



CRA NSTOUN

Empowering People, Empowering Change

**Annual Report
2022 - 2023**

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Introduction from the Chair of Trustees

This has been a busy year for Cranstoun. We have seen a large amount of growth across our services, and have continued to face, as a sector, unprecedented challenge. But time and time again our teams have stepped up and faced those challenges down and always ensured that people who use our services have been able to access the high quality support and advice that we strive to provide every single day.

The organisation has, over the past year, embarked on some ambitious, new programmes and initiatives which match our ambition to be a world-class leader in rebuilding lives.

I've continued to be impressed by the work that our teams do to go above and beyond for the people we work with and as our services grow, it gives us that opportunity to reach more people.

We have done a lot of work this year to join our services together, and work in a One Cranstoun way, so we can ensure that our services properly integrate and interlink with each other, this is crucial if we are going to provide those first-rate, world-class services that we strive for.

As a Board, we have welcomed Professor Gail Gilchrist to the team, who brings a wealth of experience which will be hugely valuable to Cranstoun in the years to come. She will help us to develop our services and support with that crucial work around collaboration.

We have seen a number of new services launched this year which are already proving to be a huge success.

We have faced challenges, as has the sector around the cost-of-living crisis and as a result we have put in place additional support for our teams, as well as supporting the people who use our services by ensuring that they can access additional support as required.

The future for Cranstoun looks bright and every day I am proud to be a part of the charity.



Lesleigh Bounds

Chair of the Board of Trustees

Introduction from the Chief Executive

This has been an incredible year for Cranstoun.

In 2022-23 we saw our first full year with our new look and brand. We saw the launch of some hugely important, new services. We also saw Cranstoun on the global stage presenting our innovative work in Europe and America..

We have had visitors from across the globe come to visit our services and see first-hand what we are doing to support people to change and rebuild their lives.

In the past year, we've supported over 21,000 adults and children and young people across all of our services.

This has also been the year that as an organisation, we have been getting out there and making our voice heard. From the international conferences we've attended, to running our very own Social Justice Conference in Brighton.

We have also been working much more closely with politicians across the UK to share our ideas and campaigning for the crucial changes required on how we can continue to support people to rebuild their lives. That work has seen us present to the Scottish Government how we would propose to deliver an Overdose Prevention Centre which resulted in 29 Members of the Scottish Parliament backing our calls for the opening of an OPC in Dundee.

We are nearing the halfway point in our strategy, and we are well on course for achieving what we set out to do. I see the impact of our new direction each and every day. That our shared vision, which I see when I speak to staff across the organisation, is visible in all areas, is so clear, and people can see the hugely positive difference that they are making to people's lives.

That's what underpins the work we do. Our staff, our volunteers, our peer supporters, our trustees. Without them, none of what we do would be possible.



Charlie Mack, Chief Executive

Trustees' Report

The Trustees of Cranstoun present their report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 34 to 37 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. The Strategic 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.

Swanswell formally closed following a meeting of the Board of Trustees in April 2022.

Trustees

A full listing of Cranstoun's Trustees is presented on page 25. 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 and Remuneration Committee (NaRC)

Hugh Simpson – Chair

Lesleigh Bounds

Katharine Patel

Innovation and Development Committee

David Alcock – Chair

James Nicholls

Naomi Burke-Shyne

Alastair Graham

Rebecca Kemp

Katharine Patel (by invitation)

Quality, Governance & Safety Committee

Franklin Apfel – Chair

Hugh Simpson

Anne Campbell

Gail Gilchrist (appointed 01/02/23)

Audit Committee

Katharine Patel – Chair

David Alcock

Andy Furlong

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, performance against objectives, any pay increases available to staff and benchmarking of the salaries and benefits of senior executives in similar organisations.

Objectives and Activities

Our vision

To be a world-class leader in rebuilding lives.

Our Purpose

To inspire and empower people to live healthier and safer lives.

Our mission

To identify, develop and deliver innovative, evidence-informed solutions that rebuild lives.

Cranstoun's vision, purpose and mission sit at the heart of our five-year strategy (2021-2026).

The key words of 'safer' and 'healthier' remain core to our purpose and are key to the outcomes that people who use our services desired in consultation with them in producing the new strategy.

Our mission explains how we will achieve our vision and will include areas such as investment in innovation and development, growing our profile in the policy space and working in collaboration with other organisations and partners across the globe.

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.

Objects of Cranstoun

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.

Our Values

Ambitious Having a strong desire or determination to succeed

Collaborative Working together to achieve a goal

Compassionate Showing genuine concern for someone else and their needs

Creative Coming up with new ideas and solutions to resolve a problem or do something in a better way

Respectful Showing consideration or regard to something or someone

Strategic Report

We launched our new brand in February 2022 and 2022-23 saw the first full year of implementing it across all of our services and embedding it within the work that we do.

We also began implementing a new approach to the work that we do. A One Cranstoun approach. One Cranstoun means that all of the work we do is interlinked. In our five service areas; alcohol & other drugs, children & young people, criminal justice, domestic abuse and housing, they all interlink and they can all join up, through shared ideas or through the localities in which they are to provide better support and better outcomes for the people that use them.

We are proud to have been successful with bringing in a number of new services in 2022-23 as well as retaining services we currently operate. For the first time in more than 15 years, Cranstoun is back working in the prison estate and we've been proud to launch our substance use service in HMP Birmingham this year.

In May 2022, we held a One Cranstoun Conference in Birmingham for all of our staff, more than 400 in total. This was an opportunity to discuss the One Cranstoun approach in more detail, but also hear from our staff about their views on the strategy. The event was also an opportunity for us to show to all of our staff how far we have come as an organisation and how our work has been noticed. We heard from experts who are world-class leaders in their own right, including a personal message from Richard Branson.

Throughout 2022-23, Cranstoun responded to a number of consultations, reports and calls for evidence as part of our growing work on policy. This has included the House of Commons Home Affairs Select Committee's inquiry on drugs, the consultation on the Drug Death Prevention Bill, evidence to the government's Swift, Certain, Tough White Paper. We have also responded to Drug Related Death figures in England, Wales and Scotland, the Ending Rough Sleeping for Good policy paper and also to the calls for evidence for the Labour Party's National Policy Forum.

Cranstoun has also led on campaigning work throughout the year which has included launching our own paper calling for an Overdose Prevention Centre in Dundee. We took this paper to the Scottish Parliament which saw 29 MSPs from a range of parties back these calls. Cranstoun has continued to lead the charge in calling for the introduction of Overdose Prevention Centres across the UK in national media, and through the work that we do with our partners.

In February 2023, Cranstoun held an international Social Justice Conference in Brighton. The event saw delegates descend on the seaside city to hear expert speakers from the UK and around the world. This included Nicole Jacobs, the Domestic Abuse Commissioner for England and Wales, Kassandra Frederique from the Drug Policy Alliance in New York, Prof Carl Hart from Columbia University, as well as other experts.

We have also seen a number of major successes led by our Care, Quality & Governance Team in 2022-23. In July we achieved Cyber Essentials Certification. We successfully re-audited and achieved ISO 9001 for Quality Management Systems in September 2022, and in March 2023, Cranstoun was awarded the new ISO 45001 certification for Occupational Health and Safety Management Systems.



Cranstoun Adult Substance Use Services

In 2022-23, Cranstoun operated substance use services in the Royal Borough of Windsor & Maidenhead, Sandwell, London Borough of Sutton, Wokingham and Worcestershire.

More than **10,500 referrals** were made to our adult substance use services in 2022-23.

Over **6,750 people** were in either structured or unstructured treatment within our services.¹

We continued to operate needle exchange and naloxone provision across our areas of service and gave out more than **700 naloxone kits** and almost 400 people accessed our injecting equipment provision services. These services are offered via our treatment services and through our partnerships with pharmacies.

Cranstoun's services which support people who use alcohol and other drugs achieve excellent outcomes for those engaging with us. Our treatment offer is broad and we work with people to find the most suitable intervention for them, and strive to make our services as accessible and attractive as possible.

Our substance use services performed well against the national average in 2022-23. Our services in the Royal Borough of Windsor and Maidenhead (RBWM), Sandwell and the London Borough of Sutton saw successful completions for people who use opiates in the top quartile of services in the country.

For non-opiates our services in the RBWM, Sutton and Worcestershire saw above national average completions of 43.9%, 34.7% and 43.7% respectively compared to a national average of 33.7%.

The Treatment Outcomes Profiles (TOP) for our adults' services were excellent in 2022-23, scoring within or above the national average across physical health, psychological health and quality of life. Across our services, for physical health people **exited with a score of 14.2** equal to the **national average of 14.2**. With regards to psychological health people had **an average exit score of 14.4** compared to **14.3 nationally**. The average score for overall **quality of life on exit was at 14.9** above the **national average of 14.8**.

¹ **Note:** Data in this report is retrieved from several different sources including NDTMS, service case management systems, workbooks and data leads themselves. Figures should be considered approximate. Please note that some services do not operate on a Structured/Non-structured modality design. Some services work as a referral in, completion or non-completion type service.

Alcohol & Other Drugs

In the Autumn of 2022, we launched a new van within our Sandwell Service, led by Simon Wollaston and supported by our local peer team, SCORE.

They have been supporting the local community as well, by organising litter picks and distributing naloxone.

The Harm Reduction Vehicle allows us to take our service out into communities and have conversations and provide support to people whom otherwise may not visit our service.



Simon Wollaston said:

“In Sandwell we recognise that there is a need for our services out in the community and in all of the six towns in the borough.

“With this van we’re able to provide a range of services right to where people need us to be, we can engage with more people who may otherwise not come into contact with specialist support services.”

Cranstoun Housing & Homelessness

Cranstoun's work on Housing & Homelessness does not only provide a roof over people's heads. We work to deliver and support people to build lasting skills and strategies to maintain accommodation where needed and ensuring people can live safely. We can offer supported accommodation and floating support to people who need it.

There were **1,745 referrals** into our housing services in 2022-23 which had a successful **exit rate of 78.1%**.

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.
- Adults with mental health support needs

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.

Cranstoun's Housing First Pilot continued in 2022-23, supporting rough sleepers in Birmingham to secure, settle and sustain their own accommodation within the principles of the Housing First Model. The project is one of only three Housing First pilots in the country, funded by central government and commissioned jointly by Birmingham City Council and the West Midlands Combined Authority. People being supported through our Housing First Pilot **rose by 21% to 70 people in 2022-23**.

Cranstoun also runs PURE, a service commissioned by Birmingham City Council to support people in the city who face barriers to gain employment. In 2022-23 we **supported 113 people** in the city with guidance, mentoring and other support to access employment, education and training.

Wandsworth Supported Housing

Cranstoun's supported housing in Wandsworth allows us to provide accommodation based and floating support to people who use or have used alcohol and other substances. approach is personalised and flexible, helping people 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 to where they want to be, helping them to develop strategies that enable independent living.

Cranstoun Criminal Justice Services

Cranstoun continued to operate criminal justice services in the West Midlands and West Mercia Police Force areas.

The Cranstoun Arrest Referral Service (CARS) operated across West Midlands Police's Custody Facilities.

Our Alcohol Related Violence Course received 270 referrals and an **83% completion rate**.

DIVERT

Our pre-arrest drug possession police diversion scheme, DIVERT, continued to operate across the West Midlands and West Mercia Police Force areas, around **4,000 referrals** from police officers, over 2,100 assessments were made.

Arrest Referral Service

There were **over 16,500 contacts, assessments and interventions led by our** Arrest Referral Team in 2022-23 of people in police custody. Following contact with our team, we made over **1,800 onward referrals** to other specialist treatment providers.

Our Arrest Referral Team work closely with police, courts and probation to find alternative routes to custodial sentences as we continue our work to break the cycle of crime. Our work in 2022-23 saw **226 Drug Rehabilitation Requirements** and **135 Alcohol Treatment Requirements** issued in the West Midlands. Over a fifth of these types of alternatives to custodial sentences that are given out across England and Wales come from the West Midlands.

The scheme, commissioned by the West Midlands Police and Crime Commissioner, delivered by Cranstoun with support from the Probation Service has been instrumental in driving up the number of people being given Drug Rehabilitation Requirements and Alcohol Treatment Requirements across the West Midlands area.

Our Arrest Referral Team also issued 69 naloxone kits and were able to provide needle exchange services 33 times. Fortunately we see services around our community offering naloxone. Our team will continue to ask the question at every opportunity to ensure this potentially life saving kit is available to hand.

HMP Birmingham

In November 2022, Cranstoun launched a new service within HMP Birmingham. Working alongside Birmingham & Solihull Mental Health Foundation Trust as part of the wider Healthcare Service within the prison, we are leading on the substance use interventions and supporting people in the prison who use and have used drugs. Since launch we have worked with almost 600men within the prison.

The service delivers psychosocial interventions to men within the prison covering all addictions including drugs, alcohol and gambling. The interventions are designed to improve wellbeing and long term outcomes for people, aiming to reduce reoffending and the number of people caught in the "revolving door" of crime.

Cranstoun Here4YOUth

Cranstoun works with children and young people to provide support and advice to allow them to make healthy choices around their use of alcohol and other drugs. We work with children and young people to empower them, to help them find their strengths as a way to overcome the challenges they may face. Our friendly and experienced team can provide support to young people where they feel most comfortable. This could be at home, school, a café or somewhere else.

Within our young people's services, the safety and wellbeing of the people who use our services 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 Buckinghamshire, Dudley, London Borough of Sutton, Wokingham and Worcestershire.

It was announced in 2022-23 that Cranstoun would operate the new Children and Young People's service in Oxfordshire which will launch on 1 April 2023.

In 2022-23 there were over **1,700 referrals** made into our Young Persons' Services with more than **875 people** in structured or unstructured treatment throughout the year. The successful completion rate for all of our Young Persons' Services was 63.1%.

Using the Young Persons Outcome Record (YPOR) our services performed above the national average for Life Satisfaction, scoring an average of 7.5 across the board compared to 7.1 nationally. The outcomes for our young people when it comes to happiness, getting on in life and feeling anxious also performed better than the national average.

Children & Young People

Our services for children and young people are rooted in the idea that proper early intervention, understanding and listening to the children and young people who access our services. We know that young people value also value privacy. Our teams work with young people to provide them the right support that they need, when they need it.

What underpins our services is the knowledge that when young people are encouraged, celebrated and supported, a brighter, safer future becomes reality.

“At Here4YOUth we work with children and young people looking to address their substance use and also help and support those affected by someone else’s drug and alcohol use.

“We believe that every young person deserves the best start in life and our vision is to inspire and empower people to lead healthier and safer lives.”

-Vicky Branch, Head of Children & Young People’s Services



Cranstoun Domestic Abuse Support Services

Cranstoun is committed to challenging domestic abuse in all its forms. We have seen a substantial increase in our domestic abuse service referrals as well as provision and continue to deliver interventions specifically targeted at supporting victims and survivors to safety as well as challenging perpetrators of abuse to take responsibility for their behaviour.

In 2022-23 we operated a number of domestic abuse support services and perpetrator programmes including:

- Men & Masculinities programmes in Ealing, Havering, Hounslow, Barking & Dagenham, Sussex, Worcestershire, Transform, London Borough of Sutton
- Domestic Abuse Housing Support Services, Birmingham
- Drive Worcestershire, Herefordshire, South Gloucestershire Wokingham
- Domestic Abuse Support Service Inspire to Change, South Yorkshire
- Restart
- ReMove
- Integrated Domestic Abuse services in Sutton and Wokingham

There were over **6,800 referrals** into our Domestic Abuse Services during 2022-23 with **70.6% of people accessing our services** during the year making **successful exits**.

June 2022 saw the launch of the independent evaluation into the ReMove programme that Cranstoun have been running in Barking & Dagenham. The ReMove programme is a pilot that sees the perpetrators of domestic abuse taken out of the family home and rehoused whilst they address their abusive and harmful behaviours. This sees less disruption to the wider family and any children and it is easier to find accommodation for one person, than alternative accommodation for a parent with children.

In June 2022, we also launched LevelUp within our South Yorkshire, Cranstoun Inspire to Change Service. Funded by the Police and Crime Commissioner for South Yorkshire, LevelUp works with young people who are showing signs of harmful behaviours towards parents, siblings and intimate partners.

In February 2023, it was announced that Cranstoun would lead Telford & Wrekin's new integrated domestic abuse service. The service will launch in June 2023 and will deliver on their Domestic Abuse Strategy 2023-25. The strategy and commissioning process was co-produced by victims and survivors of domestic abuse. The service will provide specialist support for victims, support for children affected by domestic abuse, safe accommodation, and a perpetrator behaviour change programme.



Cranstoun's 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, trainees, volunteers, peer supporters and relief staff all bring with them a richness of skills and experience to support the people who use our services 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.

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.

We have trained Mental Health First Aiders across our services to act as mental health champions for our staff and volunteers.

Short-term staff sickness for the year remained low at 2%. In 2022-23 Cranstoun averaged a headcount of 458 staff, with a strong staff retention rate of 86%.

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, trainee programmes and world-class leadership programmes.

Our staff **completed 602 online courses** in 2021-22 and **112 classroom based** courses.

Accreditations

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

We have retained our Mindful Employer and Disability Confident Scheme accreditations.

Cranstoun is also a real Living Wage Employer, accredited by the Living Wage Foundation.

In November 2022, we achieved the Ban the Box accreditation. This accreditation is supporting the work that we are committed to around breaking the cycle of crime. Ban the Box exists to remove any perceived prejudice early on in a job application process by removing any boxes which require a person to declare convictions on an application form.

Diversity and inclusion

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

All people who use our services 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 or belief, national origin, sex, disability, age, marital or civil partnership status, gender identity, 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 Cranstoun's 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

Cranstoun uses a number of ways to consult and communicate with our staff and volunteers. We use a range of internal communication methods including email, intranet, webinars and have plans to develop our communications channels further. We continue to develop our use of video for internal and external communications. We hold a quarterly forum, The Exchange, to inform and consult with staff representatives across the organisation.

In May 2022, we held an in person conference for all of our staff. We have also held a number of webinars and online sessions which our staff have been able to join, ask questions and have their say. We will continue to develop new ways to communicate with our staff, and embrace our One Cranstoun ideology.

Financial Review

Another successful year for Cranstoun as it continues its growth trajectory. During the year ending 31st March 2023, total group income was £22.1m (2022: £20.0m) and total group expenditure was £22.4m (2022: £19.0m). The group result for the year was a small decrease in funds of £0.03m (2022: £1.03m increase).

The decrease in funds was largely as a result of the cost-of-living crises and the fact that Cranstoun was tied to the National Joint Council (NJC) in terms of awarding salary increases. The pay award which the NJC awarded in 2022/23 was significantly higher than Cranstoun had anticipated in its budget, which affected the results. Significant actions were taken to mitigate against these increased costs, demonstrating Cranstoun's resilience and agility, with the overall impact lessened by efforts made to secure new business, negotiate and retain current contracts, and achieve internal savings. An increase in investment income also helped to mitigate the loss.

During the year, there were increased travel costs with staff returning to the office as Covid-19 restrictions eased and services began to resume normal face-to-face activities.

Subsidiary results included in the consolidated group accounts for Cranstoun Services Limited was income of £8.594 (2022: £6.725) and expenditure of £8.587m (2022: £6.725m) giving a surplus of £7k.

The overall financial position at the end of the year remains positive and continues to be boosted with a net cash position in the charity of £6.8m (2022: £6.5m) and in the group of £7.7m (2022: £7.7m). As a result of the deficit, net current assets decreased in the charity from £7.5m in 2022 to £7.2m in 2023 and in the group from £7.5m in 2022 to £7.3m in 2023. Total reserves of the charity at the end of the year were £8.5m (2022: £8.8m) and total reserves of the group £8.5m (2022: £8.8m). A large proportion of these reserves are set aside to invest in our innovation pipeline with the intention to continue to introduce new strategic initiatives to enhance, compliment and improve the services that we offer.

Investment policy

Cranstoun maintains a portfolio of investments of £1.28m (2022: £1.33m), 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% + Inflation (CPI) per annum. Bonds, 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 2022/23, the total return of the Charity Multi-Asset Fund portfolio was -3.6%, (2021/22: +5.2%), reflecting the difficult economic conditions.

Following the year-end, the value of the portfolio increased only marginally by +0.4% in the first quarter of the year, due to stock market volatility in the period.

Reserves policy

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

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.

Cranstoun Group also has an innovation fund which is used to fund strategic investment, innovation, and development opportunities.

At the 31 March 2023, Cranstoun's total unrestricted funds were £8.5m and unrestricted funds not committed or invested in tangible fixed assets, the innovation fund, otherwise designated were £5.6m (the 'general reserves'). 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 the minimum level of reserves required to operate, taking into account working capital and contingencies to meet ongoing liabilities. The level of general reserves are reviewed annually to ensure that they are in line with the reserves policy and are at an acceptable level to mitigate against any future financial risks that Cranstoun may encounter.

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

Risk Management

The Trustees maintain a register of the risks to which the group is exposed. The risk register is reviewed twice yearly by each standing committee of the Board and annually by the Board of Trustees. Each committee reviews the risks that are relevant to them. 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.

The Covid-19 pandemic continued during the year end 31 March 2022. Our working practices and operations were amended so that the risk of coronavirus to both employees and people who use our services are reduced. Despite our amended working practices, we have continued to support our clients and provided additional support and help where needed. Our commissioners and people who use our services have continued to support us throughout this period, and we have seen little detrimental financial effect. By the beginning of 2022-23, we were taking a business as usual approach.

At the present time we have not seen any significant business impact as a result of the Russian invasion of Ukraine apart from the general economic impact being experienced across the UK. However, the impact of rising inflation is a serious concern for the Board, and we are seeing significant increases in the cost of utilities, services and consumables.

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

We are progressing well with our five-year plan and over the past year have made considerable progress against our goals around increasing our voice and developing new ways to innovate and develop new services and solutions to support some of the most vulnerable people in our society.

Early into the next financial year, we will launch BuddyUp, our dedicated app designed to support people who use drugs alone. We have worked closely with the Brave Co-op in Canada, who designed this app and implemented it there. We are now bringing this crucial app to the UK. Part of our strategy was to identify world best practice and bring it for use in the UK, BuddyUp is one example of how we are doing just that.

We have set good foundations in our policy and lobbying work. During 2022-23 we have set out our policy pledges for each of the areas in which we work. Over the next year, we will continue to develop our policy work, as well as continuing the work we have done over the past year to work closely with government, in Westminster, the devolved nations and internationally.

Cranstoun will also continue to showcase our groundbreaking work on the international stage at conferences and events. We have seen a number of successes in this space during the year, with further opportunities to present our work to leading figures and policymakers across the globe already set in our sights, this includes a number of presentations at Harm Reduction International in Melbourne, Australia in April 2023.

In May 2023, we will launch an awareness and educational campaign, working with our Children & Young People's Services aimed at educating young people about substances, providing crucial harm reduction advice and information in a clear, concise way. We have joined with Kerry Roberts and her campaign 'Not My Child' to launch this campaign aimed at providing a basic drug education to children and young people.

We also have a number of new services due to go live in early 2023, including a new Children & Young People's Service in Oxfordshire, an integrated Domestic Abuse Service in Telford & Wrekin and an expansion of our Drive service to Bristol and North Somerset. We will continue to seek out opportunities to grow our services and achieve our aim of delivering world-class services to people who need them,

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



Leigh Bounds, Chair



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:

Lesleigh Bounds, *Chair*

Katharine Patel, *Treasurer*

David Alcock

Franklin Apfel

Hugh Simpson

Andrew Furlong

Naomi Burke-Shyne

Alastair Graham

James Nicholls

Rebecca Kemp

Matthew Webster (Resigned July 2022)

Gail Gilchrist (appointed February 2023)

Bankers:

National Westminster

Bank PO Box 2BA

69 Baker Street

London W1A 2BA

Solicitors:

Blake Morgan LLP

New Kings Court

Chandler's Ford

Eastleigh SO53 3LG

Independent Auditor:

Mazars LLP

6 Sutton Plaza Sutton

Court Road Sutton

Surrey, SM1 4FS

Edell Jones & Lessers

First Floor, 54-56 Barking Road

East Ham

London E6 3BP

Strategic Leadership Team:

Charlie Mack, *CEO*

Dr. Steve Brinksman, *Medical Director*

Kim Coles, *Director of People & Culture*

Martin Holly FCA, *Director of Finance and Corporate Services (until December 2022)*

Richard Bains, *Interim Director of Finance and Corporate Services (until July 2022)*

Megan Jones, *Director of New Business & Services*

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

Investment Managers:

Cazenove Capital Management

12 Moorgate

London

EC2R 6DA

Independent auditor's report to the members of Cranstoun

Opinion

We have audited the financial statements of Cranstoun (the 'charity') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement 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 charity and the group's affairs as at 31 March 2023 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 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 Strategic Report and 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 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 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 page 7. 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

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.

N J Wakefield

Nicola Wakefield

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 22 December 2023

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000
Income from:							
Donations and legacies		2	-	2	3	-	3
Charitable activities:							
Residential services		563	277	840	539	258	797
Community services		19,360	1,877	21,237	18,047	1,153	19,200
	2	19,923	2,154	22,077	18,586	1,411	19,997
Investments		80	-	80	1	-	1
Total income		20,005	2,154	22,159	18,590	1,411	20,001
Expenditure on:							
Charitable activities:							
Residential services		560	277	837	515	258	773
Community services		19,678	1,877	21,555	17,112	1,153	18,265
Total Expenditure	3	20,238	2,154	22,392	17,627	1,411	19,038
Net (loss)/gains on investments		(48)	-	(48)	66	-	66
Net (expenditure)/income and net movement in funds		(281)	-	(281)	1,029	-	1,029
Reconciliation of funds							
Total funds brought forward		8,829	-	8,829	7,800	-	7,800
Total funds carried forward	15	8,548	-	8,548	8,829	-	8,829

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 2023. Company No: 3306337

		Group	Group	Charity	Charity
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Tangible fixed assets	9	256	214	256	214
Investments	11	1,284	1,332	1,284	1,332
		<u>1,540</u>	<u>1,546</u>	<u>1,540</u>	<u>1,546</u>
Current assets					
Debtors	12	3,997	5,098	3,734	4,717
Cash at bank and in hand		7,702	7,727	6,764	6,516
		<u>11,699</u>	<u>12,825</u>	<u>10,498</u>	<u>11,233</u>
Current liabilities					
Creditors falling due within one year	13	(4,434)	(5,339)	(3,249)	(3,756)
Net current assets		<u>7,265</u>	<u>7,486</u>	<u>7,249</u>	<u>7,477</u>
Total assets less current liabilities		<u>8,805</u>	<u>9,032</u>	<u>8,789</u>	<u>9,023</u>
Creditors falling due after more than one year	13	(257)	(203)	(257)	(203)
Net assets		<u><u>8,548</u></u>	<u><u>8,829</u></u>	<u><u>8,532</u></u>	<u><u>8,820</u></u>
Represented by:					
Unrestricted funds					
Designated funds	15	2,929	3,173	2,929	3,173
General funds	15	5,619	5,656	5,603	5,647
Total unrestricted funds		<u>8,548</u>	<u>8,829</u>	<u>8,532</u>	<u>8,820</u>
Restricted funds	15	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds		<u><u>8,548</u></u>	<u><u>8,829</u></u>	<u><u>8,532</u></u>	<u><u>8,820</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 result for the year was a deficit of £288k (2022: £1,653k surplus).

The financial statements were approved and authorised for issue by the Board of Trustees on 04 November 2023 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 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Net cash (used in) / provided by operating activities	21	(12)	1,408	261	390
Cash flows from investing activities					
Investment income and interest receivable		80	1	80	1
Purchase of property, plant and equipment		(93)	(15)	(93)	(15)
Transfer of Swanswell charitable Trust		-	-	-	715
Net cash (used in)/provided by investing activities		<u>(13)</u>	<u>(14)</u>	<u>(13)</u>	<u>701</u>
Change in cash and cash equivalents in the year		(25)	1,394	248	1,091
Cash and cash equivalents at the beginning of the year		<u>7,727</u>	<u>6,333</u>	<u>6,516</u>	<u>5,425</u>
Cash and cash equivalents at the end of the year		<u><u>7,702</u></u>	<u><u>7,727</u></u>	<u><u>6,764</u></u>	<u><u>6,516</u></u>

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

Notes to the Financial Statements for the Year Ended 31 March 2023

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

Although the year ended 31 March 2023 ended with a deficit, Cranstoun remains in a strong position with healthy cash reserves which has provided Cranstoun with a strong foundation for the forthcoming year. Cashflows have been prepared and a range of scenarios have been considered. The Trustees are satisfied that, due to the level of cash and reserves held, even under the worst-case scenario considered there are sufficient funds to continue operating and meet liabilities as they fall due for the foreseeable future. As a result, the Trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

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 scheme

The group operates a defined contribution pension scheme. The assets of the scheme 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

Cranstoun has direction body status, 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.

m) 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 £256,811 (2022: £202,960).

2. INCOME FROM CHARITABLE ACTIVITIES

	General Funds £'000	Restricted Funds £'000	Total 2023 £'000
Residential services			
Board and lodging charges	563	277	840
Other income	-	-	-
	<u>563</u>	<u>277</u>	<u>840</u>
Community services			
Local authorities	1,512	-	1,512
Charitable Trusts	-	1,877	1,877
Other income	17,848	-	17,848
	<u>19,360</u>	<u>1,877</u>	<u>21,237</u>
	<u>19,923</u>	<u>2,154</u>	<u>22,077</u>

INCOME FROM CHARITABLE ACTIVITIES PREVIOUS YEAR

	General Funds £'000	Restricted Funds £'000	Total 2022 £'000
Residential services			
Board and lodging charges	539	258	797
Other income	-	-	-
	<u>539</u>	<u>258</u>	<u>797</u>
Community services			
Local authorities	3,870	-	3,870
Charitable Trusts	-	1,153	1,153
Other income	14,177	-	14,177
	<u>18,047</u>	<u>1,153</u>	<u>19,200</u>
	<u>18,586</u>	<u>1,411</u>	<u>19,997</u>

3. TOTAL EXPENDITURE

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 4) £'000	Total 2023 £'000
Cost of charitable activities				
Residential services	366	422	49	837
Community services	13,392	5,406	2,757	21,555
	13,758	5,828	2,806	22,392

TOTAL EXPENDITURE PREVIOUS YEAR

	Direct Staff Related Costs £'000	Other Direct Costs £'000	Support Costs (Note 4) £'000	Total 2022 £'000
Cost of charitable activities				
Residential services	364	350	59	773
Community services	10,909	5,307	2,049	18,265
	11,273	5,657	2,108	19,038

4. ANALYSIS OF SUPPORT COSTS

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2023 £'000
Cost of charitable activities					
Residential services	8	28	12	1	49
Community services	437	1,569	683	68	2,757
	<u>445</u>	<u>1,597</u>	<u>695</u>	<u>69</u>	<u>2,806</u>
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

ANALYSIS OF SUPPORT COSTS PREVIOUS YEAR

	Finance £'000	Central Office Costs £'000	HR Quality & Training £'000	Governance Costs £'000	Total 2022 £'000
Cost of charitable activities					
Residential services	10	36	11	2	59
Community services	345	1,241	366	97	2,049
	<u>355</u>	<u>1,277</u>	<u>377</u>	<u>99</u>	<u>2,108</u>
Basis of allocation	Headcount	Headcount	Headcount	Headcount	

5. 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 £1,172 (2022: £0) was reimbursed to two (2022: zero) Trustees for travel expenses incurred in the course of charity business.

6. NET INCOME FOR THE YEAR

This is stated after charging:

	2023	2022
	£'000	£'000
Auditor's remuneration	30	39
Depreciation	51	57
Operating lease rentals	<u>508</u>	<u>519</u>

7. EMPLOYEES

	2023	2022
	£'000	£'000
Wages and salaries	12,269	10,007
Social security	1,180	889
Pension costs	540	425
Redundancy and termination payments	<u>83</u>	<u>3</u>
	<u>14,072</u>	<u>11,324</u>

The monthly average head count was 438 staff (2022: 402 staff).

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

	2023	2022
	Number	Number
£60,000 to £70,000	2	1
£70,000 to £80,000	1	-
£80,000 to £90,000	1	1
£110,000 - £120,000	-	1
£120,000 to £130,000	<u>1</u>	<u>-</u>

The total employee benefits of the senior management team (key management personnel) were £884,139 (2022: £772,387).

8. TAXATION

The Charity's activities are exempt from corporation tax.

9. TANGIBLE FIXED ASSETS

Group

	Furniture & Equipment £'000	Motor Vehicle £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost					
At 1 April 2022	285	15	165	46	511
Additions	93	-	-	-	93
At 31 March 2023	378	15	165	46	604
Accumulated depreciation					
At 1 April 2022	232	-	19	46	297
Charge for the year	46	4	1	-	51
At 31 March 2023	278	4	20	46	348
Net book value at 31 March 2023	100	11	145	-	256
Net book value at 1 April 2022	53	15	146	-	214

Charity

	Furniture & Equipment £'000	Motor Vehicle £'000	Freehold Property £'000	Leasehold Improvements £'000	Total £'000
Cost					
At 1 April 2022	285	15	165	46	511
Additions	93	-	-	-	93
At 31 March 2023	378	15	165	46	604
Accumulated depreciation					
At 1 April 2022	232	-	19	46	297
Charge for the year	46	4	1	-	51
At 31 March 2023	278	4	20	46	348
Net book value at 31 March 2023	100	11	145	-	256
Net book value at 1 April 2022	53	15	146	-	214

10. SUBSIDIARY UNDERTAKINGS

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 2023 and a summary balance sheet at the end of the year are shown below:

Summary of results

	2023 £'000	2022 £'000
Total income	8,594	6,725
Total Expenditure	(8,587)	(6,724)
Net expenditure and movement in funds	<u>7</u>	<u>1</u>

Summary balance sheet

	2023 £'000	2022 £'000
Debtors	2,491	3,152
Creditors	(2,477)	(3,145)
Net assets & funds	<u>14</u>	<u>7</u>

11. GROUP AND CHARITY INVESTMENTS

	2023 £'000	2022 £'000
Investment portfolio		
Market value at 1 April 2022	1,332	1,266
Net (loss)/ gains on revaluation	(48)	66
Market value at 31 March 2023	<u>1,284</u>	<u>1,332</u>
Historical cost at 31 March 2023	<u>741</u>	<u>741</u>

This is made up as follows:

	2023 £'000	2022 £'000
Analysis of Investments		
Listed investments	1,176	1,229
Cash	<u>108</u>	<u>103</u>
	<u>1,284</u>	<u>1,332</u>

12. DEBTORS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	2,098	2,595	985	1,409
Prepayments and accrued income	1,797	2,436	1,356	1,680
Amounts owed by subsidiary undertakings	-	-	1,291	1,561
Other debtors	<u>102</u>	<u>67</u>	<u>102</u>	<u>67</u>
	<u>3,997</u>	<u>5,098</u>	<u>3,734</u>	<u>4,717</u>

13. CREDITORS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Amounts Falling Due Within One Year				
Trade creditors	584	413	584	413
Accruals	1,029	2,204	917	1,624
Deferred income	1,855	1,783	1,274	1,292
Social Security & other taxes	308	296	308	296
Pension contributions	105	71	105	71
Other creditors	553	572	61	60
	<u>4,434</u>	<u>5,339</u>	<u>3,249</u>	<u>3,756</u>
Amounts Falling Due After More Than One Year				
Accruals	<u>257</u>	<u>203</u>	<u>257</u>	<u>203</u>

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

14. 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 an independently administered fund. The pension costs charged in the year were £593,217 (2022: £424,892).

15. STATEMENT OF FUNDS

Group

	Balance at 01-Apr-22 £'000	Income £'000	Expenditure £'000	Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-23 £'000
Restricted Funds						
Residential services	-	277	(277)	-	-	-
Community services	-	1,877	(1,877)	-	-	-
Total Restricted Funds	-	2,154	(2,154)	-	-	-
Unrestricted Funds						
Designated Funds						
Innovation fund	2,959	-	-	-	(286)	2,673
Fixed Asset Fund	214	-	-	-	42	256
Total Designated Funds	3,173	-	-	-	(244)	2,929
General Funds	5,656	20,005	(20,238)	(48)	244	5,619
Total Unrestricted Funds	8,829	20,005	(20,238)	(48)	-	8,548
Total Funds	8,829	22,159	(22,392)	(48)	-	8,548

Charity

	Balance at 01-Apr-22 £'000	Income £'000	Expenditure £'000	Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-23 £'000
Restricted Funds						
Residential services	-	277	(277)	-	-	-
Community services	-	1,877	(1,877)	-	-	-
Total Restricted Funds	-	2,154	(2,154)	-	-	-
Unrestricted Funds						
Designated Funds						
Innovation Fund	2,959	-	-	-	(286)	2,673
Fixed Asset Fund	214	-	-	-	42	256
Total Designated Funds	3,173	-	-	-	(244)	2,929
General Funds	5,647	19,988	(20,228)	(48)	244	5,603
Total Unrestricted Funds	8,820	19,988	(20,228)	(48)	-	8,532
Total Funds	8,820	22,142	(22,382)	(48)	-	8,532

Restricted Funds are for the following purposes:

Residential services: This represents partial funding for 5 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:

Innovation Fund: This is used to fund strategic investment, innovation and development opportunities.

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-21 £'000	Income £'000	Expenditure £'000	Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-22 £'000
Restricted Funds						
Residential services	-	258	(258)	-	-	-
Community services	-	1,153	(1,153)	-	-	-
Total Restricted Funds	-	1,411	(1,411)	-	-	-
Unrestricted Funds						
Designated Funds						
Innovation Fund					2,959	2,959
Fixed Asset Fund	256	-	-	-	(42)	214
Total Designated Funds	256	-	-	-	2,917	3,173
General Funds	7,544	18,590	(17,627)	66	(2,917)	5,656
Total Unrestricted Funds	7,800	18,590	(17,627)	66	-	8,829
Total Funds	7,800	20,001	(19,038)	66	-	8,829

Charity

	Balance at 01-Apr-21 £'000	Income £'000	Expenditure £'000	Investment Gains/Losses £'000	Transfers £'000	Balance at 31-Mar-22 £'000
Restricted Funds						
Residential services	-	259	(259)	-	-	-
Community services	-	1,123	(1,123)	-	-	-
Total Restricted Funds	-	1,382	(1,382)	-	-	-
Unrestricted Funds						
Designated Funds						
Innovation Fund					2,959	2,959
Fixed Asset Fund	256	-	-	-	(42)	214
Total Designated Funds	256	-	-	-	2,917	3,173
General Funds	6,911	18,549	(16,962)	66	(2,917)	5,647
Total Unrestricted Funds	7,167	18,549	(16,962)	66	(2,917)	8,820
Total Funds	7,167	19,931	(18,344)	66	-	8,820

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Innovation Fund			2,959		2,959
Fixed Asset Fund	256	-	-	-	256
General funds	-	1,284	8,740	(4,691)	5,333
Total Funds	256	1,284	11,699	(4,691)	8,548

Charity

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Innovation fund			2,959		2,959
Fixed Asset Fund	256	-	-	-	256
General funds	-	1,284	7,539	(3,506)	5,317
Total Funds	<u>256</u>	<u>1,284</u>	<u>10,498</u>	<u>(3,506)</u>	<u>8,532</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS PREVIOUS YEAR

Group

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Innovation fund			2,959		2,959
Fixed Asset Fund	214	-	-	-	214
General funds	-	1,332	9,866	(5,542)	5,656
Total Funds	<u>214</u>	<u>1,332</u>	<u>12,825</u>	<u>(5,542)</u>	<u>8,829</u>

Charity

	Tangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Liabilities £'000	Total £'000
Designated funds					
Innovation fund			2,959		2,959
Fixed Asset Fund	214	-	-	-	214
General funds	-	1,332	8,274	(3,959)	5,647
Total Funds	<u>214</u>	<u>1,332</u>	<u>11,233</u>	<u>(3,959)</u>	<u>8,820</u>

17. 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.

18. LEASE COMMITMENTS

At 31 March 2023, the group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2023 Land and Buildings £'000	2023 other £'000	2022 Land and Buildings £'000	2022 Other £'000
Payments due in:				
Not later than 1 year	423	13	377	20
Later than 1 year and not later than 5 years	760	5	1,054	28
More than 5 years	-	-	36	-
	<u>1,183</u>	<u>18</u>	<u>1,467</u>	<u>48</u>

19. CAPITAL COMMITMENTS

There are no capital commitments.

20. CONTINGENT LIABILITIES

There are no contingent liabilities.

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

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Net Income for the year	(281)	1,029	(288)	937
Depreciation charges	51	57	51	57
Loss (gain) on investments	48	(66)	48	(66)
Dividends, interest and rents from investments	(80)	(1)	(80)	(1)
Increase (decrease) in debtors	1,101	(1,834)	983	(2,088)
(Decrease)/Increase in creditors	<u>(851)</u>	<u>2,223</u>	<u>(453)</u>	<u>1,551</u>
Net Cash (used in) /provided by operating activities	<u>(12)</u>	<u>1,408</u>	<u>261</u>	<u>390</u>

22. RELATED PARTY TRANSACTIONS

Cranstoun recharged costs totalling £8,582,113 (2022 £6,717,441) to Cranstoun Services Ltd its trading subsidiary. At the balance sheet date a balance of £1,291,495 (2022 £1,561,250) was outstanding to Cranstoun.