TRUSTEES' ANNUAL REPORT 2020-21

cranstoun

Contents

Welcome from the Chair 3

Welcome from the CEO 4

Trustees' Report 5

Structure, Governance and Management 5

Objectives and Activities 8

- Vision, mission and values 8
- Objects of the charity 9

Strategic Report 10

- Achievements and performance 10
- Partnership working 18
- Our people 19

Financial Review 26

Future Plans 29

Reference and Administrative Details 30

Independent Auditor's Report to the members of Cranstoun 31

Financial Statements 35

Notes to the Financial Statements 38

Welcome from the Chair

I am incredibly proud to be part of an organisation that puts people at the heart of everything they do. In the face of what has been a truly challenging year, we have strived in our vision to ensure that everyone has the opportunity to live healthy, safe and happy lives.

Throughout the global health pandemic, I have seen how our front-line staff, volunteers and management teams have continued to provide essential support to those who need us most. We have adapted, we have innovated, and we have shown unwavering ambition and compassion for our beneficiaries.

I am delighted that Cranstoun welcomed Charlie Mack, our CEO in November 2020, who brings with him a wealth of knowledge and experience across the social justice sector. Since our new CEO joined, we have undergone a comprehensive governance review and implemented a number of significant changes. Working closely with Charlie and his senior team and my trustee colleagues, we have worked towards agreeing a new vision, mission and set of values to take the charity forward. Working closely with Cranstoun's Board of Trustees, we have embarked on a journey to develop a new vision for the charity, to be a world-class leader in rebuilding lives. Along with all Cranstoun colleagues, I am excited to lead the organisation through this next step in their rich history of inspiring and empowering people to make positive changes.

Lesleigh Bounds
Chair of the Board of Trustees

Welcome from the CEO

I am thrilled to be leading an organisation that has a rich heritage, and an exciting future.

In 2020-21, we worked with over 15,000 adults and young people, empowering and inspiring them to live healthier and safer lives. Delivering services across England, we have worked with people within community and residential settings, supporting them with a range of needs, including substance misuse, criminal justice, domestic abuse and housing. It is clear that the professional specialist interventions Cranstoun provides make a huge impact on transforming the lives of the people with work with and for as well as transforming the communities around them.

Since joining Cranstoun in November 2020, I have witnessed the charity's incredible focus on people. Our staff teams are motivated and committed to provide the best possible support to those who need us. I have seen how strong the voice of our service users is within Cranstoun, and this truly shapes the organisation we are and will become.

During the global pandemic, along with senior colleagues, I have been working with our committed and skilled Board of Trustees to lead the development of a new and ambitious strategy to strengthen Cranstoun's position in an increasingly competitive market. During the period January-March 2021, I worked with our trustees, staff and service users to review Cranstoun's current strategic position and I have implemented significant changes to the senior team to put us in the best position to agree and develop our new strategy towards the end of 2021.

I would like to thank all of our dedicated staff, volunteers, peer mentors and service users, who provide inspiration to me and so many others.

Charlie Mack
CEO

Trustees' Report

The Trustees of Cranstoun present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 38 to 39 of the attached financial statements and comply with the charitable company's Articles of Association last amended 23 November 2016, applicable laws and the requirements of the Statement of Recommended Practice for Charities (SORP FRS102, second edition).

Structure, Governance and Management

Constitution

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

Organisation

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

Group structure and related parties

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

The strategic intent has been to wind Swanswell down and complete a full merger with Cranstoun. This had not been feasible due to Swanswell's reserves position and an onerous lease arrangement. With an improvement in Swanswell's financial position and the lease arrangement ending in March 2021, Swanswell will close on 31st October 2021, with all assets and liabilities at that date transferring to Cranstoun.

On 13 November 2019, a new wholly owned subsidiary, Cranstoun Services Limited, was incorporated with Cranstoun as the sole member. This company is not a registered charity and will undertake some contracting activity on behalf of the group. Cranstoun services began trading on 1st January 2020 and the results are consolidated in the group accounts.

Trustees

A full listing of Cranstoun's Trustees is presented on page 30. 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.
During the year committees of Trustees deal with specific areas of the charity's governance as follows:

Nomination & Remuneration Committee (NaRC)[1]

Chair Sue Carroll (to 21 October 2020)
Richard Pertwee (to 20 May 2020)
Thomas Rutherford

Finance & Audit Committee[1]

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

Quality, Governance & Safety Committee

Chair Franklin Apfel
David Alcock
Lesleigh Bounds
Hugh Simpson

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

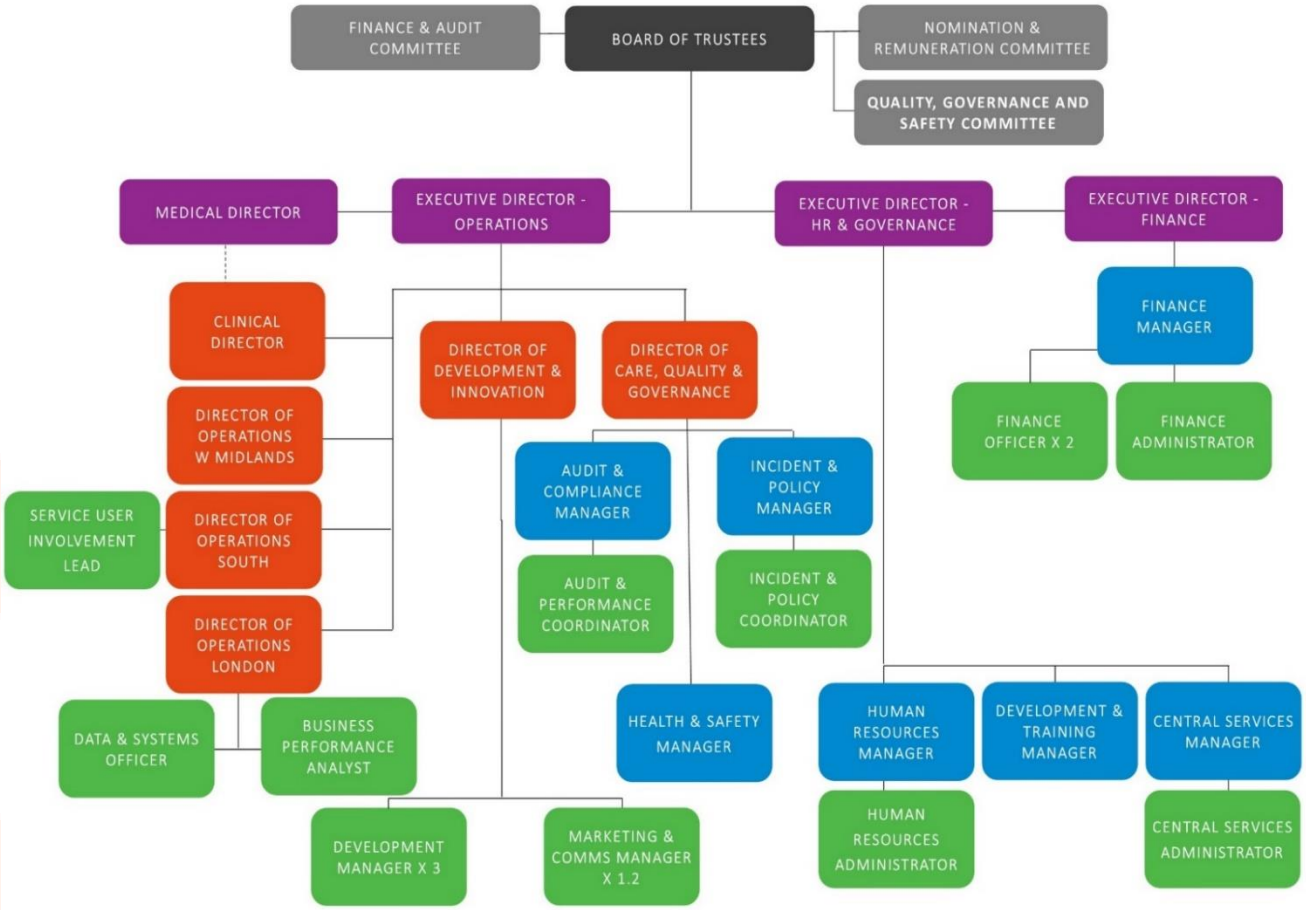
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Trustees' reports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

Our team



Over the period of this staff structure changes were agreed and implemented from 1 April 2021.

Objectives and Activities

Vision, mission and values

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

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

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

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

Our values

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

Objects of the charity

The objects of the charity are:

- The relief and reduction of harm caused by drug and alcohol use to individuals and communities; and

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

Public benefit

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

Strategic Report

Achievements and performance

Review of activities

Cranstoun continues to operate high quality, safe and successful services and in the rest of this section we concentrate on the charity's achievements, performance and impact during 2020/21. As with all organisations, the global health pandemic affected how we delivered our services. Our teams adapted and showed great courage throughout the pandemic, working tirelessly to ensure we delivered support to those who needed us.

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

- Adult substance misuse services delivering community-based outreach, treatment, recovery and support services
- Integrated young people's services and specialist services for young people and their families & carers
- Criminal justice services providing offenders with the opportunity to break the cycle of crime and substance abuse
- Supported housing services, delivering holistic support targeted to develop living skills and help people to access community services and networks
- Domestic abuse services including perpetrator programmes and partner support

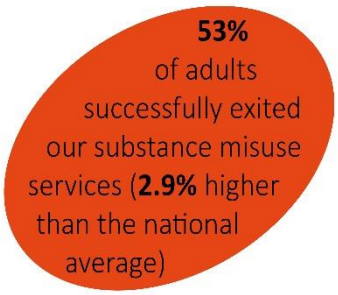
Healthy	Safe	Happy
We received over 11,500 referrals into our services	4556 clients accessed our needle exchange programme	We worked with over 15,000 adults and young people across all services providing structured and unstructured support
The average successful completion rate for alcohol users is 2.26% higher than the national average for substance misuse providers	A 25% reduction in physical abuse achieved with Drive 'high severity' clients; a 70% increase in those reporting no physical abuse	Our service user survey captured 'Supported' as the most frequently used word used to describe how the service made them feel
94.5% of young people achieved the goals agreed on their care plans, compared to an 91% national average	All services are rated as 'Good' by the Care Quality Commission; Sandwell is rated 'Outstanding' for 'Responsive'	Our substance misuse treatment outcome profile scores for adults & young people are higher or equal across all indicators, than national averages

Adult community services

Substance misuse

"I can't praise my worker enough. Not only did she connect with me on a personal level, but she was constantly going the extra mile for me." **Swanswell service user**

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



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

In 2020-21, Cranstoun delivered adult substance misuse services in the following areas:

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

We were also proud to be awarded a contract to deliver the substance misuse service across Wokingham, commencing April 2021.

Our services achieve excellent outcomes for service users. Our successful completion rates for alcohol users, alcohol and non-opiate users, and opiate users are higher than the national averages for substance misuse providers. In line with our values of ambition and innovation, we strive for continuous improvement. All of our services are rated 'Good' or above by the Care Quality Commission.

cranstoun Sandwell

inspire Partnership

cranstoun

swanswell

RESILIENCE

In June 2020 Cranstoun launched *Discovery*, our unique recovery focussed behaviour change programme. Discovery is built on a range of underlying principles, including Acceptance and Commitment Therapy, and Trauma Informed Practice. Discovery is supported by a virtual application *Staying Free* to support clients to map their progress and reinforce learning.

Housing support

Cranstoun's housing support services don't just provide a roof over peoples' heads – they deliver holistic and asset-based support to develop living skills and identify strengths. We deliver both supported housing and community based floating support.

Birmingham Housing Support:

Our Birmingham housing support services provide community-based floating support to Birmingham residents at risk of homelessness and are available to:

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

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

90% of people successfully exited our supported housing services in Wandsworth

Over **1,300** referrals were made into our housing support services in 2020-21

67.2% of people successfully exited from our housing support services

Cranstoun launched our **Housing First** service in June 2020 to support entrenched rough sleepers in Birmingham to secure, settle into, and sustain their own accommodation in line with the principles of

the Housing First model. Housing First believes that housing is a right, and views secure housing as a stable platform from which other issues can be addressed. Our support is intensive, flexible and holistic. Our Housing First navigators provide their interventions where they are needed across Birmingham, and for as long as the support is required.

Swanswell (part of the Cranstoun Group) has been commissioned by Birmingham City Council to deliver a PURE project to Birmingham citizens who face barriers into the employment market. Our Intervention Workers support, guide and mentor individuals to help them access employment, education or training. The PURE project is part-funded by the European Social Fund.

Supported Housing:

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

We work in partnership with drug and alcohol treatment services and other partners to support residents in their recovery, helping them to develop strategies that enable independent living. We expanded the service in April 2020 to incorporate three new properties and a floating support function to increase resettlement support beyond the housing support pathway.

Domestic abuse

Working in partnership with domestic abuse charities, Cranstoun developed and delivered the first full perpetrator intervention programme for substance users in the UK (the Men and Masculinities programme).

We're committed to challenging domestic abuse in all its forms. We have substantially increased our domestic abuse service provision and have delivered a range of interventions in 2020-21 specifically targeted at supporting victims and survivors to safety as well as challenging perpetrators of abuse to take responsibility for their behaviour.

Our services:

- Men & Masculinities programmes in Ealing, Havering, Hounslow, Barking & Dagenham, Sussex
- Transform, Sutton
- Domestic Abuse Housing Support Services, Birmingham
- Drive Worcestershire and (from April 2021) Herefordshire, South Gloucestershire

Our Men & Masculinities programme is specifically for men, designed to deepen their understanding of themselves and their relationships. It is free and accessible to any men who are aware that their relationships have become distressing and damaged by their abusive behaviour, violence or issues of coercive control. The programme creates a safe and supportive space for participants to explore the impact of gender socialisation on their relationships, their substance use, their experiences of parenting and self-care and self-esteem.

The Drive Project is a new response to domestic abuse. It aims to reduce the number of child and adult victims of domestic abuse by deterring perpetrator behaviour. Drive provides a case manager who acts as a single point of contact for perpetrators. Liaising closely with local police and support agencies, caseworkers deploy a two-pronged attack of disruption through the criminal justice system and/or support for unresolved personal issues to stop domestic abuse. The Drive Project pilot focuses on priority (high-risk or serial) perpetrators, as this group carries the greatest risk of serious harm and engage poorly with available services.

Transform is a partnership in the London Borough of Sutton, led by Cranstoun bringing together local organisations, each with unique skills and experience in domestic abuse, allowing us to deliver the best support possible for the Sutton community.

Throughout the global health pandemic, our Transform service provided a lifeline for many women, children and families. We continued to provide essential services, including walk and talk sessions, family visits, weekly phone calls, online courses and signposting to wider partners. We also offered a foodbank and food voucher service to those in need. With the nationally recognised impact of the pandemic lockdowns on domestic abuse, our teams worked hard to ensure the continual safeguarding of at-risk clients.

In November 2020 Cranstoun took part in the annual international campaign, 16 days of activism against gender based violence. Take a look at our YouTube channel to view stories of survivors and hear from key staff who work in our domestic abuse services on our website news pages.

transform DRIVE

Criminal Justice

Cranstoun's Arrest Referral Service across the West Midlands Force area began in January 2020, providing offenders with the opportunity to break the cycle of crime and substance misuse. Our dedicated staff teams work within the custody suites of West Midlands Police offering advice, information and referrals on to further treatment.

Our Cranstoun Arrest Referral Service is estimated to provide a regional cost avoidance impact of at least **£9m** from successful referrals into structured drug treatment

100% of people successfully completed our Sandwell Violence and Alcohol programme

In 2020-21, our Arrest Referral Service service completed **2,421** assessments, providing harm reduction advice and overdose management

DIVERT is Cranstoun's pre-arrest drug diversion programme for those caught by the police in possession of small quantities of a controlled substance. Our unique service aims to educate individuals to make informed choices about their drug use and provide an alternative to arrest and a pathway into meaningful early interventions for people at risk of drug-related harm.

Cranstoun currently delivers DIVERT across seven district councils in the West Midlands, across Windsor & Maidenhead and West Berkshire. It also delivers the service to young people in Buckinghamshire.

Young People

95% of our young people achieved the goals agreed on their care plan

Over **81%** of our young people successfully exited our services: **5%** higher than the national average

We received **640** referrals into our young people services in 2020/21

We work with young people to empower them to make healthy choices around their alcohol and drug use – choices that 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 at home, in school or at 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.

We provide services to young people in Dudley, Sutton, Worcestershire, and Buckinghamshire. We expanded our Young People provision with the start of a new integrated contract across Wokingham in April 2021.

Our Young People services in Dudley and Worcestershire deliver our Here4YOUth service, which supports young people to be healthy, safe and happy. We work with young people to help them make positive changes by supporting them with their emotional health and wellbeing.

Partnership working

People are at the heart of what we do, and we recognise the importance of effective partner relationships to ensure our service users receive the best possible support.

We work closely with partner agencies across all of the communities that we serve to provide a holistic and joined up approach.

We work in partnership with our funders, ensuring we are responsive to local needs.

"The Lead Worker is proactive, calm, friendly and knowledgeable. She is a real team player, and I know I can rely on her to get the job done." **Birmingham Social worker, working in partnership with the Vulnerable Families service**

Vodafone UK donated a tablet to a family in need and enabling their access to the internet, support resources and online schooling; **Tesco** and **Next** donated school uniforms.

"We have been working with an extremely vulnerable and complex family who require multiple services to provide a multi-agency plan of support to ensure their needs were met and tight partnership was key to any form of success. In the job that we do, sometimes there is little to no recognition for the hard work that people put in. The Lead Worker went up and beyond for this family in particular giving them a voice which was trying to be heard in a overstretched world. I cannot praise the Lead Worker enough for pulling together everyone who was needed to get on board to support this family. Without her persistence and drive we would not be where we are."
Birmingham Vulnerable Families Service

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.

Our workforce is diverse. Our employees, apprentices, volunteers, peer mentors and relief staff all bring with them a richness of skills and experience to support our service users to live healthier and safer lives.

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

Like all organisations, we have faced unprecedented challenges in 2020-21. The global health pandemic has impacted how we work, how we deliver our services and how we operate as an organisation. Our staff teams demonstrated incredible courage and creativity, ensuring that our service users were kept safe and supported throughout.

Employees

Retention and attendance

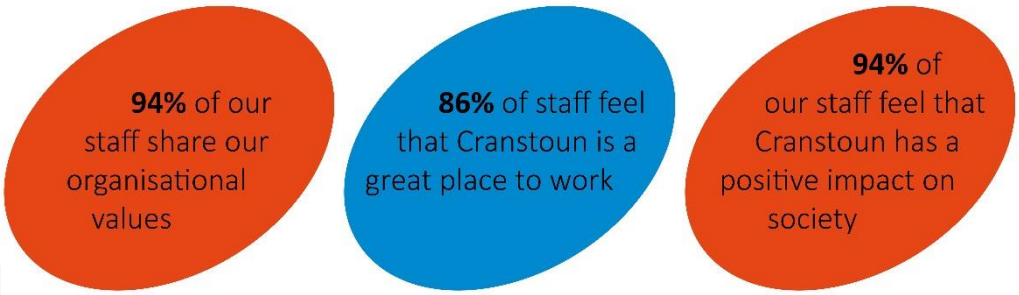
Our rates of retention and employee absence remained strong in 2020-21, reflecting Cranstoun's high

level of employee engagement. Retention for the year was 89% against a national average of 82.9%[1]1 in 2019. Short-term absence due to sickness was 1.3%, well within our organisational target of 3.5%.

Employee engagement and wellbeing

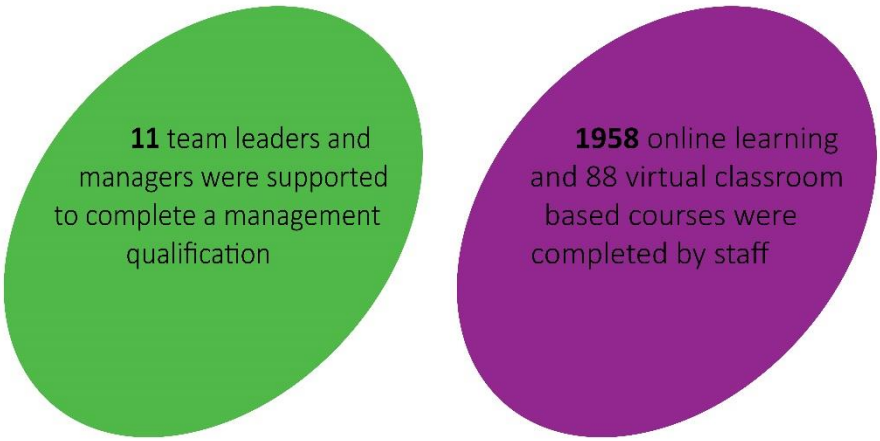
We seek feedback from our staff teams through a variety of ways. Every year, we conduct an Employee Engagement Survey to gather feedback from our staff on a variety of engagement indicators.

In 2020-21 we operated an additional staff survey to seek views and feedback on homeworking during the health pandemic. As a result of the feedback, we consulted further with our staff teams to design and implement permanent changes to our Homeworking Policy. We also made improvements to our IT provision to ensure every member of staff had access to a laptop.



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. During the pandemic, we continued to meet the training needs of our staff, transferring our methods of delivery to online platforms.



[1] Xpert HR average total turnover 2019

Some feedback from our staff on our internal training offer:

"I enjoyed working with a great group of colleagues and professionals who will help to make a difference."

"I found the training interesting, engaging and informative. We could interact and share our views."

Awards

Our Staff Recognition Scheme enables team members to nominate colleagues who have gone the extra mile. In 2020-21, eighteen individuals and four teams were recognised for their outstanding contribution against our core values: ambition, compassion, innovation, integrity, inclusivity.

We introduced an additional award at the start of the global health pandemic, to recognise the Courage showed by our staff members.

Accreditations

We are incredibly proud to hold a Gold standard accreditation from Investors in People, recognising the importance that we place in our people. We were awarded with our second Gold standard accreditation in June 2021. Only 17% of Investors in People accredited organisations achieve Gold.

INVESTORS IN PEOPLE™
We invest in people Gold

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

Volunteers

Our volunteers and peer mentors enrich the services that we deliver, and the experience of our service users. Many of our volunteers provide valuable support to our staff teams, from supporting on reception, to running mindfulness groups. Our peer mentors help shape visible recovery in services.

Both our Volunteers and our Peer mentors complete an eight-week training programme, with the option of attending further skills training to support their continuing development.

Due to the restrictions in our services caused by the health pandemic, we were unable to operate our volunteer schemes as usual. Throughout 2020-21, Cranstoun engaged an average of 40 volunteers and peer mentors. We adapted our volunteer role profiles, and engaged volunteers with digital skills to support our clients to engage in on-line one to one and group work sessions.

We celebrated Volunteers Week by thanking all of our volunteers, spotlight interviews and holding virtual celebration events.

What our volunteers say:

"Where do I see myself in five years? Working in this industry and being sober. I would tell others interested in volunteering to do it - you get so much from it." **Volunteer at Inspire, Sutton**

"In my role I most enjoy meeting people, sharing mindfulness, listening, seeing people overcome their difficulties…" **Volunteer at Resilience, Windsor & Maidenhead**

"I am a 'Counsellor in Training' and see clients on a 1:1 basis for 50 minute counselling sessions every week. I enjoy meeting with clients and enabling them to have a safe space to talk." **Volunteer at Swanswell, Newbury**

"I chose to volunteer so I could help others who are going through challenging times with substance misuse issues. To give back so to speak, as Swanswell helped me many years ago. And with the support I was offered back then, I was able to get my life back." **Volunteer at Swanswell, Newbury**

Apprentices

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

Service users

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.

94.1% of service users said they are satisfied with the support they receive

In our 2020-21 Service User Survey, **94.5%** of service users said they would recommend the service

93% of service users said they feel safe and supported by the service

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.

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

Diversity and inclusion

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

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

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

Modern slavery

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

Disabled employees

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

Employee communication and consultation

We use a variety of mechanisms to inform and consult with our workforce. We inform employees on a range of matters through internal communications, including email, a staff intranet and staff newsletters. We operate an ‘Exchange Group’ with elected representatives to inform and consult on important company updates and encourage members to participate in any decision-making processes that may affect them. Cranstoun is committed to informing and consulting with trade

unions, where employees are members of a union, or where a recognition agreement is in place. Swanswell has a recognition agreement in place with the GMB Trade Union to represent and negotiate on behalf of its members.

Financial Review

During the year ended 31st March 2021, total group income was £16.3m (2020: £24.1m) and total group expenditure £16.3m (2020: £19.7m). The group result for the year was an overall increase in funds of £0.2m (2020: £4.3m increase). The prior year includes a significant profit of approximately £4.3m on the sale of Cranstoun's City Roads freehold property so the underlying position was breakeven. The overall result for the year is therefore an improvement on the previous year when the disposal is discounted. This reflects Cranstoun's ability to continue service delivery through the pandemic with minimal impact on funding. During the year, there were savings on travel and clinical costs through changed ways of working although this required a significant increase in IT spend to support home working and digital service delivery.

Subsidiary results included in the consolidated group accounts were Swanswell's income of £1.4m (2020: £5.9m) and expenditure £1.3m (2020: £5.6m) giving an increase in funds of £67k (2020: £245k) and Cranstoun Services Limited's income being £5,037k (2020 £248k) and expenditure of £5,031k (2020: £248k) giving and surplus of £6k from its first full year of trading.

Overall, the financial position at the end of the year was positive and remains boosted by having a large net cash position in the charity of £5.4m (2020: £6.2m) and in the group of £6.5m (2020: £7.8m). As a result of the surplus, net current assets increased in the charity from £5.7m in 2020 to £5.8m in 2021 and, in the group remained static at £6.5m. Total reserves of the charity at the end of the year were £7.2m (2020: £7.0m) and total reserves of the group £7.8m (2020: £7.6m).

Investment policy

Cranstoun maintains a portfolio of investments of £1.27m (2020: £1.07m), with the objective of achieving capital growth over the long-term with a medium risk profile. The funds are mainly invested in the Schroder Charity Multi-Asset Fund, which aims to at least maintain the real capital value over the long term whilst generating a sustainable and reliable distribution of 4% per annum. Bond, cash and absolute return funds are held alongside the Schroder Charity Multi-Asset Fund to reduce and balance the overall risk of the portfolio to reflect the inflation mandate.

In 2020/21, the total return of the portfolio was an impressive 18.7%, and this was achieved despite the various lockdowns in the financial year.

Following the year-end the value of the portfolio, has increased by a further 3.79% in the first quarter of the year, although markets remain volatile.

Reserves policy

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

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

At the 31 March 2021 Cranstoun's total unrestricted funds were £7.2m and unrestricted funds not committed or invested in tangible fixed assets or otherwise designated ('the free reserves') were £6.9m. With reference to the underlying operating and financial position of the charity and the risks to which it is exposed, the Board of Trustees has agreed a policy on reserves. This stipulates that the level of free reserves required is in the range between £2.2m and £2.8m and therefore, at present, the free reserves of the charity are considerably above this target range due to the profit on disposal of the City Roads freehold property in the previous financial year. In view of the high reserve levels, a new Board committee (the Innovation & Development Committee) has been put in place to oversee the charity's future strategic options and investment policy to determine future reserves requirements. Consequently, £4.5m of the sale proceeds from the City Roads is being held in a cash portfolio to protect the capital value and provide liquidity once a future strategy is determined.

Unrestricted reserves at Swanswell are held at a level that will enable the charity to meet its financial obligations if current contracts are not retained. This level at 31 March 2021 is considered to be £115k of free reserves and current reserve levels, at £625k, are well above the stated requirement.

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

At 31 March 2021, the total reserves of the Cranstoun group were £7.8m (2020: £7.6m) and the free reserves £7.5m (2020:£7.3m). This compares with a combined target level of free reserves for the group entities of between £2.3m and £3.0m. The group's current total free reserves are therefore considerably above the specified target range.

Risk management

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

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

- The possible loss of contract income due to the highly competitive operational environment. This risk is mitigated by continual monitoring of service quality and performance, ongoing engagement with development activities, maintaining a competitive cost base and, where appropriate, the use of partnership arrangements to enable the charity to bid for larger contracts.

- The possibility of reduced or changed funding as a result of changes in Government policy. This risk is managed by monitoring government strategy and any legal and regulatory changes, membership of service provider bodies representing the sector and engaging with policy makers and commissioners.

- Pandemic: The coronavirus pandemic is and ongoing challenge but being mitigated through enacting business continuity plans, closely monitoring and following government advice, improved internal and external communications and adopting new methods of working. This approach has enabled Cranstoun to maintain service delivery throughout the COVID-19 crisis.

Trustee's Indemnity Insurance

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

Governance Review

Cranstoun's Board of Trustees engaged an external Governance specialist to carry out a formal review and evaluation of the Board and its committees. The Board of Trustees have a tailored Governance Manual and Action Plan to support the Board to move forward within a clear, agreed governance framework.

Future Plans

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

Charlie Mack joined Cranstoun as CEO in November 2020 and has worked with the Board of Trustees and Strategic Leadership Team to set a new and ambitious five year strategy for Cranstoun. Our new vision "to be a world-class leader in rebuilding lives" sets Cranstoun apart and will drive us to identify and deliver innovative, evidence-informed solutions that rebuild lives. A new Development and Innovation Board committee will oversee strategic innovation and development, including investment opportunities to deploy Cranstoun's high financial reserves.

As part of Cranstoun's new strategic direction, we will consider our environmental impact with the aim of operating more sustainably. We will work to achieve an environmental accreditation to support us to reduce our environmental impact.

The strategic intent of winding down the Swanswell Charitable Trust and the completion of a full merger with Cranstoun had not been feasible due to Swanswell's reserves position and an onerous lease arrangement. Given the improvement in Swanswell's financial position and the lease arrangement ending in March 2021, Swanswell will close on 31st October 2021, with all assets and liabilities at that date transferring to Cranstoun.

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

ON BEHALF OF THE BOARD

Lesleigh Bounds , Chair **Katharine Patel, Treasurer** 20 October 2021

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), *Chair* (to 30 April 2020
Lesleigh Bounds, *Chair* (from 1 May 2020)
Katharine Patel, *Deputy Chair & Honorary Treasurer*
David Alcock
Franklin Apfel
Sue Carroll (to 21 October 2020)
Cees Goos (to 31 December 2020)
Wayne Haywood (to 27 January 2021)
Hugh Simpson

Senior Management Team:
Charlie Mack, *CEO* (from 1 November 2020)
Dr. Steve Brinksman, *Medical Director*
Kim Coles, *Director of People & Culture*
Martin Holly FCA, *Director of Finance and Corporate Services*
Peter Glass, *Executive Director of Operations (to 31 March 2021)*
Clare Maryan*, Director of Development & Innovation (to 16 February 2021)*
Megan Jones, *Director of New Business & Services* (From 14 July 2021)
Jason Warriner, *Director of Care, Quality & Governance*
Annie Steele, *Assistant Director of Services*
Wendy Taylor, *Assistant Director of Services*
Niamh Donnelley, *Assistant Director of Services (to 31 March 2021)*

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

Independent Auditor:
Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey, SM1 4FS

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 ('the parent charity') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated and Parent Charity Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 March 2021 and of the group's 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the

other information. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees which includes 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 Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 6-7, the trustees (who are also the directors of the parent charity 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 charity'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 charity 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and

- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Nicola Wakefield (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Statutory Auditor

20 October 2021

6 Sutton Plaza
Sutton Court Road
Sutton
Surrey, SM1 4FS

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000
Income from:							
Donations and legacies		36	-	36	15	-	15
Charitable activities:							
Residential services		478	261	739	612	115	727
Community services		15,144	375	15,519	18,753	304	19,057
	2	15,622	636	16,258	19,365	419	19,784
Investments		5	-	5	34	-	34
Net Gain on sale of City Roads	3	-	-	-	4,265	-	4,265
Total income		**15,663**	**636**	**16,299**	**23,679**	**419**	**24,098**
Expenditure on:							
Charitable activities:							
Residential services		448	261	709	582	115	697
Community services		15,195	375	15,570	18,460	304	18,764
City Roads Closure Costs		-	-	-	270	-	270
Total Expenditure	4	**15,643**	**636**	**16,279**	**19,312**	**419**	**19,731**
Net gains/(loss) on investments		199	-	199	(65)	-	(65)
Net income/(expenditure) and net movement in funds		**219**	-	**219**	**4,302**	-	**4,302**
Reconciliation of funds							
Total funds brought forward		7,581	-	7,581	3,279	-	3,279
Total funds carried forward	17	**7,800**	-	**7,800**	**7,581**	-	**7,581**

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 2021.
Company No: 3306337

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets					
Tangible fixed assets	10	256	309	256	309
Investments	12	1,266	1,067	1,266	1,067
		1,522	1,376	1,522	1,376
Current assets					
Debtors	13	3,264	1,858	2,629	1,588
Cash at bank and in hand		6,333	7,224	5,425	6,202
		9,597	9,082	8,054	7,790
Current liabilities					
Creditors falling due within one year	14	(3,126)	(2,619)	(2,306)	(2,058)
Net current assets		6,471	6,463	5,748	5,732
Total assets less current liabilities		7,993	7,839	7,270	7,108
Creditors falling due after more than one year	14	(193)	(206)	(103)	(86)
Provision for liabilities	15	-	(52)	-	-
Net assets		**7,800**	**7,581**	**7,167**	**7,022**
Represented by:					
Unrestricted funds					
Designated funds	17	256	309	256	309
General funds	17	7,544	7,272	6,911	6,713
Total unrestricted funds		7,800	7,581	7,167	7,022
Restricted funds	17	-	-	-	-
Total funds		**7,800**	**7,581**	**7,167**	**7,022**

As permitted by section 408 of the Companies Act 2006, the charity has taken exemption from preparing a separate Statement of Financial Activities (incorporating an Income and Expenditure Account). The charity's result for the year was a surplus of £146k (2020: £4057k surplus).

The financial statements were approved and authorised for issue by the Board of Trustees on 20 October 2021 and signed on their behalf by:

Lesleigh Bounds — Chair

Katharine Patel — Treasurer

Consolidated and Parent Charitable Company Statement of Cash Flows for the year ended 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Net cash used in operating activities	23	**(877)**	**(680)**	**(762)**	**(1,015)**
Cash flows from investing activities					
Investment income and interest receivable		5	34	4	27
Purchase of property, plant and equipment		(19)	(148)	(19)	(148)
Proceeds from sale of assets		-	5,110	-	5,110
Net cash provided by/(used in) investing activities		**(14)**	**4,996**	**(15)**	**4,989**
Change in cash and cash equivalents in the year		**(891)**	**4,316**	**(777)**	**3,974**
Cash and cash equivalents at the beginning of the year		**7,224**	**2,908**	**6,202**	**2,228**
Cash and cash equivalents at the end of the year		**6,333**	**7,224**	**5,425**	**6,202**

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

Financial Notes

1. ACCOUNTING POLICIES

a) General Information

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

b) Accounting Convention and Basis of Preparation

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

c) Basis of Consolidation

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

d) Going concern

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

e) Income

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

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

f) Expenditure

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

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

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

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

g) Tangible Fixed Assets And Depreciation

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

Freehold Property	100 years
Leasehold improvements	The shorter of the remaining length of the lease or the remaining duration of the 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

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 2021 £'000
Residential services			
Board and lodging charges	478	261	739
Other income	-	-	-
	478	261	739
Community services			
Local authorities	5,263	-	5,263
Charitable Trusts	-	375	375
Other income	9,881	-	9,881
	15,144	375	15,519
	15,622	**636**	**16,258**

INCOME FROM CHARITABLE ACTIVITIES PREVIOUS YEAR

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

3. NET GAIN ON SALE OF CITY ROADS

During the financial year ended 31/03/2020 Cranstoun sold its freehold properties in City Road, Islington for gross sale proceeds of £5.1m. The sale was completed on 1st November 2019 and the net profit on the disposal was £4.2m.

4. TOTAL EXPENDITURE

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 5) £'000	Total 2021 £'000
Cost of charitable activities				
Residential services	315	347	47	709
Community services	9,027	4,786	1,757	15,570
City Road closure costs	-	-	-	-
	9,342	**5,133**	**1,804**	**16,279**

TOTAL EXPENDITURE PREVIOUS YEAR

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

5. ANALYSIS OF SUPPORT COSTS

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2021 £'000
Cost of charitable activities					
Residential services	8	25	12	2	47
Community services	292	938	436	91	1,757
	300	963	448	93	1,804
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 2020 £'000
Cost of charitable activities					
Residential services	46	103	33	9	191
Community services	377	687	354	81	1,499
	423	790	387	90	1,690
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

6. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year for acting as a trustee.
During the year £0 (2020: £1,680) was reimbursed to zero (2020: three) Trustees for travel expenses incurred in the course of charity business.

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2021 £'000	2020 £'000
Auditor's remuneration - Statutory Audit (Parent charity)	15	20
Depreciation	72	136
Operating lease rentals	552	787

8. EMPLOYEES

	2021 £'000	2020 £'000
Wages and salaries	8,555	8,738
Social security	768	776
Pension costs	382	391
Redundancy and termination payments	45	85
	9,750	9,990

The monthly average head count was 328 staff (2020: 365 staff).

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

	2021 Number	2020 Number
£60,000 to £70,000	2	2
£70,000 to £80,000	-	1
£90,000 to £100,000	2	2

The total employee benefits of the senior management team (key management personnel) were £790,277 (2020: £798,185).

9. TAXATION

The Charity's activities are exempt from corporation tax.

10. TANGIBLE FIXED ASSETS

Group

	Furniture & Equipment £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost				
At 1 April 2020	345	165	87	597
Additions	19	-	-	19
Disposals	-	-	-	-
At 31 March 2021	364	165	87	616
Accumulated depreciation				
At 1 April 2020	188	16	84	288
Charge for the year	67	2	3	72
Disposals	-	-	-	-
At 31 March 2021	255	18	87	360
Net book value at 31 March 2021	109	147	-	256
Net book value at 1 April 2020	157	149	3	309

Charity

	Furniture & Equipment £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost				
At 1 April 2020	266	165	46	477
Additions	19	-	-	19
Disposals	-	-	-	-
At 31 March 2021	285	165	46	496
Accumulated depreciation				
At 1 April 2020	109	16	43	168
Charge for the year	67	2	3	72
Disposals	-	-	-	-
At 31 March 2021	176	18	46	240
Net book value at 31 March 2021	109	147	-	256
Net book value at 1 April 2020	157	149	3	309

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 owed subsidiary of Cranstoun from 15 December 2016 on the basis that Cranstoun is the sole member of the Charity. Audited accounts for Swanswell Charitable Trust are filed with the registrar of companies. The net assets and funds as at 31 March 2021 are £624,477 (2020: £558,024). A summary of the results the year ended 31 March 2021 and a summary balance sheet at the end of the year are shown below:

Summary of results

	2021 £'000	2020 £'000
Total income	1,360	5,889
Total expenditure	(1,293)	(5,644)
Net expenditure and movement in funds	67	245

Summary balance sheet

	2021 £'000	2020 £'000
Debtors	124	278
Cash	758	1,022
Creditors	(257)	(742)
.	625	558

Cranstoun Services Limited (company no 12313944) which is incorporated in England and Wales is a trading subsidiary in which Cranstoun holds 100% of the ordinary share capital. Cranstoun Services was incorporated on the 13th November 2019 and commenced trading on 1 January 2020. A summary of the results for the 12 months ended 31 March 2021 and a summary balance sheet at the end of the year are shown below:

Summary of results

	12 months ended 31 March 2021 £'000	3 months ended 31 March 2020 £'000
Total income	5,037	248
Total Expenditure	(5,037)	(248)
Net expenditure and movement in funds	-	-

Summary balance sheet

	2021 £'000	2020 £'000
Debtors	1,028	298
Creditors	(1,022)	(298)
Net assets & funds	6	-

12. GROUP AND CHARITY INVESTMENTS

	2021 £'000	2020 £'000
Investment portfolio		
Market value at 1 April 2020	1,067	1,132
Net gains/(loss) on revaluation	199	(65)
Market value at 31 March 2021	1,266	1,067
Historical cost at 31 March 2021	741	741

This is made up as follows:

	2021 £'000	2020 £'000
Analysis of Investments		
Listed investments	1,165	969
Cash	101	98
	1,266	1,067

13. DEBTORS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade debtors	1,820	670	1,023	322
Prepayments and accrued income	1,365	1,175	1,161	946
Amounts owed by subsidiary undertakings	-	-	403	308
Other debtors	79	13	42	12
	3,264	1,858	2,629	1,588

14. CREDITORS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Amounts Falling Due Within One Year				
Trade creditors	410	712	383	565
Accruals	956	986	789	747
Deferred income	1,154	588	807	528
Social Security & other taxes	220	253	208	156
Pension contributions	56	18	52	4
Other creditors	330	62	67	58
	3,126	2,619	2,306	2,058
Amounts Falling Due After More Than One Year				
Accruals	193	206	103	86

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. 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 ended in March 2021. The movement in the onerous lease provision during the year was as follows:

	£'000s
Provision at 31st March 2020	52
Utilised in year	(52)
Provision at 31st March 2021	-

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 two providers, Standard Life, and Aviva. The pension costs charged in the year were £381,679 (2020: £391,428).

17. STATEMENT OF FUNDS

Group

	Balance at 01-Apr-20 £'000	Movement in resources Incoming £'000	Movement in resources Outgoing £'000	Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-21 £'000
Restricted Funds						
Residential services	-	261	(261)	-	-	-
Community services	-	375	(375)	-	-	-
Total Restricted Funds	-	636	(636)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	309	-	-	-	(53)	256
Total Designated Funds	309	-	-	-	(53)	256
General Funds	7,272	15,663	(15,643)	199	53	7,544
Total Unrestricted Funds	7,581	15,663	(15,643)	199	-	7,800
Total Funds	7,581	16,299	(16,279)	199	-	7,800

Charity

	Balance at 01-Apr-20 £'000	Movement in resources Incoming £'000	Movement in resources Outgoing £'000	Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-21 £'000
Restricted Funds						
Residential services	-	262	(262)	-	-	-
Community services	-	375	(375)	-	-	-
Total Restricted Funds	-	637	(637)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	309	-	-	-	(53)	256
Total Designated Funds	309	-	-	-	(53)	256
General Funds	6,713	14,296	(14,350)	199	53	6,911
Total Unrestricted Funds	7,022	14,296	(14,350)	199	-	7,167
Total Funds	7,022	14,933	(14,987)	199	-	7,167

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-19 £'000	Movement in resources Incoming £'000	Movement in resources Outgoing £'000	Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-20 £'000
Restricted Funds						
Residential services	-	115	(115)	-	-	-
Community services	-	304	(304)	-	-	-
Total Restricted Funds	-	419	(419)	-	-	-
Unrestricted Funds						
Designated Funds						
Fixed Asset Fund	1,130	-	-	-	(821)	309
Total Designated Funds	1,130	-	-	-	(821)	309
General Funds	2,149	23,679	(19,312)	(65)	821	7,272
Total Unrestricted Funds	3,279	20,891	(21,258)	34	-	7,581
Total Funds	3,279	21,099	(21,466)	34	-	7,581

Charity

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	256	-	-	-	256
General funds	-	1,266	9,597	(3,319)	7,544
Total Funds	256	1,266	9,597	(3,319)	7,800

Charity

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Fixed Asset Fund	256	-	-	-	256
General funds	-	1,266	8,054	(2,409)	6,911
Total Funds	256	1,266	8,054	(2,409)	7,167

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	309	-	-	-	309
General funds	-	1,067	9,082	(2,877)	7,272
Total Funds	309	1,067	9,082	(2,877)	7,581

Charity

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

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 2021, the group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021 Land and Buildings £'000	2021 other £'000	2020 Land and Buildings £'000	2020 Other £'000
Payments due in:				
Not later than 1 year	212	7	306	17
Later than 1 year and not later than 5 years	771	6	835	1
More than 5 years	68	-	328	-
	1,051	13	1,469	18

21. CAPITAL COMMITMENTS

There are no capital commitments.

22. CONTINGENT LIABILITIES

There are no contingent liabilities.

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

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Net Income for the year	219	4,302	146	4,057
Depreciation charges	72	136	72	136
(Gains)/Loss on investments	(199)	65	(199)	65
Dividends, interest and rents from investments	(5)	(34)	(4)	(27)
Gain on sale of fixed assets	-	(4,277)	-	(4,277)
(Decrease)/Increase in debtors	(1,406)	1,945	(1,041)	830
Increase/ (Decrease) in creditors	494	(2,756)	264	(1,799)
Decrease in Onerous Lease Provision	(52)	(61)	-	-
Net Cash used in operating activities	(877)	(680)	(762)	(1,015)

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 £192,909 (2020: £206,436).

25. RELATED PARTY TRANSACTIONS

During the year Cranstoun recharged costs totalling £831,762 (2020: £759,800) to Swanswell its subsidiary undertaking. At the balance sheet date a balance of £47,752 (2020: £59,806) was owed to Cranstoun. Also Swanswell recharged Cranstoun £133,488 in the year.

Cranstoun also recharged costs totalling 4,781,000 (2020 £248,092) to Cranstoun Services Ltd its trading subsidiary. At the balance sheet date a balance of £354,903 (2020 £248,092) was outstanding to Cranstoun.

26. POST BALANCE SHEET EVENTS

Given the reduction in income, and to make the underlying structure of the Cranstoun group more efficient, the trustees have resolved that Swanswell Charitable Trust will close and transfer it's remaining assets and liabilities to Cranstoun on 31 October 2021.