



**Report and Audited Financial Statements
for the Year Ended 30th September 2020**

THE CRANFIELD TRUST
Company Number 2290789
Registered charity no 800072 in England and Wales
Registered charity no SC040299 in Scotland

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*Reference and Administration

Charity name:	The Cranfield Trust
Charity registration numbers:	800072 in England and Wales SC040299 in Scotland
Company registration number:	2290789
<u>Registered office:</u>	<u>Operational address:</u>
Cranfield University Cranfield Bedford MK43 0AL	Court Room Chambers 1 Bell Street Romsey Hampshire SO51 8GY

Patron, Presidents and Vice Presidents

Patron:	Her Royal Highness The Princess Royal
Vice Presidents:	Professor Frank Hartley Sir Harold Walker KCMG

*Trustees and Directors

Michael Anderson	
Andrew Barstow	(Resigned 31 January 2021)
Graham Clarke	Treasurer
Charmaine Griffiths	Chair
Hans Haefeli	(Resigned 28 May 2020)
Gaynor Humphreys	
Stephanie Hussels	
Rebecca Mauer	(Appointed 27 April 2020)
Nick Starkey	

Chief Executive Amanda Tincknell CBE

Auditor Knight Goodhead Limited
7 Bournemouth Road
Chandler's Ford
Eastleigh
Hampshire SO53 3DA

Bankers CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

NatWest
Milton Keynes (B) Branch
501 Salisbury Boulevard
Saxon Gate East
Milton Keynes MK9 3ER

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, and complies with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (effective January 2019), the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011.

Trustees' Report

Overview by the Chair of Trustees, Dr Charmaine Griffiths

Over the past year charities and voluntary organisations have been a lifeline for so many people, and we're proud that the Cranfield Trust played a key role in supporting them through the pandemic.

As the leading source of management guidance for UK charities the Cranfield Trust has continued to provide management advice, information and support during 2019/20. Together our Cranfield Trust staff and volunteers adapted and innovated to meet the challenges of delivering services remotely, to respond to the needs of voluntary organisations and their leaders, and to provide support through the crisis.

Our dedicated volunteers have stepped forward to help in many different ways, helping us to reach even more charities with our services in the year through webinars, new services, and meeting the increased demand for our established services. We would like to thank our partner organisations and our funders, whose generosity ensures we be there for the many organisations who need us, and particularly for the core funding that underpins all that we do. With their support we are confident we can continue to effectively support organisations as we begin to recover from the pandemic.

We are also grateful for the continued support of our Patron, HRH The Princess Royal who inspired the founding of the Trust and continues to inspire our work today through her support, encouragement and leadership.

As the new Chair of the Board of Trustees I would like to thank Amanda and all Trust colleagues, volunteers and Trustees for their dedication and commitment through an unprecedented year. I would like to thank my predecessor, Andrew Barstow for the many contributions he made to the Trust's work, and also welcome Rebecca Mauger to the Board.

On behalf of the Trust I'd also like to pay tribute to one of our longstanding volunteers and Trustee, Hans Haefeli, who sadly passed away in 2020. Our thoughts are with his family, and we remain deeply grateful to Hans for sharing his invaluable guidance and enthusiasm.

As ever, we also remain inspired by each of the brilliant charities we've worked with. We thank them for the trust and confidence they place in us as, together, we strive to make a difference in people's lives.

On behalf of the Board of Trustees, we are pleased to present the report and audited financial statements for the year ended 30th September 2020.

Objectives and Activities

Cranfield Trust's purpose, as set out in the objects contained in the company's articles of association, are:

- To promote and improve the efficiency and effectiveness of charities, not-for-profit organisations and voluntary groups supporting human welfare through the provision of management information, advice and support services.
- To further such charitable purpose or purposes for the public benefit, according to the law of England and Wales, as the trustees in their absolute discretion from time to time determine.

The Trust's vision is to improve the lives of people experiencing poverty, disability or social exclusion by ensuring that the support they receive is from voluntary organisations managed effectively.

Public Benefit

In shaping our objectives this year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit set out in section 17 of the Charities Act 2011. We endeavour to engage with charities across England, Wales and Scotland to encourage them to access our services, and we work to expand our reach and to develop new services to meet need and demand. We will continue to champion issues that have an impact on the charities we work with and strive to raise awareness about the challenges faced by the third sector.

Achievements and Performance

The Trust developed its services during the year, building on successful consultancy, training and HR advice, and introducing new services: telephone advice, webinars and peer to peer support. All services transferred well to remote operations, or were designed to work effectively online.

Our main client group remained small to medium size charities, typically with income between £100,000 a year and £500,000 (67% of new client charities were within this income bracket). In the year, we worked with a larger than usual number (11%) of very small organisations, with income under £25,000. We widened our reach considerably during the year, mainly thanks to our training activities moving online. We estimate that over 4,000 charities accessed at least one of our services in the year.

Management consultancy and mentoring

Level of activity: In 2019-20 we started 405 new assignments with voluntary organisations across the UK.

The number of new assignments is a key activity measure, and drives our resourcing plans, as the start of each assignment is when a high proportion of staff input is required. 405 new starts represent an 18% increase in activity from the previous year, and was above our target of 350 new assignments in the year. 635 assignments were active in the year in total (230 continued from the previous year).

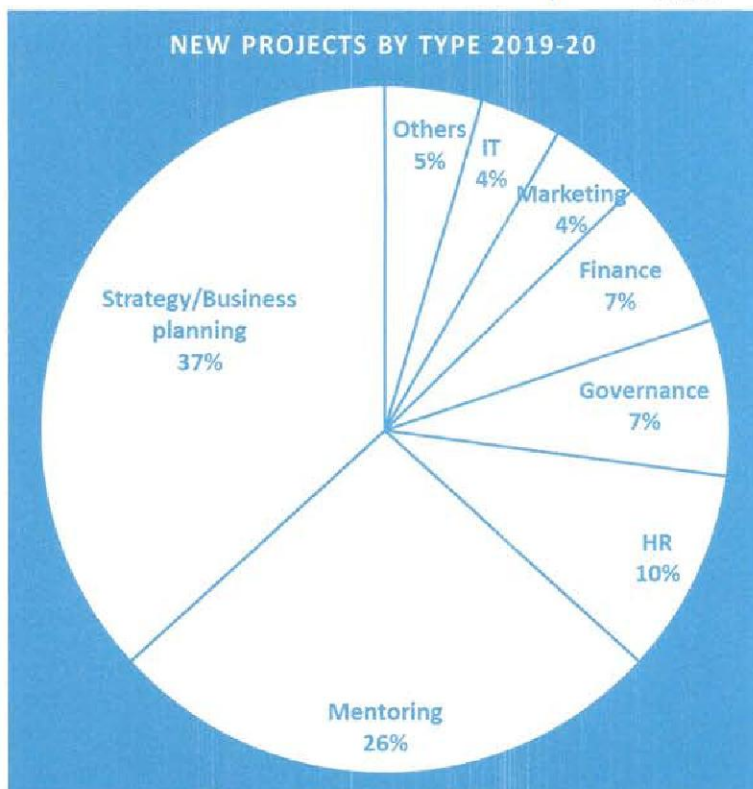
242 assignments were completed in the year by volunteers, both consultancy and mentoring. 44 assignments were fulfilled by advice and guidance from Cranfield Trust staff members. These were mostly with smaller organisations, their requirements were met by the skills and knowledge of our colleagues. Eight projects were cancelled in the year by charities who found support from other sources, or whose needs had changed since initiating the assignment.

During the year, the Trust's Project Co-ordinator handled 650 enquiries from voluntary organisations within our charitable remit, requesting support. Where we were unable to provide support ourselves due to requirements not matching our service offers, we signposted organisations to relevant services, when possible from other pro bono organisations.

Nature of support: March 2020's lockdown created a change in the makeup of our work: usually at least 50% of our one-to-one work is around developing strategy and business planning. Between March and September, the proportions changed to strategy/business planning 37%, mentoring 26%.

We are delighted to have embarked on a substantial mentor training programme in autumn 2019, in partnership with David Clutterbuck Associates. Professor Clutterbuck is a leading mentoring practitioner and in total, 73 volunteers have trained as mentors, enabling the Trust to meet growing demand for mentoring.

HR and governance were other areas in which we saw growing demand for support, although these were small compared to strategy/business planning and mentoring, at 10% and 7% respectively.

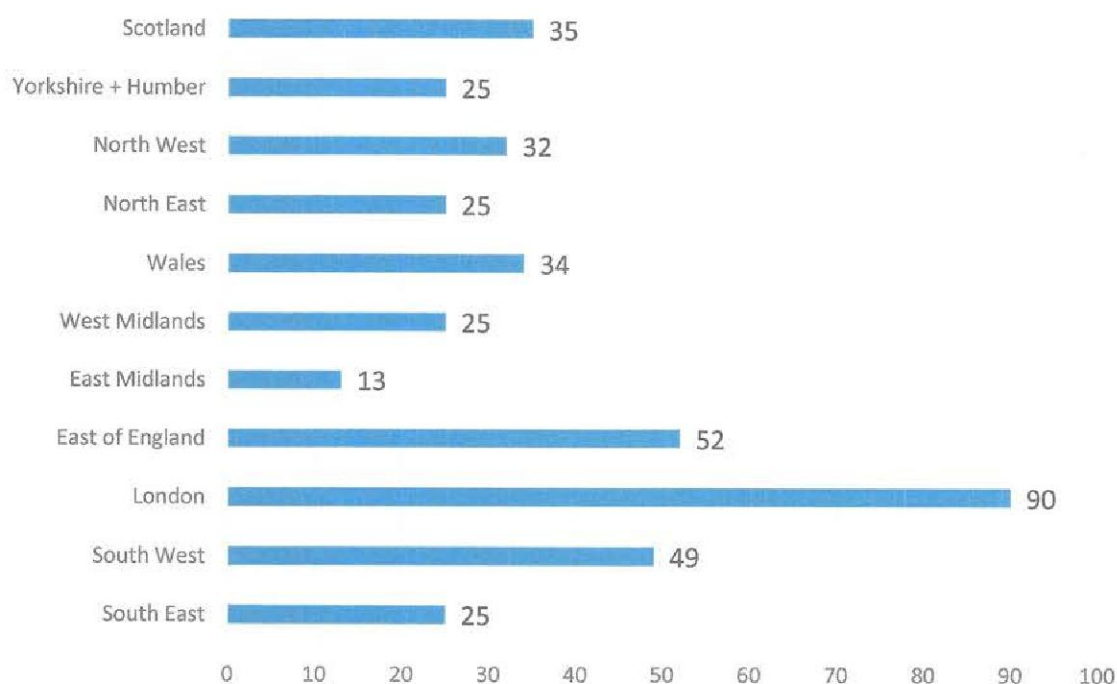


Client challenges: We saw charities and charity leaders working hard to respond to the needs of beneficiaries during lockdown, often struggling to maintain services – for example, if they were normally operating out of a community centre or similar accommodation. Charities working with people who found difficulty in engaging online also found it challenging to maintain support to individuals.

We noted that some underlying gaps in charities' management and governance were exposed by the pandemic: financial management, forecasting and governance skills were particular areas where skills development and support were frequently needed. The pandemic followed a long period of austerity, meaning that many charities were already in a financially vulnerable position with low reserves, and most types of fundraising were affected by lockdown. Emergency funds were predominantly geared towards emergency support, and many of our client organisations were unable to access these, although their services are critical in fields affecting people's lives such as mental health, disability and education.

We saw enormous stress amongst charity leaders and staff, as they faced the challenges of adapting services and practices to remote working, supporting colleagues, and planning ahead in a very uncertain environment.

Geographical spread of activities: We have provided consultancy and mentoring support across England, Scotland and Wales, but London remained our largest area of activity, driven by our partnership with City Bridge Trust on the 'Strive Programme', by the high density of charities in the capital, and by our large volunteer group in London and the South East (numbers are number of new projects started by country/English region):



Impact: We collect feedback data on our consultancy and mentoring assignments and are pleased to see that top level results for the year were:

- 96% of clients were very satisfied/satisfied with the consultancy/mentoring support received from Cranfield Trust
- 96% of charities felt that the learning they had achieved through working with the Trust was good/very good/excellent
- 98% of charities would recommend Cranfield Trust to other charities

Our volunteer consultants provide excellent support to our charity clients, giving their expertise and time freely and generously. In total over the past year our volunteers gave 2,598 days of time to deliver our services, with a conservative commercial value estimated in excess of £2m. We also provided value through the input of our knowledgeable staff team.

During the year, we implemented our new impact framework for consultancy projects, Journey to Excellence. By the end of the year, we had collected data on 21 completed consultancy assignments. We will be publishing a report in Spring 2021 on our first 100 completed 'journeys' and will also be including data in our next annual report. We receive a large amount of qualitative feedback through comments and communications.

Working in partnership: We support charities who approach us independently, but are also delighted to work in partnership with foundations in different parts of the country, supporting their grantee charities. Our largest partnership is in London, where we started our fourth year of the 'Strive Programme' in partnership with City Bridge Trust. In the year, we supported 52 London charities, grantees of City Bridge Trust, with consultancy or mentoring through 'Strive'.

We also worked in partnership on programmes of support in other areas:

- Essex Community Foundation: programme of support for grantee organisations in the county
- Gannochy Trust: support for grantee charities in Scotland
- Lloyds Bank Foundation: consultancy for grantholder charities in England and Wales
- Mercers' Company: consultancy and mentoring support for charities working with children in their early years and young people as they transition to employment
- Robertson Trust: consultancy and workshops for grantholder charities in Scotland

HRNet

In 2019-20 HRNet membership was made of 1,907 charity members and between October 2019 to September 2020, HRNet supported 116 individual cases, thanks to its Co-ordinator and volunteer advisers, published regular e-newsletters, and shared model documents and policies.

Learning Events

Our free masterclasses cover a range of topics of common interest to charities and voluntary organisations. They are presented by leading academics and professional practitioners who kindly volunteer their time to share their expertise.

In the period between October 2019 and March 2020 we delivered 11 in person masterclasses, reaching 291 delegates. These included:

- Decoding Digital (four classes delivered in partnership with Children in Need, kindly supported by Nominet)
- Financial Management (2 classes), Operational Planning and Business Planning (kindly supported by Brewin Dolphin)
- Evaluation and Impact, Governance, and Inclusive Leadership (in partnership with The Fore)

After lockdown, we adapted to deliver learning events through webinars, and thanks to our volunteer speakers and colleagues who presented sessions, we provided 16 webinars in total. 1,542 delegates attended live sessions, and by the end of September 2020, 1,028 people had watched the recordings of webinars via our website. We divided our webinars into two series: Essentials to Excellence (developing skills) and Learning with Leaders (thought leadership, fresh thinking). Topics were:

Essentials to Excellence

Tendering

How to bid

Reopening after COVID lockdown

Cash is King- the importance of cashflow forecasting (held twice)

Talking and walking through numbers: financial focus, cashflow forecasting, funding

Capturing and communicating impact

Governance – why it matters

Learning with Leaders

Beyond lockdown – managing change

Leading through Crisis

Next steps: what does the future look like for your organisation

Charities collaborating: Why it's important now and how to make it work

Re-thinking remote working: beyond Zoom to efficiency, effectiveness and wellbeing

Panel discussion: Future Focus – the best way forward

Survivor syndrome: how a mentor can help

Senior Leadership during turbulent times

New Services

After lockdown, we worked to meet the needs of charities and their leaders for support and management development. We introduced telephone support, which we had piloted in Wales in 2019, and provided detailed advice by phone to 41 charity leaders.

We also introduced facilitated peer to peer support groups for charity leaders, and ran six groups supporting 34 leaders in total during the year.

Both these services received excellent feedback from those who received advice and support.

Information and Guidance

We developed our website during the year, to provide a wider range of guidance and think pieces to support charity leaders and managers. Volunteers stepped forward to provide templates, guidance and views on different topics, creating management resources with a highly practical perspective, grounded in our deep knowledge of frontline organisations.

Volunteers

Volunteers are the lifeblood of the Trust and the Trust's work would not be possible without their dedication, we are extremely fortunate to benefit from their support. During the year, we welcomed 205 new volunteers to our register, taking our total to 1,302 at year end (14% increase on previous year – 1,143 at year end). This represents a fantastic body of expertise to offer the voluntary sector.

Many volunteers proactively stepped forward to offer additional help to client charities, by delivering webinars, writing for our website or by supporting the Trust's development during the year.

Lockdown had some unexpected benefits: volunteers anywhere in the country were able to support charities remotely, enabling a wider geographical reach, and the ability to connect charities with volunteers with specialist skills easily, regardless of location. We were delighted that our services moved online effectively, and thank all volunteers who have supported charities in this particularly challenging year.

94% of our volunteers who have been active during the year would recommend volunteering with the Trust to a friend or colleague, 82% found volunteering an excellent or good personal development opportunity, and 86% plan to stay in touch with their client charity.

Emerging Themes / Future Activities

Effect on Strategic Plan

The impact of lockdown during the year meant that we moved more quickly than anticipated to provide new services, meeting the needs of charities and their leaders for support in very challenging times. The staff team of the Trust 'went the extra mile' to work closely with charities, and volunteers stepped up and offered their support in all our operations. In light of the pandemic we revised our strategic plan in autumn 2020 to incorporate remote service delivery, and as we enter a different phase of the pandemic will review this further with the Board in 2021.

As lockdown has continued into 2021, we are reviewing all our services and processes to ensure that we are operating effectively and can reach as many charities as possible with our resources.

Funding Environment

The focus on emergency support meant that it was difficult to fundraise for the Trust during six months of 2020, as the pandemic took hold. Funding was – rightly – focused on essential services. Since late 2020 funders and donors have refocused on management support, realising that many frontline charities need the services of the Trust and other infrastructure organisations to help them through a critical time. Our fundraising is moving forward again, in early 2021, although the fundraising environment is highly competitive.

Our Position in the Sector

Cranfield Trust aims to be the leading provider of management information, advice and support in the voluntary sector. Our size, the quality of our work, and the relationships of trust that we have developed with frontline charities, volunteers, and with others supporting the sector, will help us to continue to play an important role in the sector now and in future. We aim to support frontline charities during and beyond the crisis, providing a trusted, reliable source of high quality leadership and organisation support.

Financial Review

The financial statements included in this report relate to the accounting period 1st October 2019 to 30th September 2020. Income for the year was £958,233. This is a 42% increase on the previous year but includes a multi-year grant from the Garfield Weston Foundation of £225,000 and £21,800 of funding which will be passed to other providers under the City Bridge Trust 'Bridge Programme', for which the Trust is a key partner.

Expenditure in the period was £758,984, a 6% increase on the previous year, and is commensurate with the continued growth of the staff team and expansion of the Trust's services, and in particular, investment in operational capacity.

An accounting surplus of £199,249 is recorded, but some restricted funding received in prior years was applied to 2019/20, resulting in an operating surplus of £9k. Restricted funding utilised in the year included £23,221 of a Garfield Weston Foundation grant (received as part of three-year funding in 2016/17), £23,190 received in 2018/19 from Essex Community Foundation, £4,293 received in 2018/19 from Nominet and £2,200 received in 2018/19 from Gannochy Trust. Funds of £340,790 are carried forward as restricted funds for use in the next two years.

The financial position of the Trust remains strong, with unrestricted reserves of £319,917 equating to approximately 5 months of operating expenditure in 2019/20. This is in line with the Trust's reserves policy, set by the Board, which requires that reserves represent a minimum of three and maximum of nine months' operating costs.

Income and Principal Funding Sources

Cranfield Trust is a charity itself, and provides its services free of charge to other charitable organisations. Our services are made possible by the generosity of our funders, donors and supporters, and we are extremely grateful to them.

Trusts and Foundations: The majority of the Trust's income is from grant making trusts and foundations. We are delighted to work with organisations who share our vision of charities working effectively to provide their frontline services. Our income during the year included core or 'unrestricted' grants, which are especially valuable in enabling the Trust to respond to particular circumstances and needs, and to invest in our own development. We also valued the opportunity to work in partnership with funders, providing services in particular regions, or to particular groups of organisations. This partnership work has developed from observations by grant-makers that their beneficiary organisations need support beyond pure funding. These restricted funds, and their objectives, are listed in Note 14 to the accounts. The Trust is pleased to comply with the requirements of such donors.

Individuals: We were grateful to receive support from individual donors who both made one off donations and also support the Trust on a regular basis. We are pleased that they remain committed to and interested in our work

In-kind support The Trust also benefits from the support of various in-kind supporters towards its core running costs. In 2019-20 the Trust has benefitted from such support towards venue provision, legal advice, IT/telecommunications services and auditing, which has relieved the Trust of some of the financial costs of running services and administration. We are very grateful to the following organisations that have provided in-kind support during the year: Cranfield University, Salesforce.com EMEA Limited, DLA Piper LLP, Brewin Dolphin plc, VISA, Capco, Debevoise & Plimpton LLP and Cunning Running Software Ltd.

Going forward, we aim to strengthen the Trust's financial position through greater development of the Trust's fundraising programme. This will include diversifying the range of actively managed

income streams and we hope to attract an increased level of support from individuals and commercial partners, as well as trusts and foundations.

The Trust complies with the General Data Protection Regulation (EU) 2016/679 (“GDPR”) and the Information Commissioner’s guides and code. We are committed to being legal, honest, open and respectful in all of our fundraising activity and aim to register with the Fundraising Regulator as a demonstration of this commitment. We are pleased to report that during 2018/19 we received no complaints with regards to the way in which we carry out our fundraising. Cranfield Trust is committed to working to meet the new regulations brought in through the Charities Act 2016, to help charities in demonstrating their commitment to protecting donors and the public, including vulnerable people, from poor fundraising practice.

Reserves Policy

The Trustees have considered their obligations in respect of their commitments to the members and staff of the Trust, as well as the many stakeholders, and believe that reserves should represent a minimum of three and maximum of nine months’ operating costs. This is required to ensure adequate working capital for the smooth and efficient operation of the organisation, and takes into account the duration of our consultancy projects which can run over many months, as well as the growing activity and staffing levels. The Trust has set its current cash reserve requirement with reference to 2020/21 budgeted expenditure.

	2020	2019
Unrestricted Funds	£319,917	£310,080
Operating cost	£758,984	£716,154
Free cash in terms of months of operating cost	5.0	5.2

Structure, governance and management

Governing Document

The Cranfield Trust registered as a charity in England and Wales (No 800072) on 6 June 1989, registered as a charity in Scotland (No SC040299) on 24 February 2009. It incorporated as a company limited by guarantee (No 2290789) on 26 August 1988. The governing document of the Trust is its Articles of Association which provide that the members should appoint a Council of Management to manage the affairs of the Trust. The Articles of Association were revised and a new version passed by special resolution on 17 April 2019, to update the charitable objects of the Trust, while retaining its focus on human welfare.

Members of the Trust are Trustees under the rules of the Charity Commissioners.

Cranfield Trust has informal links with large numbers of other charities. The Trust does not have a formal relationship with other voluntary organisations or other bodies.

One of the organisations with which the Trust maintains a strong relationship is Cranfield University. The Trust was founded at the challenge of HRH The Princess Royal, now our Patron, when on a visit to the University, and we have maintained strong links over 31 years. We are grateful to Cranfield University for covering the cost of the Trust's audit, and for the encouragement and support of many faculty members and staff.

Recruitment and Appointment of Trustees

All the Trustees give their time voluntarily and receive no benefits from the Trust. Any expenses reclaimed from the Trust are set out in note 9 to the accounts. New Trustees are appointed by the Members at the Annual General Meeting and serve for three years, after which period they may be re-appointed twice, to serve a maximum of 9 years in accordance with the Charity Governance Code.

Trustees' Induction and Training

Prospective Trustees are interviewed by the Chair and other Trustees and meet the Chief Executive. On appointment they receive a full briefing from the Chair and Chief Executive on the activities of the Trust and the duties of a Trustee, and normally visit staff to become familiar with the Trust's operations. Ongoing training is provided for Trustees with regular updates and briefings on particular issues of relevance offered by the CEO. In addition to participating in meetings and the general direction of the Trust, Trustees contribute to specific issues and projects in accordance with their skills, experience and interests, via committees. Fundraising, strategy and impact committees were established during the year to complement the Audit and Risk Committee which was established in the previous year.

The Charity Governance Code was introduced during 2017 to help charities and trustees to develop high standards of governance. The Code has been adopted by the Trust's Board as a measure of good practice and its recommendations have been compared against current practice, noting points of consideration and opportunity for policy development. Trustees recognise the importance of good practice across all areas of the Trust's work and adhere to high standards of integrity and transparency in decision making, and the Chair of Trustees taking the lead on setting and following good governance.

Risk Management

The Trustees have made an assessment of the risks to which the charity is exposed and have introduced procedures and regular reporting to manage these risks. The Trustees conduct a review of the major risks to which the Trust is exposed on an annual basis, and the Audit and Risk Committee, as a committee of the Board, undertake a regular review of risks. This committee meets at least four times per year, and its membership includes two Trustees.

Internal control risks are minimised by the implementation of financial procedures for authorisation of all transactions and projects.

The impact and risks associated with the COVID-19 pandemic were reviewed in detail by the Board and Audit and Risk Committee in April 2020. The Trustees assess the charity's activities, long term planning and mitigating actions on an ongoing basis to ensure that the Trust remains responsive and adaptive to the needs of the sector in such a challenging period.

Organisation Structure

The Trust has a Board of Trustees, which can be up to 14 members, which meets four times a year and which is responsible for the strategic direction and policy of the charity. At year end the Board had eight Trustees from a variety of professional backgrounds relevant to the work of the Trust. The Trustees in office during the period and at the date of this report are set out on page 3. One new Trustees was appointed this year.

Trustees set the overall strategy of the Trust and work with the CEO to develop policy, as well as oversee and monitor business activities. The day-to-day running of the charity is delegated to the CEO, who is responsible for: personnel management and recruitment; income generation, partnership development; capacity building; project development; horizon scanning, delivery of strategic objectives and implementation of policies and campaigns.

The CEO is responsible for managing the activities of staff and volunteers. The Trust's staff team at the year-end is 20 employed staff, having increased from 12.7 full time equivalent staff to 13.6 full time equivalent staff.

Responsibilities of the Trustees

Responsibility for the governance of the Trust is vested in the Trustees. The Trustees, who are also the Directors for the purpose of company law, are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

The Trustees are required to prepare the annual report and financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including income and expenditure, for the period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 24 March 2021 and signed on its behalf by:



Dr Charmaine Griffiths

Chair of Trustees

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE CRANFIELD TRUST

(Company limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of The Cranfield Trust for the year ended 30 September 2020, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011, the regulations made under section 154 of that Act, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act and the Charities Accounts (Scotland) Regulations 2016. Our audit work has been undertaken so that we might state to the charity's trustees 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020, and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of 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 the provisions available for small entities, 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

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements and identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 consistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustee's Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you, if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purpose of our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees 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 they 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 cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

A handwritten signature in black ink that reads "C J Goodhead". The signature is written in a cursive style with a large, sweeping flourish under the name.

C J Goodhead FCA
Knight Goodhead Limited
Chartered Accountants and Statutory Auditors

Dated: 19 April 2021

7 Bournemouth Road
Chandler's Ford, Eastleigh,
Hampshire SO53 3DA

Knight Goodhead Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE CRANFIELD TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2020

		Unrestricted funds	Restricted funds	2020 Total Funds	2019 Total Funds
	Notes	£	£	£	£
INCOME					
Donations and legacies	3	315,207	638,936	954,143	669,684
Trading income	4	2,195	-	2,195	1,260
Investment income	5	1,895	-	1,895	2,450
Total Income		319,297	638,936	958,233	673,394
EXPENDITURE					
Fundraising costs	6	34,592	38,272	72,864	71,705
Charitable activities	7	274,868	411,252	686,120	644,449
Total Expenditure		309,460	449,524	758,984	716,154
NET (EXPENDITURE) / INCOME AND NET MOVEMENT IN FUNDS		9,837	189,412	199,249	(42,760)
RECONCILIATION OF FUNDS					
Total Funds brought forward		310,080	151,378	461,458	504,218
TOTAL FUNDS CARRIED FORWARD		319,917	340,790	660,707	461,458

All the above amounts relate to continuing Trust activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE CRANFIELD TRUST

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Unrestricted funds	Restricted funds	2019 Total Funds
	£	£	£
INCOME			
Donations and legacies	314,056	355,628	669,684
Trading income	1,260	-	1,260
Investment income	2,450	-	2,450
Total Income	317,766	355,628	673,394
EXPENDITURE			
Fundraising costs	39,831	31,874	71,705
Charitable activities	339,720	304,729	644,449
Total Expenditure	379,551	336,603	716,154
NET (EXPENDITURE) / INCOME AND NET MOVEMENT IN FUNDS	(61,785)	19,025	(42,760)
RECONCILIATION OF FUNDS			
Total Funds brought forward	371,865	132,353	504,218
TOTAL FUNDS CARRIED FORWARD	310,080	151,378	461,458

All the above amounts relate to continuing Trust activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE CRANFIELD TRUST

**BALANCE SHEET
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

		Unrestricted funds	Restricted funds	2020 Total Funds	2019 Total Funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11	2,114	-	2,114	5,337
CURRENT ASSETS					
Debtors	12	43,815	-	43,815	40,326
Cash at bank and in hand		326,249	340,790	667,039	455,082
		370,064	340,790	710,854	495,408
CREDITORS					
Amounts falling due within one year	13	(52,261)	-	(52,261)	(39,287)
NET CURRENT ASSETS					
		317,803	340,790	658,593	456,121
TOTAL ASSETS LESS CURRENT LIABILITIES					
		319,917	340,790	660,707	461,458
NET ASSETS					
		319,917	340,790	660,707	461,458
FUNDS					
Unrestricted funds	14	319,917	-	319,917	310,080
Restricted funds	14	-	340,790	340,790	151,378
TOTAL FUNDS					
		319,917	340,790	660,707	461,458

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the Board of Trustees on 24 March 2021 and were signed on its behalf by:



Dr Charmaine Griffiths - Chair

The notes on pages 24 to 29 form part of these financial statements.

THE CRANFIELD TRUST

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020 £	2019 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	211,300	(57,014)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,895	2,450
CASH FLOWS FROM FINANCING ACTIVITIES			
Tangible Asset Additions		(1,238)	(3,884)
NET CASH FLOW		211,957	(58,448)
Change in cash and cash equivalents in the year		211,957	(58,448)
Cash and cash equivalents at the start of the year		455,082	513,530
Cash and cash equivalents at the end of the year	2	667,039	455,082

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net movement in funds for the year	199,249	(42,760)
Interest received	(1,895)	(2,450)
Depreciation	4,461	4,155
(Increase) / decrease in debtors	(3,489)	(17,377)
Increase / (decrease) in creditors	12,974	1,418
Net cash flow from operating activities	211,300	(57,014)

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	667,039	455,082

1. ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective January 2019), the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2011.

The charity meets the definition of a public benefit entity. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts have been prepared on a going concern basis. There are no material uncertainties about the charity's ability to continue.

Income

Donations are included in the Statement of Financial Activities as soon as they are received. Income from grants is recognised in the period for which the grant is made. Gifts in kind and donated services and facilities are valued at a reasonable estimate of the gross value to the charity. Legacy income is recognised on receipt. Income is deferred when, at the end of an accounting period, it has been received but the charity has yet to become unconditionally entitled to it.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Tangible fixed assets are recorded at depreciated historic cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer Equipment	33% Straight Line
Furniture & Fittings	33% Straight Line

Taxation

The charity is exempt from corporation tax on its charitable activities.

Pension Scheme

The charitable company operates a defined contribution pension scheme. Costs are charged to the Statement of Financial Activities when incurred.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Where part of an unrestricted fund is earmarked for a particular project it is designated as a separate fund.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The charitable company was incorporated on 26 August 1988 in England and Wales and was registered on 6 June 1989 with the Charity Commission in England and Wales. The charity was registered with The Scottish Charity Commission (OSCR) on 24 February 2009. The charity is a public benefit entity.

The registered office of the charitable company is Cranfield University, Cranfield, Bedford MK43 0AL.

3. DONATIONS AND LEGACIES

	2020 £	2019 £
General donations, legacies and similar income	10,644	10,496
Grants receivable	911,341	648,978
Gifts in kind	32,158	10,210
	<u>954,143</u>	<u>669,684</u>

Grants received, included in the above, are as follows:

	2020 £	2019 £
29th May 1961 Trust	4,000	4,000
Bedfordshire & Luton Community Foundation	4,600	4,600
Bishop Radford Trust	2,500	-
City Bridge Trust	238,250	229,950
The Dulverton Trust	35,000	35,000
Dunhill Medical Trust	2,000	-
Essex Community Foundation	-	31,880
Four Acre Trust	-	50,000
Gannochy Trust	-	11,000
Garfield Weston Foundation	225,000	-
Hertfordshire Community Foundation	-	3,000
John Ellerman Foundation	30,000	30,000
Lloyds Bank Foundation	20,700	57,100
Lottery Wales	50,832	29,798
The London Community Foundation	-	650
Nominet	-	10,000
Oak Foundation	6,250	10,000
Pears Foundation	45,000	45,000
Porticus	50,000	30,000
Princess Anne Charity	4,000	-
Robertson Trust	22,000	26,000
Robert & Rosie Wright Charitable Trust	50,000	-
Richmond Parish Lands Charity	-	2,000
The Mercer's Company	85,504	-
The Tudor Trust	35,000	35,000
UK Community Foundations	700	-
Other grants	5	4,000
	<u>911,341</u>	<u>648,978</u>

4. TRADING INCOME

	2020 £	2019 £
The Fore Masterclass Programme	2,195	1,260
	<u>2,195</u>	<u>1,260</u>

5. INVESTMENT INCOME

	2020 £	2019 £
Bank interest receivable	1,895	2,450

6. FUNDRAISING COSTS

	2020 £	2019 £
Staff costs	64,874	70,374
Fundraising costs	7,990	1,331
	<u>72,864</u>	<u>71,705</u>

7. CHARITABLE ACTIVITIES COSTS	2020 £	2019 £
Salaries, employment costs and fees	546,246	508,248
Staff travel and other costs	2,277	6,769
General office expenses	52,475	41,925
Direct project expenditure	44,939	56,567
Depreciation of tangible fixed assets	4,460	4,155
Audit fee	2,940	2,640
Trustee indemnity insurance	1,476	1,581
Trustee meeting costs	126	1,864
Consultants fees	31,181	20,700
Other costs	-	-
	<u>686,120</u>	<u>644,449</u>

8. NET (EXPENDITURE) / INCOME

	2020 £	2019 £
These are stated after charging:		
Audit Fees	2,940	2,640
Depreciation	<u>4,460</u>	<u>4,155</u>

Audit fees include accountants' services donated by Cranfield University totalling £2,940 (2019 - £2,640).

9. TRUSTEES' REMUNERATION AND BENEFITS

No remuneration was paid to the Board of Trustees during the year (2019 - Nil).

No travel expenses were paid to the Board of Trustees during the year (2019 - £806, 1 trustee).

Trustees' indemnity insurance of £1,476 for the Board of Trustees was paid during the year (2019 - £1,581).

10. STAFF COSTS

	2020 £	2019 £
Wages and salaries - Gross	549,352	526,688
Social security costs - Employers NI	50,783	45,087
Pension Costs	<u>11,811</u>	<u>9,357</u>
Total Employee costs	611,947	581,132
Consultants' fees paid	<u>18,361</u>	<u>24,649</u>
Total fees, salaries and social security costs	<u>630,307</u>	<u>605,782</u>

No employee receives a salary greater than £60,000 per annum.

The average monthly numbers of persons (including the Chief Executive) employed by the Trust during the year was 22 (2019 - 21), with the full time equivalent average being 13.6 (2019 - 12.7).

Key management personnel comprises four individuals (2019: four) who were paid a total of £222,926 including employers' national insurance and pension contributions (2019: £221,388).

11. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Computer Equipment £	Totals £
COST			
At 1 October 2019	1,010	20,088	21,098
Additions	-	1,238	1,238
Disposals	-	-	-
At 30 September 2020	<u>1,010</u>	<u>21,326</u>	<u>22,336</u>
DEPRECIATION			
At 1 October 2019	748	15,013	15,761
Disposals	-	-	-
Charge for year	262	4,199	4,461
At 30 September 2020	<u>1,010</u>	<u>19,212</u>	<u>20,222</u>
NET BOOK VALUE			
At 30 September 2020	<u>-</u>	<u>2,114</u>	<u>2,114</u>
At 30 September 2019	<u>262</u>	<u>5,075</u>	<u>5,337</u>

The computer equipment and furniture are held for the Trust's own use to assist its work.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	25,590	32,400
Other debtors	7,918	1,488
Prepayments	10,307	6,438
	<u>43,815</u>	<u>40,326</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	19,699	11,939
Accruals	17,733	14,789
Taxation and social security	12,539	7,485
Other creditors	2,290	5,074
	<u>52,261</u>	<u>39,287</u>

14. MOVEMENT IN FUNDS

	2019	Net movement in funds	2020
	£	£	£
Unrestricted funds			
General funds	310,080	9,837	319,917
	<u>310,080</u>	<u>9,837</u>	<u>319,917</u>
Restricted funds			
City Bridge Trust - Strive 3	19,231	26,636	45,867
City Bridge Trust - The Bridge Programme	53,200	18,920	72,120
Garfield Weston Foundation (Wales)	23,221	(23,221)	-
Garfield Weston Foundation (England)	-	150,000	150,000
Robertson Trust	8,606	-	8,606
Nominet	6,440	(4,293)	2,147
Mercer's Company	-	44,260	44,260
Essex Community Foundation	31,880	(23,190)	8,690
Bishop Radford Trust	-	2,500	2,500
Bedfordshire & Luton Community Foundation	-	-	-
29th May 1961 Charitable Trust	-	-	-
Oak Foundation	-	-	-
Lottery Wales	-	-	-
Gannochy Trust	8,800	(2,200)	6,600
	<u>151,378</u>	<u>189,412</u>	<u>340,790</u>
TOTAL FUNDS	<u>461,458</u>	<u>199,249</u>	<u>660,707</u>

Net movement in funds, included in the above are as follows:

	Income	Expenditure	Transfers	Movement in funds
	£	£	£	£
Unrestricted funds				
General funds	319,297	(309,460)	-	9,837
Restricted funds				
City Bridge Trust - Strive 3	163,250	(136,614)	-	26,636
City Bridge Trust - The Bridge Programme	75,000	(56,080)	-	18,920
Garfield Weston Foundation (Wales)	-	(23,221)	-	(23,221)
Garfield Weston Foundation (England)	225,000	(75,000)	-	150,000
Robertson Trust	22,000	(22,000)	-	-
Nominet	-	(4,293)	-	(4,293)
Mercer's Company	85,504	(41,244)	-	44,260
Essex Community Foundation	-	(23,190)	-	(23,190)
Bishop Radford Trust	2,500	-	-	2,500
Bedfordshire & Luton Community Foundation	4,600	(4,600)	-	-
29th May 1961 Charitable Trust	4,000	(4,000)	-	-
Oak Foundation	6,250	(6,250)	-	-
Lottery Wales	50,832	(50,832)	-	-
Gannochy Trust	-	(2,200)	-	(2,200)
TOTAL FUNDS	<u>958,233</u>	<u>(758,984)</u>	<u>-</u>	<u>199,249</u>

Purpose of restricted funds

The Grant from City Bridge Trust under phase three of the 'Strive' Programme is to support organisations falling within their operational area.

The first grant from Garfield Weston supports our work in Wales.

The second grant from Garfield Weston supports our work in England.

The Robertson Trust funds have supported projects for organisations in Scotland.

Nominet providing funding within the year to provide digital skills masterclasses.

Mercer's Company provided funding in the year to enable the Trust to work with 8 charities providing early years provision, and 6 charities in the field of transition to secondary education.

Essex Community Foundation provided funding in the year to work with 10 charities in the locality under the Thriving Third Sector Fund.

THE CRANFIELD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Bishop Radford Trust provided funding in the year to work with one of their grantee charities.

Bedfordshire and Luton Community Foundation provided funding in the year to work with five of their supported charities.

29th May 1961 Charitable Trust provided funding in the year to support our work in the Midlands.

Funding from Oak Foundation (in conjunction with Pilotlight and Pro Bono Economics) is to support the Trust's work with capacity building in ten small to medium sized charities in 2018 and 2019, and a further 2 charities in 2020.

The grant from Lottery Wales is to support the development of the Trust's project activity with Welsh charities.

Gannochy Trust provided funding in the year to work with 5 charities in Scotland.

THE CRANFIELD TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2020
(FOR TRUSTEES' INFORMATION ONLY)

	2020 Total Funds	2019 Total Funds
	£	£
INCOME		
Donations and legacies		
Donations, legacies and similar income	10,644	10,496
Grants receivable	911,341	648,978
Gifts in kind	32,158	10,210
	<u>954,143</u>	<u>669,684</u>
Trading income		
Masterclass fees	2,195	1,260
	<u>2,195</u>	<u>1,260</u>
Investment income		
Bank interest receivable	1,895	2,450
	<u>1,895</u>	<u>2,450</u>
Total income	<u>958,233</u>	<u>673,394</u>
EXPENDITURE		
Raising funds		
Salaries and employment costs	64,874	70,374
Fundraising costs	7,990	1,331
	<u>72,864</u>	<u>71,705</u>
Charitable activities		
Salaries, employment costs and fees	546,246	508,248
Staff travel and other costs	2,277	6,769
General office expenses	52,475	41,925
Direct project expenditure	44,939	56,567
Depreciation of tangible fixed assets	4,460	4,155
Trustee indemnity insurance	1,476	1,581
Trustee meeting costs	126	1,864
Audit fee	2,940	2,640
Consultants fees	31,181	20,700
Other costs	-	-
	<u>686,120</u>	<u>644,449</u>
Total expenditure	<u>758,984</u>	<u>716,154</u>
Net (expenditure) / income for the year	<u>199,249</u>	<u>(42,760)</u>