



## TRUSTEES' ANNUAL REPORT 2018-19

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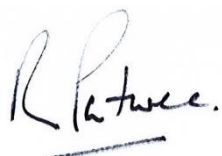
## Welcome from the Chair

As Cranstoun's Chair, my role is to steer the strategic direction of the organisation, strengthen our governance and look for the highest quality of support for our beneficiaries.

Working closely with my fellow Trustees and with Cranstoun's leadership team, our values inform all that we do. So we are **ambitious** for our service users and the organisation, we act with **compassion** and **integrity**, we respond flexibly and **innovatively** in how we deliver and develop our services and we are **inclusive**, always seeking to walk alongside our service users on their journey.

This year we have strengthened our governance through our newly formed Quality, Governance and Safety Committee. Since the end of the financial year, four new Trustees have joined the Board. They bring with them a range of skills and experience which reflect our firm commitment to continuous improvement and service excellence. Also following the end of the year, Faith Jenner decided to step down as a trustee following nearly nine years on the board; Faith will be greatly missed, having made an enormous contribution to the charity over that time, and we wish her well for the future.

My thanks go to all of Cranstoun's dedicated staff, without whom this would not be possible and who work so hard to make a difference.

A handwritten signature in black ink, appearing to read 'R. Pertwee.', with a horizontal line underneath.

Richard Pertwee  
Chair of the Board of Trustees

## Welcome from the Leadership Team

We are incredibly proud to be leading Cranstoun; even more so whilst we celebrate our 50<sup>th</sup> year of helping people to make positive changes. We have much to be proud of as we reflect on 2018-19, and much to look forward to as we plan for the future.

Operating in an environment of increasing financial constraints and political uncertainty, our focus and attention has remained on **empowering people to live healthy, safe and happy lives**. Our dedicated staff teams work hard every day to support this vision.

We have worked with 18,200 individuals across our services throughout the year, supporting them to improve their lives. Our partnership approach is key to how we operate; we work with service users, staff, NHS, local agencies, funders, communities and families and carers to provide the best possible service to the individuals we support.

Our commitment to keeping people safe is paramount. Our continued focus on service development and improvement has enabled us to provide the best possible service to those who need it most.

All of Cranstoun's staff, our management teams and our many volunteers and peer mentors make Cranstoun the fantastic place it is today.



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



## Trustees' Report

The Trustees of Cranstoun present their report and financial statements for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 40 to 43 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 32. All Trustees are members of the charity and agree to contribute £1 in the event of a winding up. All Trustees present themselves for election at the first Trustees' meeting, following their appointment and thereafter one third of the Trustees stand for re-election each year. As a company limited by guarantee, with no share capital, none of the Trustees has any beneficial interest in the charitable company.

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

### Nomination & Remuneration Committee (NaRC)

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

### Finance & Audit Committee

Chair     Katharine Patel  
             Richard Pertwee  
             Thomas Rutherford

### Quality, Governance & Safety Committee

Chair     Jason Warriner  
             Franklin Apfel  
             Cees Goos  
             Jeff Madzura

## **Selection and Appointment of Trustees**

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

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

Trustees are selected against the requirements of a ratified 'Board Role Profile' and 'Trustee Person Specification', which identify the relevant skill and knowledge sets being sought by the charity. New Trustees' induction includes the provision of a Trustee Directory, which details roles and responsibilities of Trustees and presents the strategic and operational plans of the charity. Further induction incorporates visits to operational sites with additional training or support provided according to identified need.

## **Statement of Trustees' Responsibilities**

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.

- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it's inappropriate to presume that the charitable company will continue in business.

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

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

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

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

### **Pay Policy for Senior Staff**

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



## Objectives and Activities

### Vision, mission and values

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

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

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

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

#### Our values

Ambition	Compassion	Innovation	Integrity	Inclusivity
We believe in our service users, our staff and our organisation, and strive to achieve service excellence	We act with care and consideration at all times.	We encourage new ideas and respond intelligently and flexibly to local needs.	We are honest, open and accountable.	We make our services accessible to all members of the community and treat everyone with respect and dignity.

Cranstoun's vision, mission and values provide the organisation with a clear purpose, supporting all of our areas of focus, including substance misuse, young people and families, mental health, housing 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.	Adult 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 high quality, safe and successful services and in the rest of this section we concentrate on the charity's achievements, performance and impact during 2018/19.

## HEALTHY

We received over 12,500 referrals into our services

80% of our adult service users reported stable or improved physical health

94% of young people achieved the goals agreed on their care plans

## SAFE

Almost 700 people accessed needle exchange services facilitated by Cranstoun

We provided over 1200 naloxone kits to our service users

All services inspected in 2018/19 were rated as 'Good' by the Care Quality Commission

## HAPPY

We worked with over 9,500 adults and young people across all types of treatment, with 26% completing successfully (3% more than the national average)

86% of adults reported an overall stable or improved quality of life

82% of young people reported they were equally or more satisfied with their lives by the end of treatment



## Performance

### 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.

Cranstoun delivers adult community services in the following areas:

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

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

56% of adults successfully  
exited our services (8%  
more than the national  
average)

Over 12,000 adults were  
referred to our services in  
2018-19

### Individual Placement and Support (IPS) trial in Brighton & Hove

IPS is an evidence-based programme that aims to help people who experience severe mental health conditions find and retain employment. In November 2017, Public Health England announced seven local authority areas selected to take part in a controlled IPS trial for people in community treatment services for drug and/or alcohol dependency. Our Pavilions service in Brighton & Hove has been taking part in this large-scale pilot. In 2018-19, our Employment Specialists have worked with 77 clients with the aim of supporting them into paid employment. This active support provided to our service users into paid employment is paramount to the recovery pathway and in helping people stay well. The trial will continue until September 2020.

### Divert Pilot in West Berkshire

Working in partnership with Thames Valley Police, our West Berkshire service has supported a drugs diversion pilot scheme. The nine month pilot aims to reduce the harm caused by the use of drugs and drug-related offences, by allowing offenders in possession of small quantities of illegal drugs an opportunity to be offered a tailored diversion route through our West Berkshire recovery service. The scheme aims to educate individuals about the risks posed by drugs through a specialist support programme, and at the same time, freeing both police and judicial resources. Of the individuals who attended an initial assessment, 89% of them completed the programme. The success of this trial, coupled with Cranstoun's relationship with Thames Valley Police has led to plans to commence another divert pilot in our Resilience service in Windsor & Maidenhead.

### Blue Light Project

We have continued to support high impact, change resistant, dependent drinkers in Worcester, Sandwell and West Berkshire through the Blue Light project, shortlisted for the Guardian Public Health & Wellbeing Award 2019 and the RSPH Healthier Lifestyles Award 2019. This brings local agencies together, who we train, to provide a high intensity multi disciplinary team around the client. Following Worcester's success, we have supported partners to implement a Blue Light approach in Redditch. We completed Blue light training with representatives from key agencies including Public Health, Health Trust, Police, Criminal Justice, Safeguarding and Housing in September 2018.

"I have been working with P throughout my recovery (142 days clean and sober today) - and if it wasn't for P's kindness, care, patience and guidance, I would not be alive today. There is no shadow of a doubt that I would have ended my life, but it is thanks to Pavilions, the wonderful reception team, and especially P, that I am not only alive, but living life today."

- A Pavilions service user

## Residential detox

After 40 years of operation, the City Roads service was closed in May 2019. City Roads served residents of London and the Home Counties for many years, both as a crisis intervention unit, and more recently as a high care detoxification facility. Cranstoun continued to value and support the service which was often the last resort for those with long term dependence or complex issues. However, year on year funding reductions have steadily reduced referrals and income levels well below the level required to sustain the service.



**Carmel Clancy**  
@CarmelClancy1

There are very few who have worked in the area of addictions that won't recognise the profound loss that will be felt due to this closure - thank you City roads for your care of and commitment to individuals impacted by drug and alcohol use - what a great shame !  
[@Cranstoun\\_org](#)



**Peter Baxendale**  
@peter\_baxman52

Replying to [@Cranstoun\\_org](#)

I must have carried out over 100 assessments at City Roads and seen many people start on their road to recovery. Even those that never made it say that City Roads was a place in a million. So sad to see you close but be sure you've changed the lives of thousands.



**John Jolly #FBPE**  
@JohnJolly64

Our sector is losing decades of knowledge and hard won skills. I like others am deeply sad at the loss of City Roads





## Supported housing

Cranstoun offers both supported housing provision and community-based floating support.

Our supported housing services in Wandsworth deliver holistic support targeted to develop living skills and help people to access community services and networks.

Our floating support services in Birmingham provide support to residents living with mental health issues; single adults at risk of homelessness; adults with current or historic offending issues; and individuals and their families living with HIV/TB. We provide support within individual's homes, assisting them with housing and social-related issues.

## Families and carers

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

### Family Safeguarding Model in West Berkshire

Since March 2018, our service in West Berkshire has been working with the local authority to deliver a phase 2 pilot of the Family Safeguarding model approach within Children's Services. The approach targets families referred for Children in Need or Child Protection plans, working holistically with families to keep children safe within their homes. Our specialist workers are embedded within children's social services and work with the Family Safeguarding team to support those identified with substance misuse issues. This approach ensures that families receive a multi-agency approach within the home to address a diverse range of challenges. The positive impact of this pilot is evident in the reduced number of Child Protection plans and Looked-after Children cases after the first year of delivery. Children's exposure to harmful parental behaviours has been shown to have reduced, and families have been supported to achieve and sustain positive change and retain children within the family environment.

We received almost 1,200 referrals into our supported housing services

97% of service users accessing our floating support service in Birmingham exited treatment successfully

78% of families and carers say they received recovery support that made a difference



## 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.

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

We provide services to young people in Dudley, Sutton and Buckinghamshire (from October 2018). Some of the highlights from our young people services are below:

### Health

Our Switch services in Dudley, Sutton and Buckinghamshire completed a self-assessment against the Department of Health's *You're Welcome* quality criteria - good practice guidance and evidence of what improves the experiences of children and young people, enhancing their health outcomes. Each service scored highly, meeting all eight *You're Welcome* standards. We are now using the results to advance our offer even further in 2019/20 and ensure we continue to offer high quality support that enables children and young people to live healthy, safe and happy lives.

### Wellbeing

During 2018 Switch Dudley partnered with Brook Sexual Health Service to develop an integrated wellbeing promotion and treatment hub. The service provides both generic and targeted advice and support to meet the needs of children and young people who require interventions that will promote their wellbeing and improve resilience, delivering treatment and therapy for a range of risk taking behaviours.



## Domestic abuse

Cranstoun has extended its portfolio within the domestic abuse field and delivers perpetrator services at every level of complexity.

Our East Sussex *Make a Change* programme is a community-focused response to the perpetration of domestic abuse, which includes work at community, professional and specialist service levels. We intervene at an early stage with those perpetrating abusive behaviours within their relationships, increasing the safety of ex-partners.

Working in partnership with domestic abuse charities, we delivered the first full perpetrator programme (the Men & Masculinities Programme) for substance users in the UK, which has enabled us to extend the scope of our interventions across a range of new services. Cranstoun's *Men & Masculinities Programme* is delivered in the London Boroughs of Ealing, Hounslow and Sutton. Our Ealing & Hounslow programmes have been extended thanks to a grant from the National Lottery Community Fund and the Esmée Fairbairn Foundation.

Cranstoun is delivering the Drive Project in Worcestershire, a national domestic abuse pilot to tackle and reduce domestic abuse. This is achieved by working directly with the perpetrators, supporting them to change their behaviour and encourage healthy relationships. If the perpetrator does not wish to change, we work closely with partner agencies to identify ways to disrupt their behaviour in order to continue to protect the victim. The aim is to move from away from the statement 'why doesn't she leave?' and focus on 'why doesn't he stop?' Drive is being evaluated by the University of Bristol and early indications are that it is working well and achieving its aims.

Following referral into our  
M&M programme in Sutton,  
96% of men completed  
assessment

Of these, 98% of men  
entered treatment following  
assessment

Of these, 96% of men  
completed treatment

## Partnership working

For people to have the opportunity to live a healthy, safe and happy life, we have been working ever closer with our community partners. In practice this means looking at ways we can make it easier for people to access what they need, when they need it.

Every day, our staff work in partnership at all levels to ensure we put our service users first.

We've also continued to work with our commissioners who we see as a pivotal part of the service partnership and delivery. In line with our values (ambition, compassion, innovation, integrity and inclusivity), we develop positive and productive relationships to deliver consistently great results for both service users and commissioners.

"Overall, our service is extremely happy with our partnership with Pavilions, and whenever we have needed any specific support we have found Pavilions staff at all levels responsive and open to feedback or suggestions."

*Pavilions  
survey feedback*

"I am proud of Cranstoun; their ambition, compassion, innovation, and integrity are evident in the service they deliver in Reading."

*Sally Andersen,  
Reading Borough Council*

"I feel that this new clinic at Cranstoun has been of great benefit and by engaging with your service we have been able to reach/treat a difficult client group that would not have attended at the hospital"

*Clare Smith,  
Sandwell & West  
Birmingham Hospitals  
NHS Trust*

"Cranstoun/Swanswell have been an invaluable partner implementing what has become the UK's most progressive drug policy in West Berkshire's Drug diversion scheme. This pilot has been shaped with lived experience at its heart."

*DCI Jason Kew,  
Thames Valley Police*

Service excellence really is a team effort.

## 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, engagement surveys, commitment to continuous professional development and awards and accreditations.

## Employees

### Retention and attendance

Our rates of retention and employee absence remained strong in 2018/19, reflecting Cranstoun's high level of employee engagement. Retention for the year was 83%, against a national average of 77%<sup>1</sup> in 2017. Short term absence due to sickness was 1.9%, well within our organisational target of 3.5%.

### Awards

Our Staff Recognition Scheme enables team members to nominate colleagues who have gone the extra mile. In 2018-19, 13 recognition awards were presented to teams and team members for their outstanding contribution against our core values: ambition, compassion, innovation, integrity, inclusivity.

### Accreditations

In 2018/19 Cranstoun received a Gold standard accreditation from Investors in People, recognising the importance that we place in our people. We are incredibly proud of this achievement.

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<sup>1</sup> XpertHR data on labour turnover across all sectors

86% of employees agree that Cranstoun is a great place to work



According to our IIP survey, 96% of employees feel Cranstoun has a positive impact on society



Grace, our Volunteer & Peer Mentor Coordinator for IRiS  
Reading received an award for **Growth**

Grace has shown unbounded passion, energy and commitment in developing IRiS's Peer Mentor & Volunteering programmes. Amongst many achievements, Grace has fundraised for, and organised a range of events for service users; supporting volunteers and peer mentors to gain paid employment; and taken part in radio and news stories to promote IRiS and increase awareness of recovery options in Reading. Whilst doing all of this, Grace also completed a Level 5 qualification in Leadership & Management in a Health & Social Care setting.

Gary, our LGBTQ Worker for Pavilions in Brighton & Hove  
received an award for **Inclusivity**

Gary has spearheaded Pavilions' work within the LGBTQ community, building strong relationships with a range of external agencies and working hard to promote Pavilions across the City. Gary has been interviewed by GScene and Radio Reverb and won an award from Mind Out. Gary is a well established figure in Brighton and Hove and is known for his holistic and supportive approach. An active member of the Pavilions Equality & Diversity working group, Gary was instrumental in devising the LGBTQ social media advertising campaign.

### Continuous Professional Development

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

In 2018/19, 24 team  
members were enrolled on  
a professional qualification

In 2018/19, 1,420 courses  
were completed on our  
e-learning platform

In 2018/19, 138 classroom  
based training courses were  
delivered

## Volunteers

Cranstoun engaged 126 volunteers and peer mentors in 2018/19; an average ratio of 1 volunteer to every 1.9 employees.

Our 2018 volunteer survey told us that:

- 98% of volunteers feel valued by their service
- 91% of volunteers received adequate training and induction
- 93% of volunteers would recommend Cranstoun (no negative responses were received)

19 of our volunteers moved  
into employment or  
education in 2018-19

Our volunteers contributed  
over 15,000 hours of their  
time in 2018-19

## Peer mentors

Our peer mentor scheme helps shape visible recovery in services. Our mentors complete an eight-week training programme, enabling them to explore their personal recovery and how they can support others. When our mentors have graduated, they volunteer within services to support clients. Our IRiS Reading service supported 22 peer mentors, nine of which have gone on to paid employment or further education. Our peer mentor scheme is accredited by the National Council for Voluntary Organisations, which is the national quality standard for mentoring and befriending projects.

Quotes from our 2018 Volunteers' Week campaign:



**1-7 JUNE**  
**VOLUNTEERS' WEEK**

**Thank You**

"Supporting the families and carers impacted by a loved one's substance use can get overlooked, but here at FACT this client group are provided with their own sets of support. It's good to give my time and relief to a hardworking team who are often stretched; I feel very included in the team and supported in my role."

[cranstoun.org/volunteers](http://cranstoun.org/volunteers) **cranstoun**

Ian



**1-7 JUNE**  
**VOLUNTEERS' WEEK**

**Thank You**

"I have gained so much knowledge volunteering with iHear. It has certainly helped me with my health and social course at college. I really enjoy coming to iHear to help others- it gives me the feeling that I've achieved something."

[cranstoun.org/volunteers](http://cranstoun.org/volunteers) **cranstoun**

Marcella



**1-7 JUNE**  
**VOLUNTEERS' WEEK**

**Thank You**

"Volunteering for me is to belong, to be useful and needed, something I had forgotten. A purpose and being able to make a difference stopped me slipping back to the bottom. Staff and service users alike both care and show compassion. I now see life's beauty and humanity and realise I'm not forgotten."

[cranstoun.org/volunteers](http://cranstoun.org/volunteers) **cranstoun**

Richard



**1-7 JUNE**  
**VOLUNTEERS' WEEK**

**Thank You**

"Volunteering helped me to regain my confidence in being back in a work environment. Routine and understanding from fellow colleagues assisted my recovery. I was quickly able to return to my former full-time working capacity. It was particularly rewarding and fulfilling to give a little something back by facilitating recovery groups. I am now full-time area administrator and have responsibility for the development of other volunteers and service user reps."

[cranstoun.org/volunteers](http://cranstoun.org/volunteers) **cranstoun**

Liz



## Apprentices

Cranstoun supported eight apprenticeship placements in 2018/19, supporting individuals to gain valuable work experience whilst working towards a qualification in either health and social care or business administration.

## Service users

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

All of our services hold ROAD (Recovery Orientated Audit & Development) events. These are open discussions where service users and staff evaluate their service together, enabling joint design and development of services. ROAD empowers those with lived experience to have a direct influence in the continuous improvement of their service.

Our National Service User Forum provides opportunities for service user representatives across all of our services to network, share ideas and learn from one another. It also provides us with a structure to involve service users in organisational developments.

In our 2018-19 service user survey, 97.7% of service users said they would recommend their service

The top three words service users use to describe our services are 'safe', 'happy' and 'supported'



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



## Diversity

Cranstoun is an equal opportunities employer. All of our team members and employment applicants are given equal opportunity irrespective of 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 communications, including email, a staff intranet and staff newsletters. We operate an 'Exchange Group' with elected representatives to inform and consult on important company updates and encourage members to participate in any decision making processes that may affect them. Cranstoun is committed to informing and consulting with trade unions, where employees are members of a union, or where a recognition agreement is in place. Swanswell has a recognition agreement in place with the GMB Trade Union to represent and negotiate on behalf of its members.



## Financial Review

During the year ended 31<sup>st</sup> March 2019, total income was £21.1m (2018: £24.4m) and total expenditure £21.5m (2018: £24.5m). The result for the year was an overall reduction in funds of £333k (2018: £58k decrease).

This result is after an exceptional credit of £46k (2018: £253k charge) relating to the leases for Swanswell's former head office at Hilton House, Rugby. The office was vacated in December 2017 with all operations being serviced from Cranstoun's central office in Esher. The property had no demonstrable future economic benefit and was classified, for accounting purposes, as an onerous lease and consequently all future lease payments were provided at 31 March 2018. This amounted to the exceptional charge of £253k in the 2017/18 financial year. During the year to 31 March 2019 the provision reduced by £140k to £113k. This was due to rents paid during the year and also an agreement, in May 2019, for the surrender of one of the leases with the landlord entering a new lease with a third party; this resulted in a reversal of £46k of the provision in the year as the exceptional credit.

The underlying deficit primarily reflects the solid financial performance of the community and supported housing services offset by a significant loss incurred at the City Roads Service of £332k. City Roads has been struggling for several years to maintain its operations against falling demand together with funding and costs pressures. The Trustees had previously supported the poor financial performance at City Roads; recognising the great benefits that the service offered. However, the demand and available funding in 2018/19 diminished to such an extent that, regrettably, the decision to close the City Roads service was made towards the end of the financial year, and operations finally ceased in May 2019.

The financial position at the end of the year remained positive, with a net cash position in the charity of £2.2m (2018: £2.4m) and in the group of £2.9m (2018: £3.3m). The net current assets reduced in the charity from £1.3m in 2018 to £0.8m in 2019 and in the group from £1.8m in 2018 to £1.4m in 2019, as a result of the deficit. Total reserves of the charity at the end of the year were £3.0m (2018: £3.5m) and total reserves of the group £3.3m (2018: £3.6m).



## Investment Policy

Cranstoun maintains a portfolio of investments of £1.1m (2018: £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 2018/19, the Charity Multi-Asset Fund failed to reach this target, achieving a total real return of 3.8% against the target return of 6.3%, due to stock market volatility during the period and the total return the portfolio was 3.1% (2018: 0.9%)

## Reserves Policy

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

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

At the 31 March 2019 Cranstoun's total unrestricted funds were £3.0m and unrestricted funds not committed or invested in tangible fixed assets or otherwise designated ('the free reserves') were £1.8m. 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 £1.9m and £2.4m and therefore, at present, the free reserves of the charity are slightly below this target range. Following the year end the charity's freehold properties in City Road were sold for £5.1m. This sale has generated a surplus of around £3.9m over the net book value together with sale and service closure costs. This will significantly improve the reserves position of the charity and in view of this, the trustees plan to undertake a review of the charity's future strategic options and investment policy.





## Reserves Policy (Continued)

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 2019 is considered to be £111k of free reserves and the level of free reserves, at £313k, is above the stated requirement. Furthermore, Swanswell is operating sustainably and the onerous lease provision will benefit the next two financial years with £113k of future rents provided at the balance sheet date.

At 31 March 2019 the free reserves of the Cranstoun group were £2.2m. This compares with a combined target level of free reserves for the group entities of between £2.0m and £2.5m. The group's current total free reserves are therefore 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, during the 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 invested in business development, care quality & governance and clinical structures to grow and expand our service portfolio.

In summary, Cranstoun's Strategic priorities are:

- 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 whole systems approach to co-production.
- Developing our marketing and communications strategy to raise the profile of the organisation and engage with our stakeholders.



The sale of the City Roads freehold properties in November 2019 has substantially increased the reserves of the charity by approximately £3.9m. In view of this the trustees plan to review the charities strategic and investment options to make best use of these resources.

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

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'R. Pertwee'.

Richard Pertwee  
Chair  
27 November 2019

A handwritten signature in black ink, appearing to read 'K. Patel'.

Katharine Patel  
Treasurer

## Reference and Administrative Details

**Company Number:** 3306337

**Charity Number:** 1061582

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

**Telephone:** 020 8335 1830

### Board of Trustees:

Richard Pertwee

Katharine Patel

David Alcock (from 22 May 2019)

Franklin Apfel

Lesleigh Bounds (from 22 May 2019)

Sue Carroll (from 24 July 2019)

Cees Goos

Wayne Haywood

Faith Jenner (to 22 May 2019)

Hugh Simpson (from 22 May 2019)

Chair

Deputy Chair and Honorary Treasurer

### Senior Management Team:

Dr. Steve Brinksman

Martin Holly FCA

Peter Glass

Kim Coles

Niamh Donnelly

Jeff Madzura

Clare Maryan

Annie Steele

Wendy Taylor

Jason Warriner

Medical Director

Executive Director of Finance

Executive Director of Operations

Executive Director of Human Resources

Director of Operations

Director of Clinical Services

Director of Business Development

Director of Operations

Director of Operations

Director of Care, Quality & Governance

### Bankers:

National Westminster Bank

PO Box 2BA

69 Baker Street

London W1A 2BA

### Independent Auditor:

Haysmacintyre LLP

10 Queen Street Place

London EC4R 1AG

### Investment Managers:

Cazenove Capital Management

12 Moorgate

London EC2R 6DA

### Solicitors:

Blake Morgan LLP

New Kings Court

Chandler's Ford

Eastleigh SO53 3LG

Edell Jones & Lessers

First Floor, 54-56 Barking Road

East Ham

London E6 3BP



## Independent Auditor's Report to the members of Cranstoun

### Opinion

We have audited the financial statements of Cranstoun for the year ended 31 March 2019 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 2019, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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



- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 28 November 2019

10 Queen Street Place  
London  
EC4R 1AG



## Financial statements

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2019 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2018 Total Funds £'000
<b>Income from:</b>							
Donations and legacies		8	-	8	12	-	12
<b>Charitable activities:</b>							
Residential services		1,396	115	1,511	1,822	115	1,937
Community services		19,467	93	19,560	22,386	43	22,429
	2	20,863	208	21,071	24,208	158	24,366
Investments		20	-	20	9	-	9
<b>Total income</b>		<b>20,891</b>	<b>208</b>	<b>21,099</b>	<b>24,229</b>	<b>158</b>	<b>24,387</b>
<b>Expenditure on:</b>							
<b>Charitable activities:</b>							
Residential services		1,798	115	1,913	2,180	115	2,295
Community services		19,506	93	19,599	21,847	60	21,907
	3	<b>21,304</b>	<b>208</b>	<b>21,512</b>	<b>24,027</b>	<b>175</b>	<b>24,202</b>
<b>Exceptional Items</b>							
Onerous Lease	5	(46)	-	(46)	253	-	253
<b>Total Expenditure</b>		<b>21,258</b>	<b>208</b>	<b>21,466</b>	<b>24,280</b>	<b>175</b>	<b>24,455</b>
Net gains on investments		34	-	34	10	-	10
<b>Net (expenditure)/income and net movement in funds</b>		<b>(333)</b>	<b>-</b>	<b>(333)</b>	<b>(41)</b>	<b>(17)</b>	<b>(58)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		3,612	-	3,612	3,653	17	3,670
<b>Total funds carried forward</b>	17	<b>3,279</b>	<b>-</b>	<b>3,279</b>	<b>3,612</b>	<b>-</b>	<b>3,612</b>

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 2019. Company No: 3306337

	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Fixed assets</b>					
Tangible fixed assets	10	1,130	1,242	1,130	1,242
Investments	12	1,132	1,098	1,132	1,098
		<u>2,262</u>	<u>2,340</u>	<u>2,262</u>	<u>2,340</u>
<b>Current assets</b>					
Debtors	13	3,803	3,505	2,418	3,026
Cash at bank and in hand		2,908	3,278	2,228	2,422
		<u>6,711</u>	<u>6,783</u>	<u>4,646</u>	<u>5,448</u>
<b>Current liabilities</b>					
Creditors falling due within one year	14	(5,349)	(4,998)	(3,802)	(4,135)
<b>Net current assets</b>		<u>1,362</u>	<u>1,785</u>	<u>844</u>	<u>1,313</u>
<b>Total assets less current liabilities</b>		<u>3,624</u>	<u>4,125</u>	<u>3,106</u>	<u>3,653</u>
Creditors falling due after more than one year	14	(232)	(260)	(141)	(180)
Provision for liabilities	15	(113)	(253)	-	-
<b>Net assets</b>		<u><u>3,279</u></u>	<u><u>3,612</u></u>	<u><u>2,965</u></u>	<u><u>3,473</u></u>
<b>Represented by:</b>					
<b>Unrestricted funds</b>					
Designated funds	17	1,130	1,242	1,130	1,242
General funds	17	2,149	2,370	1,835	2,231
<b>Total unrestricted funds</b>		<u>3,279</u>	<u>3,612</u>	<u>2,965</u>	<u>3,473</u>
<b>Restricted funds</b>	17	-	-	-	-
<b>Total funds</b>		<u><u>3,279</u></u>	<u><u>3,612</u></u>	<u><u>2,965</u></u>	<u><u>3,473</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 loss for the year for the year was £508k (2018: £69K).

The financial statements were approved and authorised for issue by the Board of Trustees on 27 November 2019 and signed on their behalf by:



Richard Pertwee, Chair



Katharine Patel, Treasurer

Consolidated and Parent Charitable Company Statement of Cash Flows for the year ended 31 March 2019

	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Net cash used in operating activities	23	(360)	(443)	(180)	(972)
<b>Cash flows from investing activities</b>					
Investment income and interest receivable		20	9	16	8
Purchase of property, plant and equipment		(30)	(19)	(30)	(19)
Proceeds from sale of assets		-	5	-	5
<b>Net cash used in investing activities</b>		<b>(10)</b>	<b>(5)</b>	<b>(14)</b>	<b>(6)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(370)</b>	<b>(448)</b>	<b>(194)</b>	<b>(978)</b>
Cash and cash equivalents at the beginning of the year		3,278	3,726	2,422	3,400
<b>Cash and cash equivalents at the end of the year</b>		<b>2,908</b>	<b>3,278</b>	<b>2,228</b>	<b>2,422</b>

## Notes to the financial statements

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

#### d) Going concern

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

#### e) Income

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

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



**f) Expenditure**

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

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

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

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

**g) Tangible Fixed Assets And Depreciation**

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

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

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

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

**h) Fixed Asset Investments**

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

**i) Financial instruments - assets and liabilities**

**Debtors**

Debtors are recognised at the settlement amount due.

**Cash and cash equivalents**

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

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**j) Fund Accounting**

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

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

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

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

**k) Leasing And Hire Purchase**

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

**l) Employee benefits**

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

**Short-term benefits**

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

### Termination benefits

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

### Defined contribution pension schemes

The groups operate 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 2019 £'000
<b>Residential services</b>			
Board and lodging charges	1,373	115	1,488
Other income	23	-	23
	<hr/> 1,396	<hr/> 115	<hr/> 1,511
<b>Community services</b>			
Local authorities	19,288	-	19,288
Drugs Action Teams	-	-	-
Health Authorities	-	-	-
Charitable Trusts	-	93	93
Other income	179	-	179
	<hr/> 19,467	<hr/> 93	<hr/> 19,560
	<hr/> <b>20,863</b>	<hr/> <b>208</b>	<hr/> <b>21,071</b>

# INCOME FROM CHARITABLE ACTIVITIES PREVIOUS YEAR

	General Funds £'000	Restricted Funds £'000	Total 2018 £'000
<b>Residential services</b>			
Board and lodging charges	1,822	115	1,937
Other income	-	-	-
	<u>1,822</u>	<u>115</u>	<u>1,937</u>
<b>Community services</b>			
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><b>24,208</b></u>	<u><b>158</b></u>	<u><b>24,366</b></u>

## 3 TOTAL EXPENDITURE

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 4) £'000	Total 2019 £'000
<b>Cost of charitable activities</b>				
Residential services	1,377	338	198	1,913
Community services	8,805	9,255	1,539	19,599
	<u>10,182</u>	<u>9,593</u>	<u>1,737</u>	<u>21,512</u>



# TOTAL EXPENDITURE PREVIOUS YEAR

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 4) £'000	Total 2018 £'000
<b>Cost of charitable activities</b>				
Residential services	1,568	497	230	2,295
Community services	9,087	11,031	1,789	21,907
	<b>10,655</b>	<b>11,528</b>	<b>2,019</b>	<b>24,202</b>

## 4. ANALYSIS OF SUPPORT COSTS

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2019 £'000
<b>Cost of charitable activities</b>					
Residential services	49	96	44	9	198
Community services	392	743	312	92	1,539
	<b>441</b>	<b>839</b>	<b>356</b>	<b>101</b>	<b>1,737</b>
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 2018 £'000
<b>Cost of charitable activities</b>					
Residential services	61	112	46	11	230
Community services	358	930	403	98	1,789
					0
	419	1,042	449	109	2,019
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

### 5. EXCEPTIONAL ITEM - RECOGNITION OF ONEROUS LEASE PROVISION

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. At that point the leases had no future economic benefit and were therefore classified as onerous leases and all future lease payments were provided at the balance sheet date. During the year to 31 March 2019 the provision required was reduced by £140k to £113k. This was as a result of rents paid during the year and an agreement, in May 2019, to surrender one of the leases with the landlord entering a new lease with a third party resulting in £46k credit for the year. The total movement on the provision is fully analysed in note 15.

### 6. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year for acting as a trustee. In the prior year, Steve Rossell received remuneration and employment benefits in connection with his employment as the charity's Chief Executive until his resignation in April 2017. Such payments were made in accordance with the charity's amended articles following the consent of the Charity Commission. The amount paid in the prior year in accordance with the provision in the charity's articles were salary £8,989, pension contributions £1,228 and benefits £780.

During the year £1,680 (2018: £2,943) was reimbursed to three (2018: eight) Trustees for travel expenses incurred in the course of charity business.

## 7. NET (EXPENDITURE)/INCOME FOR THE YEAR

This is stated after charging:

	2019	2018
	£'000	£'000
Auditor's remuneration - Statutory Audit (Parent charity)	18	22
Auditor's remuneration - Non audit services (Parent charity)	-	1
Depreciation	142	219
Operating lease rentals	807	896
	<u>807</u>	<u>896</u>

## 8. EMPLOYEES

	2019	2018
	£'000	£'000
Wages and salaries	8,722	9,283
Social security	788	846
Pension costs	311	248
Redundancy and termination payments	170	65
	<u>9,991</u>	<u>10,442</u>

The monthly average head count was 374 staff (2018: 391 staff).

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

	2019	2018
	Number	Number
£60,000 to £70,000	2	1
£80,000 to £90,000	1	1
£90,000 to £100,000	2	2
	<u>2</u>	<u>2</u>

During the year, pension contributions on behalf of these staff members amounted to £33,450 (2015: £32,047).

The total employee benefits of the senior management team (key management personnel) were £772,296 (2018: £760,141).

## 9. TAXATION

The Charity's activities are exempt from corporation tax.

## 10. TANGIBLE FIXED ASSETS

### Group

	Furniture & Equipment £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
<b>Cost</b>				
At 1 April 2018	232	1,105	417	1,754
Additions	30	-	-	30
Disposals	-	-	-	-
At 31 March 2019	262	1,105	417	1,784
<b>Accumulated depreciation</b>				
At 1 April 2018	158	118	236	512
Charge for the year	42	11	89	142
Disposals	-	-	-	-
At 31 March 2019	200	129	325	654
Net book value at 31 March 2019	62	976	92	1,130
Net book value at 1 April 2018	74	987	181	1,242



## TANGIBLE FIXED ASSETS

### Charity

	Furniture & Equipment £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
<b>Cost</b>				
At 1 April 2018	153	1,105	376	1,634
Additions	30	-	-	30
Disposals	-	-	-	-
At 31 March 2019	183	1,105	376	1,664
<b>Accumulated depreciation</b>				
At 1 April 2018	79	118	195	392
Charge for the year	42	11	89	142
Disposals	-	-	-	-
At 31 March 2019	121	129	284	534
Net book value at 31 March 2019	62	976	92	1,130
Net book value at 1 April 2018	74	987	181	1,242

## 11. SUBSIDIARY UNDERTAKINGS

Swanswell Charitable Trust (charity no: 1074891 company no: 03692925) which is incorporated in England and Wales is deemed to be a wholly-owned subsidiary of Cranstoun from 15 December 2016. Audited accounts for Swanswell Charitable Trust are filed with the registrar of companies. The net assets and funds as at 31 March 2019 are £313,409 (2018 £138,457). A summary of the results for the year ended 31 March 2019 is shown below.

	2019 £'000	2018 £'000
Total income	6,049	7,186
Total expenditure	(5,874)	(7,313)
Net expenditure and movement in funds	<u>175</u>	<u>(127)</u>

## 12. GROUP AND CHARITY INVESTMENTS

	2019 £'000	2018 £'000
<b>Investment portfolio</b>		
Market value at 1 April 2018	1,098	1,088
Net gains on revaluation	<u>34</u>	<u>10</u>
Market value at 31 March 2019	<u>1,132</u>	<u>1,098</u>
Historical cost at 31 March 2019	<u>741</u>	<u>741</u>

This is made up as follows:

	2019 £'000	2018 £'000
<b>Analysis of Investments</b>		
Schroeder Charity Multi-Asset Fund	1,038	1,009
Cash	<u>94</u>	<u>89</u>
	<u>1,132</u>	<u>1,098</u>

### 13. DEBTORS

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Trade debtors	2,772	2,324	1,666	2,170
Prepayments and accrued income	1,017	1,167	692	794
Amounts owed by subsidiary undertaking	-	-	46	50
Other debtors	14	14	14	12
	<u>3,803</u>	<u>3,505</u>	<u>2,418</u>	<u>3,026</u>

### 14. CREDITORS

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Amounts Falling Due Within One Year</b>				
Trade creditors	1,140	1,147	866	791
Accruals	981	1,260	767	980
Deferred income	2,857	2,182	1,874	2,047
Social Security & other taxes	210	234	157	164
Pension contributions	50	43	35	31
Other creditors	111	132	103	122
	<u>5,349</u>	<u>4,998</u>	<u>3,802</u>	<u>4,135</u>

#### Amounts Falling Due After More Than One Year

Accruals	<u>232</u>	<u>260</u>	<u>141</u>	<u>180</u>
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Deferred Income represents funding received in advance of the provision of the related service. All deferred income held at the end of the previous financial year has been recognised in the current financial year.

## 15. PROVISION FOR LIABILITIES

Where leasehold properties become vacant, the charitable company provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of disposal or sublease. As explained in Note 5 Swanswell Charitable Trust, a subsidiary of Cranstoun, vacated its former head office property in Rugby in December 2017. The provision is expected to be utilised over the remaining life of the lease which is due to end in March 2021.

The movement in the onerous lease provision during the year was as follows:

	£'000s
Provision at 31st March 2018	253
Utilised in year	(94)
Reversal of provision	(46)
Provision at 31st March 2019	<u>113</u>

## 16. PENSION COSTS

The charity and group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds and there are three providers, Standard Life, Aviva and Scottish Ageon. The pension costs charged in the year were £311,321 (2018: £247,962). 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 2019 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](http://www.nhsbsa.nhs.uk/pensions). The scheme is an unfunded, defined benefit scheme that covers NHS employers and other bodies allowed under the Direction of the Secretary of State in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date the scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. An outline of these is as follows:



### **Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### **Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rates have increased to 20.6% of pensionable pay from this date. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 the government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

## 17. STATEMENT OF FUNDS

### Group

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

## STATEMENT OF FUNDS

### Charity

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

#### Restricted funds are for the following purposes:

Residential services: This represents partial funding for two 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-17 £'000	Incoming £'000	Outgoing £'000	Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-18 £'000
<b>Restricted Funds</b>						
Residential services	-	115	(115)	-	-	-
Community services	17	43	(60)	-	-	-
<b>Total Restricted Funds</b>	17	158	(175)	-	-	-
<b>Unrestricted Funds</b>						
<b><i>Designated Funds</i></b>						
Fixed Asset Fund	1,446	-	-	-	(204)	1,242
<b><i>Total Designated Funds</i></b>	1,446	-	-	-	(204)	1,242
<b><i>General Funds</i></b>	2,207	24,229	(24,280)	10	204	2,370
<b>Total Unrestricted Funds</b>	3,653	24,229	(24,280)	10	-	3,612
<b>Total Funds</b>	3,670	24,387	(24,455)	10	-	3,612



# STATEMENT OF FUNDS PREVIOUS YEAR

## 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			
<b>Restricted Funds</b>						
Residential services	-	115	(115)	-	-	-
Community services	-	43	(43)	-	-	-
<b>Total Restricted Funds</b>	-	158	(158)	-	-	-
<b>Unrestricted Funds</b>						
<b><i>Designated Funds</i></b>						
Fixed Asset Fund	1,361	-	-	-	(119)	1,242
<b><i>Total Designated Funds</i></b>	1,361	-	-	-	(119)	1,242
<b><i>General Funds</i></b>	2,043	17,044	(16,985)	10	119	2,231
<b>Total Unrestricted Funds</b>	3,404	17,044	(16,985)	10	-	3,473
<b>Total Funds</b>	3,404	17,202	(17,143)	10	-	3,473

# 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

## Group

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

## Charity

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

## ANALYSIS OF NET ASSETS BETWEEN FUNDS PREVIOUS YEAR

### Group

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
<b>Designated funds</b>					
Fixed Asset Fund	1,242	-	-	-	1,242
<b>General funds</b>	-	1,098	6,783	(5,511)	2,370
<b>Total Funds</b>	<u>1,242</u>	<u>1,098</u>	<u>6,783</u>	<u>(5,511)</u>	<u>3,612</u>

### Charity

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

## 19. STATUS

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

## 20. LEASE COMMITMENTS

At 31 March 2019, the group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019 Land and Buildings £'000	2019 Other £'000	2018 Land and Buildings £'000	2018 Other £'000
<b>Payments due in:</b>				
Not later than 1 year	693	14	721	13
Later than 1 year and not later than 5 years	1,029	10	1,583	21
More than 5 years	425	-	624	-
	<u>2,147</u>	<u>24</u>	<u>2,928</u>	<u>34</u>

## 21. CAPITAL COMMITMENTS

There are no capital commitments.

## 22. CONTINGENT LIABILITIES

There are no contingent liabilities.

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

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Net (expenditure)/income for the year	(333)	(58)	(508)	69
Depreciation charges	142	219	142	134
Gains on investments	(34)	(10)	(34)	(10)
Dividends, interest and rents from investments	(20)	(9)	(16)	(8)
Gain on sale of fixed assets	-	(1)	-	(1)
(Increase)/decrease in debtors	(298)	(1,201)	608	(1,367)
Increase in creditors	323	364	(372)	211
Decrease in Onerous Lease Provision	(140)	253	-	-
<b>Net Cash used in operating activities</b>	<b>(360)</b>	<b>(443)</b>	<b>(180)</b>	<b>(972)</b>

## 24. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Cranstoun's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows:

### Provisions for dilapidation works to leased properties

Management review, and provide for, potential dilapidations in respect of properties where the lease includes an obligation to restore the premises to the condition they were in when the lease was entered into. Management review such provisions on an annual basis and update them in accordance with historical experience and events that might materially impact on the potential costs to the charity. At the balance sheet date the total amount included in creditors was £231,842 (2018: £259,833).



## 25. FINANCIAL INSTRUMENTS

Cranstoun had the following financial instruments

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Financial assets measured at fair value through profit and loss	1,038	1,009	1,038	1,009
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	2,772	2,324	1,666	2,170
Amounts owed to group undertaking	-	-	46	50
Other debtors	14	14	14	12
	2,786	2,338	1,726	2,232
Cash and cash equivalents	3,002	3,367	2,317	2,511
Financial liabilities measured at amortised cost				
Trade creditors	1,140	1,147	866	791
Other creditors	111	132	103	122
	1,251	1,279	969	913

## 26. RELATED PARTY TRANSACTIONS

During the year Cranstoun recharged costs totalling £586,321 (2018: £391,834) to Swanswell its subsidiary undertaking. At the balance sheet date a balance of £46,168 (2018: £50,153) was owed to Cranstoun.

The Charitable company was invoiced £77,742 (2018 £117,831) from Ridgeacre Medical Centre for services provided by Dr Stephen Brinksman, a member of Cranstoun's key management personnel.

## 27. POST BALANCE SHEET EVENTS

On 19 September 2019, Cranstoun entered into an agreement to sell its freehold properties in City Road, Islington for gross sale proceeds of £5.1m. The sale was completed on 1 November 2019 and the net profit on the disposal is approximately £3.9m.