	6,030	5,448	5,059
Current liabilities					
Creditors falling due within one year	15	(4,998)	(4,759)	(4,135)	(3,969)
		<u>1,785</u>	<u>1,271</u>	<u>1,313</u>	<u>1,090</u>
Net current assets					
		<u>4,125</u>	<u>3,805</u>	<u>3,653</u>	<u>3,539</u>
Total assets less current liabilities					
Creditors falling due after more than one year	15	(260)	(135)	(180)	(135)
Provision for liabilities	16	(253)	-	-	-
Net assets		<u><u>3,612</u></u>	<u><u>3,670</u></u>	<u><u>3,473</u></u>	<u><u>3,404</u></u>
Represented by:					
Unrestricted funds					
Designated funds	18	1,242	1,446	1,242	1,361
General funds	18	<u>2,370</u>	<u>2,207</u>	<u>2,231</u>	<u>2,043</u>
Total unrestricted funds		3,612	3,653	3,473	3,404
Restricted funds	18	-	17	-	-
Total funds		<u><u>3,612</u></u>	<u><u>3,670</u></u>	<u><u>3,473</u></u>	<u><u>3,404</u></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 surplus for the year was £69k (2017: (£188k)).

The financial statements were approved and authorised for issue by the Board of Trustees on 21 November 2018 and signed on their behalf by:



Richard Pertwee
Chair



Katharine Patel
Deputy Chair and Honorary Treasurer

Consolidated and Parent Charitable Company Statement of Cash Flows for the Year Ended 31 March 2018

	Note	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Net cash used in operating activities	24	(443)	(290)	(972)	(460)
Cash flows from investing activities					
Investment income and interest receivable		9	25	8	24
Purchase of property, plant and equipment		(19)	(47)	(19)	(47)
Proceeds from sale of assets		5	92	5	92
Net cash acquired with subsidiary undertaking		-	155	-	-
Net cash (used in)/provided by investing activities		(5)	225	(6)	69
Change in cash and cash equivalents in the year		(448)	(65)	(978)	(391)
Cash and cash equivalents at the beginning of the year		3,726	3,791	3,400	3,791
Cash and cash equivalents at the end of the year		3,278	3,726	2,422	3,400

Notes to the Financial Statements for the Year Ended 31 March 2018

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 2015), 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 Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and those of its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis and on an acquisition basis 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 associated service contract
Fixtures & fittings, equipment & motor vehicles	4 years
Refurbishment	10 years

Depreciation on the freehold property is charged over 100 years on the basis that the Trustees consider the economic life of the property and its residual value, excluding inflation, is such that depreciation is not significant. The value of the 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 groups 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 2018 £'000
Residential services			
Board and lodging charges	1,822	115	1,937
	<u>1,822</u>	<u>115</u>	<u>1,937</u>
Community services			
Local authorities	22,221	-	22,221
Charitable Trusts	-	43	43
Other income	165	-	165
	<u>22,386</u>	<u>43</u>	<u>22,429</u>
	<u>24,208</u>	<u>158</u>	<u>24,366</u>

INCOME FROM CHARITABLE ACTIVITIES PREVIOUS YEAR

	General Funds £'000	Restricted Funds £'000	Total 2017 £'000
Residential services			
Board and lodging charges	1,973	115	2,088
Other income	2	-	2
	<u>1,975</u>	<u>115</u>	<u>2,090</u>
Community services			
Local authorities	16,963	80	17,043
Charitable Trusts	-	38	38
Other income	80	-	80
	<u>17,043</u>	<u>118</u>	<u>17,161</u>
	<u>19,018</u>	<u>233</u>	<u>19,251</u>

3. INCOME ARISING FROM ACQUISITION OF SUBSIDIARY

On 15 of December 2016, Swanswell Charitable Trust, a charitable company incorporated in England and Wales (charity no. 1074891, company no. 03692925) appointed Cranstoun the sole member of the charity. In accordance with the SORP, at this point, control was considered to have passed to Cranstoun and Swanswell has thereafter been treated as a subsidiary of Cranstoun and consolidated in the financial statements. This combination has been accounted for using acquisition accounting.

As the transfer of control was for nil consideration, the fair value of the assets acquired was recognised as income in the prior year.

The fair value of the assets acquired and liabilities as at the date of acquisition and the gain therefore recognised is summarised as follows:

	Book Value Before Acquisition £'000	Fair Value Adjustments £'000	Book Value at Date of Acquisition £'000
Fixed Assets	120	-	120
Debtors	596	-	596
Cash	450	-	450
Creditors	(891)	-	(891)
	275	-	275

In the prior year from the date of acquisition, Swanswell Charitable Trust contributed income of £1,954k, expenditure of £1,964k and a net deficit in group funds of £10k. The amounts are included in the consolidated statement of financial activities.

4. TOTAL EXPENDITURE

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 5) £'000	Total 2018 £'000
Cost of charitable activities				
Residential services	1,568	497	230	2,295
Community services	9,087	11,031	1,789	21,907
	10,655	11,528	2,019	24,202

TOTAL EXPENDITURE PREVIOUS YEAR

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 5) £'000	Total 2017 £'000
Cost of charitable activities				
Residential services	1,783	507	318	2,608
Community services	5,618	10,169	1,247	17,034
	7,401	10,676	1,565	19,642

5. ANALYSIS OF SUPPORT COSTS

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2018 £'000
Cost of charitable activities					
Residential services	61	112	46	11	230
Community services	358	930	403	98	1,789
	<u>419</u>	<u>1,042</u>	<u>449</u>	<u>109</u>	<u>2,019</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 2017 £'000
Cost of charitable activities					
Residential services	93	172	40	13	318
Community services	318	673	185	71	1,247
	<u>411</u>	<u>845</u>	<u>225</u>	<u>84</u>	<u>1,565</u>
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

6. EXCEPTIONAL ITEM - RECOGNITION OF ONEROUS LEASE PROVISION

The charity's subsidiary, Swanswell Charitable Trust vacated its former head office at Hilton House, Rugby in December 2017 as all operations are now serviced from Cranstoun's central office in Esher. The lease has no future economic benefit and is therefore classified as an onerous lease and consequently all future lease payments have been provided for at the balance sheet date resulting in a one off charge of £253k.

7. 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 trustee. Steve Rossell received remuneration and employment benefits in connection with his employment as the charity's Chief Executive up to his resignation in April 2017. Such payments are made in accordance with the charity's amended articles following the consent of the Charity Commission. The amount paid in the current financial year in accordance with the provision in the charity's articles were salary £8,989 (2017: £107,852) pension contributions £1,228 (2017: £14,728) and benefits £780 (2017: £5,796)

During the year £2,943 (2017: £1,514) was reimbursed to eight (2017: eight) Trustees for travel expenses incurred in the course of charity business.

8. NET (EXPENDITURE)/INCOME FOR THE YEAR

This is stated after charging:

	2018 £'000	2017 £'000
Auditor's remuneration - Statutory Audit (Parent charity)	22	18
Auditor's remuneration - Non audit services (Parent charity)	1	8
Depreciation	219	158
Operating lease rentals	<u>896</u>	<u>681</u>

9. EMPLOYEES

	2018 £'000	2017 £'000
Wages and salaries	9,283	6,402
Social security	846	583
Pension costs	248	197
Redundancy and termination payments	<u>65</u>	<u>51</u>
	<u>10,442</u>	<u>7,233</u>

The monthly average head count was 391 staff (2017: 247 staff).

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

	2018 Number	2017 Number
£60,000 to £70,000	1	-
£80,000 to £90,000	-	1
£90,000 to £100,000	2	1
£110,000 to £120,000	<u>-</u>	<u>1</u>

The total employee benefits of the senior management team (key management personnel) were £760,141 (2017: £600,911). In 2017, the results of Swanswell were consolidated from the acquisition date and the increase is due to the results being consolidated for the full year in 2018.

10. TAXATION

The Charity's activities are exempt from corporation tax.

11. TANGIBLE FIXED ASSETS

Group

	Furniture & Equipment £'000	Motor Vehicle £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost					
At 1 April 2017	213	9	1,105	417	1,744
Additions	19	-	-	-	19
Disposals	-	(9)	-	-	(9)
At 31 March 2018	232	-	1,105	417	1,754
Accumulated depreciation					
At 1 April 2017	62	4	107	125	298
Charge for the year	96	1	11	111	219
Disposals	-	(5)	-	-	(5)
At 31 March 2017	158	-	118	236	512
Net book value at 31 March 2018	74	-	987	181	1,242
Net book value at 1 April 2017	151	5	998	292	1,446

Charity

	Furniture & Equipment £'000	Motor Vehicle £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost					
At 1 April 2017	134	9	1,105	376	1,624
Additions	19	-	-	-	19
Disposals	-	(9)	-	-	(9)
At 31 March 2018	153	-	1,105	376	1,634
Accumulated depreciation					
At 1 April 2017	42	4	107	110	263
Charge for the year	37	1	11	85	134
Disposals	-	(5)	-	-	(5)
At 31 March 2018	79	-	118	195	392
Net book value at 31 March 2018	74	-	987	181	1,242
Net book value at 1 April 2017	92	5	998	266	1,361

12. SUBSIDIARY UNDERTAKINGS

As detailed on note 3 of the accounts, 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. Audited accounts for Swanswell Charitable Trust are filed with the registrar of companies. The net assets and funds as at 31 March 2018 are £138,457 (2017 £265,210). A summary of the results for the year ended 31 March 2018 is shown below.

	2018 £'000	2017 £'000
Total income	7,186	8,529
Total expenditure	(7,313)	(9,312)
Net expenditure and movement in funds	(127)	(783)

13. GROUP AND CHARITY INVESTMENTS

	2018 £'000	2017 £'000
Investment portfolio		
Market value at 1 April 2017	1,088	928
Net gains on revaluation	10	160
Market value at 31 March 2018	<u>1,098</u>	<u>1,088</u>
Historical cost at 31 March 2018	<u>741</u>	<u>741</u>

This is made up as follows:

	£'000
Analysis of investments	
Listed Investments	1,009
Cash	89
	<u>1,098</u>

14. DEBTORS

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Trade debtors	2,324	1,374	2,170	1,295
Prepayments and accrued income	1,167	886	794	328
Amounts owed by subsidiary undertaking	-	-	50	13
Other debtors	14	44	12	23
	<u>3,505</u>	<u>2,304</u>	<u>3,026</u>	<u>1,659</u>

15. CREDITORS

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Amounts Falling Due Within One Year				
Trade creditors	1,147	1,677	791	1,444
Accruals	1,260	984	980	581
Deferred income	2,182	1,698	2,047	1,653
Social Security & other taxes	234	221	164	140
Pension contributions	43	40	31	22
Other creditors	132	139	122	129
	<u>4,998</u>	<u>4,759</u>	<u>4,135</u>	<u>3,969</u>
Amounts Falling Due After More Than One Year				
Accruals	<u>260</u>	<u>135</u>	<u>180</u>	<u>135</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.

16. 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, during the year, 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.

17. 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 £247,962 (2017: £197,380). 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 2018 the number of Swanswell's employees who were members of the NHS Pension Scheme was six.

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:

Full actuarial (funding valuation)

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates. The last published actuarial valuation undertaken for the NHS pension scheme was completed for the year ended 31 March 2012, and was published in June 2014. As a result of the valuation, employer contribution rates increased on 1 April 2015 from 14 per cent to 14.3 per cent. The scheme regulations allow contribution rates to be set by the Secretary of State for Health with the consent of HM Treasury, and in consideration of the advice of the scheme actuary and appropriate employee and employer representatives as deemed appropriate. As and from the 1 April 2017 the employers contribution rate was increased from 14.3 to 14.38 per cent.

Accounting Valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2012 (published in 2014) is based on detailed membership data as at 31 March 2012 with summary global member and accounting data. The next actuarial valuation is due in March 2017. The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS pension scheme (England and Wales) resource account published each year. You can see these accounts on the NHS pension website, or get copies from The Stationery Office.

18. STATEMENT OF FUNDS

Group

	Balance at 01-Apr-17 £'000	<u>Movement in resources</u>		Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-18 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	17	43	(60)	-	-	-
Total Restricted Funds	17	158	(175)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,446	-	-	-	(204)	1,242
Total Designated Funds	1,446	-	-	-	(204)	1,242
General Funds	2,207	24,229	(24,280)	10	204	2,370
Total Unrestricted Funds	3,653	24,229	(24,280)	10	-	3,612
Total Funds	3,670	24,387	(24,455)	10	-	3,612

Charity

	Balance at 01-Apr-17 £'000	<u>Movement in resources</u>		Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-18 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	43	(43)	-	-	-
Total Restricted Funds	-	158	(158)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,361	-	-	-	(119)	1,242
Total Designated Funds	1,361	-	-	-	(119)	1,242
General Funds	2,043	17,044	(16,985)	10	119	2,231
Total Unrestricted Funds	3,404	17,044	(16,985)	10	-	3,473
Total Funds	3,404	17,202	(17,143)	10	-	3,473

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-16 £'000	Movement in resources		Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-17 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	167	(150)	-	-	17
Total Restricted Funds	-	282	(265)	-	-	17
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,519	-	-	-	(73)	1,446
Total Designated Funds	1,519	-	-	-	(73)	1,446
General Funds	2,073	19,278	(19,377)	160	73	2,207
Total Unrestricted Funds	3,592	19,278	(19,377)	160	-	3,653
Total Funds	3,592	19,560	(19,642)	160	-	3,670

Charity

	Balance at 01-Apr-16 £'000	Movement in resources		Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-17 £'000
		Incoming £'000	Outgoing £'000			
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	107	(107)	-	-	-
Total Restricted Funds	-	222	(222)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,519	-	-	-	(158)	1,361
Total Designated Funds	1,519	-	-	-	(158)	1,361
General Funds	2,073	17,108	(17,456)	160	158	2,043
Total Unrestricted Funds	3,592	17,108	(17,456)	160	-	3,404
Total Funds	3,592	17,330	(17,678)	160	-	3,404

19. 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	1,242	-	-	-	1,242
General funds	-	1,098	6,783	(5,511)	2,370
Total Funds	1,242	1,098	6,783	(5,511)	3,612

Charity

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	1,242	-	-	-	1,242
General funds	-	1,098	5,448	(4,315)	2,231
Total Funds	1,242	1,098	5,448	(4,315)	3,473

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	1,446	-	-	-	1,446
General funds	-	1,088	6,013	(4,894)	2,207
Restricted funds			17		17
Total Funds	<u>1,446</u>	<u>1,088</u>	<u>6,030</u>	<u>(4,894)</u>	<u>3,670</u>

Charity

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	1,361	-	-	-	1,361
General funds	-	1,088	5,059	(4,104)	2,043
Total Funds	<u>1,361</u>	<u>1,088</u>	<u>5,059</u>	<u>(4,104)</u>	<u>3,404</u>

20. 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.

21. LEASE COMMITMENTS

At 31 March 2018, the group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 Land and Buildings £'000	2018 Other £'000	2017 Land and Buildings £'000	2017 Other £'000
Payments due in:				
Not later than 1 year	721	13	863	37
Later than 1 year and not later than 5 years	1,583	21	1,841	4
More than 5 years	624	-	732	-
	<u>2,928</u>	<u>34</u>	<u>3,436</u>	<u>41</u>

22. CAPITAL COMMITMENTS

There are no capital commitments.

23. CONTINGENT LIABILITIES

There are no contingent liabilities.

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

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Net (expenditure)/income for the year	(58)	78	69	(188)
Depreciation charges	219	158	134	123
(Gains)/losses on investments	(10)	(160)	(10)	(160)
Dividends, interest and rents from investments	(9)	(25)	(8)	(24)
Gain on sale of fixed assets	(1)	(10)	(1)	(10)
(Increase)/decrease in debtors	(1,201)	(1,017)	(1,367)	(372)
Increase in creditors	364	961	211	171
Gain on acquisition of Swanswell	-	(275)	-	-
Onerous Lease Provision	253	-	-	-
Net Cash used in operating activities	<u>(443)</u>	<u>(290)</u>	<u>(972)</u>	<u>(460)</u>

25. 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 £259,833 (2017: £253,265).

26. FINANCIAL INSTRUMENTS

Cranstoun had the following financial instruments

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Financial assets measured at fair value through profit and loss	<u>1,009</u>	<u>1,088</u>	<u>1,009</u>	<u>1,088</u>
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	2,324	1,374	2,170	1,295
Amounts owed to group undertaking	-	-	50	13
Other debtors	14	44	12	23
	<u>2,338</u>	<u>1,418</u>	<u>2,232</u>	<u>1,331</u>
Cash and cash equivalents	<u>3,367</u>	<u>3,726</u>	<u>2,511</u>	<u>3,400</u>
Financial liabilities measured at amortised cost				
Trade creditors	1,147	1,677	791	1,444
Other creditors	132	139	122	129
	<u>1,279</u>	<u>1,816</u>	<u>913</u>	<u>1,573</u>

27. RELATED PARTY TRANSACTIONS

During the year Cranstoun recharged costs totalling £391,834 (2017: £13,196) to Swanswell its subsidiary undertaking. At the balance sheet date a balance of £50,153 (2017: £13,196) was owed to Cranstoun.