

## CROSSROADS ASSOCIATION

### ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2002

Registered Number 1544708

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## **CROSSROADS ASSOCIATION**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002**

The Directors present their report and the audited financial statements for the year ended 31 March 2002.

#### **Constitution**

The company is limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 282102. Company number 1544708.

#### **Principal Objects**

Crossroads Association's objects are to relieve the stresses experienced by carers and children and adults who have care needs as a result of disability, illness or age by offering a respite service through the provision of community-based support workers.

#### **Trustees' Report**

#### **Strategy**

This year has seen significant changes within Crossroads Association, with the introduction of a new structure in September to support the expansion in service delivery across Crossroads schemes in recent years. Last year alone saw an increase in the number of care hours provided of 200,000, with a total of 3.9 million and an additional 4,000 carers supported, giving a total of 32,000.

In order to lead on the development of even more breaks services, including new innovative approaches to meet the range of needs of carers, and to ensure the stability of our schemes in what is an increasingly volatile environment, we have established four areas of support:-

1. A " Centre of Excellence" to provide the expertise that schemes need on all areas of operational activity. New posts include a Director of Human Resources, an Information and Communications Manager and an I.T. Systems Support Manager.
2. A service development team to lead on the development of new Crossroads services in geographical areas where we do not currently have a service and to expand our range of services. Two new posts have been created, one focusing on new schemes and one focusing on services for parent carers.
3. A team of change managers to work with our schemes in England in looking strategically at whether they are individually and collectively structured to maximise opportunities, particularly in relation to the new regional development agencies. We will be supporting more scheme mergers to create more robust units.
4. A separate arm of the organisation to line manage schemes and projects that could only be established, or continue to operate if management support is provided.

## CROSSROADS ASSOCIATION

### Trustees Report Cont.

The new structure aims to give schemes access to a greater level of expertise with a more proactive and strategic approach to dealing with the issues they are facing, rather than responding to individual difficulties. If a scheme cannot function as an independent organisation and cannot merge with a neighbouring scheme, in-house management can be considered, but this will only occur in exceptional circumstances. New schemes will initially be managed in-house to enable them to be set up quickly and to ensure that Crossroads standards are fully implemented before they become independent. A key focus of our work will be the planned extension of our service delivery to more geographical areas and the range of services we provide.

We are confident that the creation of 'specialist' roles and functions to replace the previous generic posts will enable us to extend service delivery via our schemes to even more carers over the next twelve months.

### Financial Results

The financial results for the year ending 31 March 2002 reflect the challenges and operating complexities, which are increasingly affecting the Association and its affiliated schemes. The Association's consolidated incoming resources for the year include an 86% increase in the value of care provided by the in-house schemes to £607,000 for the year whilst income from corporate funding, trusts and general donations was £247,000 lower than the previous financial year. Careful financial management was maintained throughout the year to ensure that the Association's reserves were not impacted upon. Expenditure was contained within budgeted levels and deferred on specific designated funds.

### Statement of Financial Activities

The Consolidated Statement of Financial Activities combines the financial results of the Association and its trading subsidiary, Crossroads Enterprises Limited, for the financial year ended 31 March 2002 and shows a deficit of expenditure to incoming resources of £79,191 (2001 – surplus £325,927). The greater part of this deficit related to the spending of £53,265 of the designated funds created over the previous financial years and the timing of expenditure on restricted funds, which was £24,398 in excess of restricted incoming resources over the financial year.

Consolidated incoming resources were £2,967,779 for the year (2001 - £2,778,246). Income for restricted funds was £2,156,425 (2001 - £1,777,400) and included £606,865 (2001 - £326,443) for direct care provided by eight schemes in England and one in Wales, which were in-house during the year. The income received during the year for unrestricted funds was £811,354 (2001 - £1,000,846). Expenditure on unrestricted funds was held below the level of the previous financial year at £812,882 (2001 - £818,174) but the reduced level of external funding for the Association's unrestricted activities resulted in a deficit of £1,528 on unrestricted funds over the financial year, which was covered by a transfer from the Designated Funds.

## CROSSROADS ASSOCIATION

### Trustees Report Cont.

Direct Charitable expenditure for the year was £2,311,085 (2001 - £1,748,938) and included salaries expenditure of £1,824,444 (2001 - £1,321,049) of which £1,517,904 (2001 - £1,129,199) was incurred in support of the in-house schemes, other restricted fund projects and designated funds.

### Balance Sheet

The consolidated deficit for the financial year of £79,191 together with the unrealised loss on the value of investments of £14,615 reduced the consolidated net asset value by £93,806 to £1,507,032.

Current Assets included cash and cash equivalents held by the group at the 31 March 2002 of £1,220,527 (2001 - £1,155,832). This sum included a number of cash balances which were held in interest bearing accounts in support of restricted projects including individual accounts for each of the directly managed schemes listed in Note 18. Cash specifically held in restricted fund bank accounts was £634,578 at 31 March 2002. The majority of the remaining cash balance was held in high interest bearing accounts rather than longer-term investment because of the uncertain stock market trading conditions that continued through the financial year.

### Reserves

The Reserves of the Group were reduced by £93,806 over the financial year and totalled £1,507,032 at 31 March 2002 as detailed in Note 16 to the Accounts. This reduction included expenditure of £53,265 on the designated funds established from the surplus recorded in last financial year and £24,398 on restricted funds. The deficit recorded during the financial year on unrestricted funds together with the market value adjustment on Investments reduced the value of the General Reserve Fund held at 31 March 2002 to £462,388 (2001 - £477,003). It is Board policy that the General Reserve Fund should be approximately equal to six months unrestricted expenditure and that funds in excess of this level should be used to assist the Association's development. The cautious financial management exercised during this year's difficult operating conditions has enabled the General Reserve Fund to be maintained within these criteria. Restraint will continue on designated fund expenditure until there is an improvement in the level of general fundraising which suffered during the last financial year as a result of the current fundraising climate and staffing difficulties which are resolved at the time of this report.

### Crossroads Enterprises Limited

A summary of the trading results for Crossroads Enterprises Limited is shown in Note 7 to the Accounts.

Despite the increase in turnover there was no increase in profitability, which is transferred to the Association by deed of covenant. No surplus was available for transfer for the financial year (2001 - £6,517). The disappointing lack of growth in profitable trading ventures benefiting both the Association and affiliated schemes has the consequence that the full-time post of Director cannot be sustained without support from external funding which ceases early in the new financial year.

## CROSSROADS ASSOCIATION

### Trustees Report Cont.

#### Risk Review

The Board of Trustees has set up a working party to conduct a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions. External risks have been identified and where appropriate, actions have been taken to minimise those risks. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

#### Legal and Administrative Information

|                     |                                                                                     |
|---------------------|-------------------------------------------------------------------------------------|
| Registered Office   | 10 Regent Place<br>Rugby<br>Warwickshire CV21 2PN                                   |
| Company Secretary   | Carolyn Robb                                                                        |
| Treasurer           | David Bowler                                                                        |
| Auditors            | Murphy Salisbury<br>15 Warwick Road<br>Stratford Upon Avon<br>Warwickshire CV37 6YW |
| Solicitors          | Reed Smith Warner Cranston<br>Park House<br>Station Square<br>Coventry CV1 2FL      |
| Bankers             | Barclays Bank Plc<br>PO Box 11<br>North Street<br>Rugby<br>Warwickshire CV21 2AN    |
| Investment Advisors | Carr Sheppards Crosthwaite<br>2 Gresham Street<br>London EC2V 7QN                   |

#### Investment Powers

Carr Sheppards Crosthwaite have the discretion to trade on behalf of the Association. However, at any time the Association can remove this discretion and specify the purchase and sale of shares and gilts.

## CROSSROADS ASSOCIATION

### DIRECTORS

The directors of the company who served during the year ended 31 March 2002 are listed as follows:-

Ezrald Bennett  
Margaret Crichton (Resigned 07.11.2001)  
Margaret Hardman (Chair)  
George Smith (Resigned 07.11.2001)  
Graham Bradshaw (Vice Chair)  
Peter Gallant  
Rita Godwin  
Peter Senker  
James Hatter (Resigned 07.11.2001)  
Ann Miller  
Ann Gill  
David Bowler (Treasurer)  
Pauline Adams  
William Carmen  
Patricia Collinson  
Geoffrey McDonald  
Sheila Hyde (Appointed 07.11.2001)  
David Gawne (Appointed 07.11.2001)  
Raewyn Petherick (Appointed 07.11.2001)

### Insurance of Directors

The company maintains insurance for the directors in respect of their duties as directors of the company.

|                | 2002 | 2001 |
|----------------|------|------|
|                | £    | £    |
| Insurance cost | 551  | 350  |

## **CROSSROADS ASSOCIATION**

### **Directors' Responsibilities**

The directors are required by UK law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the financial activities of the company and of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2002. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis, and in accordance with the Companies Act 1985.

The directors are responsible for keeping proper records, for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

A resolution to re-appoint the auditors, Murphy Salisbury will be proposed at the annual general meeting.

**By order of the board**

A handwritten signature in black ink, reading "Carolyn Robb". The signature is written in a cursive, flowing style.

**Carolyn Robb**  
**Company Secretary**  
**23<sup>rd</sup> July 2002**

## **CROSSROADS ASSOCIATION**

### **Report of the auditors to members of Crossroads Association**

We have audited the financial statements on pages 8 to 27 in accordance with the accounting policies set out on page 17.

### **Respective responsibilities of directors and auditors**

As described on page 6, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

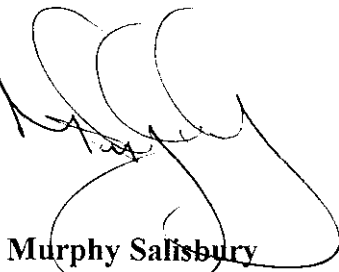
### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 2002 and of the incoming resources and application of resources of the company and the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Murphy Salisbury**  
**Chartered Accountants and Registered Auditors**

**Dated**

**CROSSROADS ASSOCIATION****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED**  
**31 MARCH 2002****INCOMING RESOURCES**

|                                                    | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Designated<br>Funds<br>£ | Total Funds<br>31.03.02<br>£ | Total Funds<br>31.03.01<br>£ |
|----------------------------------------------------|----------------------------|--------------------------|--------------------------|------------------------------|------------------------------|
| <b>Activities to further the charity's objects</b> |                            |                          |                          |                              |                              |
| Trust Funding and                                  |                            |                          |                          |                              |                              |
| General Donations                                  | 156,769                    | 80,894                   | -                        | 237,663                      | 462,710                      |
| Corporate Funding                                  | 75,963                     | -                        | -                        | 75,963                       | 97,498                       |
| Merchandising                                      | 35,505                     | -                        | -                        | 35,505                       | 33,640                       |
| Grants                                             | 82,144                     | 1,311,656                | -                        | 1,393,800                    | 1,187,971                    |
| Lottery Funding                                    | -                          | 69,098                   | -                        | 69,098                       | 27,188                       |
| Membership Fees                                    | 339,608                    | 38,436                   | -                        | 378,044                      | 345,169                      |
| Dividends                                          | 21,963                     | -                        | -                        | 21,963                       | 23,131                       |
| Interest                                           | 16,819                     | 25,880                   | -                        | 42,699                       | 48,434                       |
| Publications                                       | 1,052                      | -                        | -                        | 1,052                        | 934                          |
| Training                                           | 4,112                      | 6,601                    | -                        | 10,713                       | 23,257                       |
| Sundry Income                                      | 250                        | 16,495                   | -                        | 16,745                       | 26,601                       |
| Management Fees                                    | 77,169                     | 500                      | -                        | 77,669                       | 62,204                       |
| Direct Care Provided                               | -                          | 606,865                  | -                        | 606,865                      | 326,443                      |
| Directly managed schemes<br>funds transferred      | -                          | -                        | -                        | -                            | 113,066                      |
| Total incoming resources                           | 811,354                    | 2,156,425                | -                        | 2,967,779                    | 2,778,246                    |

**RESOURCES USED****Costs of Generating Funds**

|                    |        |       |   |        |        |
|--------------------|--------|-------|---|--------|--------|
| Fundraising and PR | 15,861 | 9,421 | - | 25,282 | 49,689 |
| Merchandising      | 21,228 | -     | - | 21,228 | 25,648 |
|                    | 37,089 | 9,421 | - | 46,510 | 75,337 |

**Direct Charitable Expenditure**

|                        |         |           |        |           |           |
|------------------------|---------|-----------|--------|-----------|-----------|
| Special Projects       | 2,341   | 73,999    | -      | 76,340    | 69,329    |
| Salaries               | 281,197 | 1,517,904 | 25,343 | 1,824,444 | 1,321,049 |
| Travel and Subsistence | 44,881  | 193,161   | 6,682  | 244,724   | 193,165   |
| Recruitment            | 142     | 21,231    | 3,128  | 24,501    | 12,100    |
| Telephone              | 8,882   | 29,182    | 235    | 38,299    | 28,978    |
| Stationery             | 5,852   | 30,038    | 377    | 36,267    | 33,016    |
| Training               | 1,572   | 57,440    | 65     | 59,077    | 84,623    |
| Meetings and Forums    | 5,925   | 900       | 608    | 7,433     | 6,678     |
|                        | 350,792 | 1,923,855 | 36,438 | 2,311,085 | 1,748,938 |

## **CROSSROADS ASSOCIATION**

### **Other Expenditure (consolidated)**

|                                                             | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Designated<br>Funds<br>£ | Total Funds<br>31.03.02<br>£ | Total Funds<br>31.03.01<br>£ |
|-------------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|------------------------------|------------------------------|
| Administration                                              | 6    | 425,001                    | 247,547                  | 16,827                   | 689,375                      | 628,014                      |
| <hr/>                                                       |      |                            |                          |                          |                              |                              |
| Total resources used                                        |      | 812,882                    | 2,180,823                | 53,265                   | 3,046,970                    | 2,452,289                    |
| <hr/>                                                       |      |                            |                          |                          |                              |                              |
| <u>Net incoming resources<br/>for the year</u>              |      | (1,528)                    | (24,398)                 | (53,265)                 | (79,191)                     | 325,957                      |
| <b>Transfers</b>                                            |      | 1,528                      | -                        | (1,528)                  | -                            | -                            |
| <br><b><u>Gains and losses on<br/>investment assets</u></b> |      |                            |                          |                          |                              |                              |
| Unrealised                                                  |      | (14,615)                   | -                        | -                        | (14,615)                     | (20,457)                     |
| <hr/>                                                       |      |                            |                          |                          |                              |                              |
| Net movements in funds                                      |      | (14,615)                   | (24,398)                 | (54,793)                 | (93,806)                     | 305,500                      |
| Balances brought forward<br>1 April 2001                    |      | 477,003                    | 885,658                  | 238,177                  | 1,600,838                    | 1,295,338                    |
| <hr/>                                                       |      |                            |                          |                          |                              |                              |
| Balances carried forward<br>31 March 2002                   |      | 462,388                    | 861,260                  | 183,384                  | 1,507,032                    | 1,600,838                    |
| <hr/>                                                       |      |                            |                          |                          |                              |                              |

The notes on pages 17 to 27 form part of these accounts.

**CROSSROADS ASSOCIATION****CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE  
YEAR ENDED 31 MARCH 2002**

|                                                             | Note | 2002<br>£ | 2001<br>£ |
|-------------------------------------------------------------|------|-----------|-----------|
| Total income of continuing activities                       |      | 2,925,080 | 2,729,812 |
| Total expenditure of continuing activities                  |      | 3,046,970 | 2,452,289 |
| Operating (deficit)/surplus                                 |      | (121,890) | 277,523   |
| Interest receivable                                         |      | 42,699    | 48,434    |
| (Deficit)/Surplus on ordinary activities<br>before taxation |      | (79,191)  | 325,957   |
| Taxation                                                    | 14   | -         | -         |
| Retained (deficit)/surplus for the year                     |      | (79,191)  | 325,957   |

Total income of continuing activities comprises £794,535 for unrestricted funds and £2,130,545 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Turnover of non-charitable trading activities amounted to £403,803. A detailed analysis is shown in note 7.

Detailed analyses of the expenditure are provided in the Statement of Financial Activities and note 6.

The Summary of Income and Expenditure account is derived from the Statement of Financial Activities on pages 8 and 9 which together with the notes to the accounts on pages 17 to 27 provides full information on the movements during the year on all the funds of the group.

## **CROSSROADS ASSOCIATION**

### **STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2002**

#### **INCOMING RESOURCES**

|                                                    | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Designated<br/>Funds<br/>£</b> | <b>Total Funds<br/>31.03.02<br/>£</b> | <b>Total Funds<br/>31.03.01<br/>£</b> |
|----------------------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| <b>Activities to further the charity's objects</b> |                                     |                                   |                                   |                                       |                                       |
| Trust Funding and                                  |                                     |                                   |                                   |                                       |                                       |
| General Donations                                  | 156,769                             | 80,894                            | -                                 | 237,663                               | 462,710                               |
| Corporate Funding                                  | 47,963                              | -                                 | -                                 | 47,963                                | 78,831                                |
| Grants                                             | 82,144                              | 1,311,656                         | -                                 | 1,393,800                             | 1,187,971                             |
| Lottery Funding                                    | -                                   | 69,098                            | -                                 | 69,098                                | 27,188                                |
| Membership Fees                                    | 312,945                             | 38,436                            | -                                 | 351,381                               | 313,367                               |
| Dividends                                          | 21,963                              | -                                 | -                                 | 21,963                                | 23,131                                |
| Interest                                           | 16,819                              | 25,880                            | -                                 | 42,699                                | 48,434                                |
| Publications                                       | 1,052                               | -                                 | -                                 | 1,052                                 | 933                                   |
| Training                                           | 4,112                               | 6,601                             | -                                 | 10,713                                | 23,257                                |
| Subsidiary Income                                  | 4,280                               | -                                 | -                                 | 4,280                                 | 6,517                                 |
| Sundry Income                                      | 250                                 | 16,495                            | -                                 | 16,745                                | 19,782                                |
| Management Fees                                    | 77,169                              | 500                               | -                                 | 77,669                                | 62,204                                |
| Direct Care Provided                               | -                                   | 606,865                           | -                                 | 606,865                               | 326,443                               |
| Directly managed schemes<br>funds transferred      | -                                   | -                                 | -                                 | -                                     | 113,066                               |
| Total incoming resources                           | 725,466                             | 2,156,425                         | -                                 | 2,881,891                             | 2,693,834                             |

#### **RESOURCES USED**

##### **Costs of Generating Funds**

|                    |        |       |   |        |        |
|--------------------|--------|-------|---|--------|--------|
| Fundraising and PR | 15,861 | 9,421 | - | 25,282 | 48,195 |
|--------------------|--------|-------|---|--------|--------|

##### **Direct Charitable Expenditure**

|                        |         |           |        |           |           |
|------------------------|---------|-----------|--------|-----------|-----------|
| Special Projects       | 2,341   | 73,999    | -      | 76,340    | 69,329    |
| Salaries               | 281,197 | 1,517,904 | 25,343 | 1,824,444 | 1,321,049 |
| Travel and Subsistence | 44,881  | 193,161   | 6,682  | 244,724   | 193,165   |
| Recruitment            | 142     | 21,231    | 3,128  | 24,501    | 12,100    |
| Telephone              | 8,882   | 29,182    | 235    | 38,299    | 28,978    |
| Stationery             | 5,852   | 30,038    | 377    | 36,267    | 33,016    |
| Training               | 1,572   | 57,440    | 65     | 59,077    | 84,623    |
| Meetings and Forums    | 5,925   | 900       | 608    | 7,433     | 6,678     |
|                        | 350,792 | 1,923,855 | 36,438 | 2,311,085 | 1,748,938 |

## **CROSSROADS ASSOCIATION**

### **Other Expenditure**

|                                                        | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Designated<br>Funds<br>£ | Total Funds<br>31.03.02<br>£ | Total Funds<br>31.03.01<br>£ |
|--------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|------------------------------|------------------------------|
| Administration                                         | 6    | 360,341                    | 247,547                  | 16,827                   | 624,715                      | 570,744                      |
| <hr/>                                                  |      |                            |                          |                          |                              |                              |
| Total resources used                                   |      | 726,994                    | 2,180,823                | 53,265                   | 2,961,082                    | 2,367,877                    |
| <hr/>                                                  |      |                            |                          |                          |                              |                              |
| <u>Net incoming resources</u><br><u>for the year</u>   |      | (1,528)                    | (24,398)                 | (53,265)                 | (79,191)                     | 325,957                      |
| <u>Transfers</u>                                       |      | 1,528                      | -                        | (1,528)                  | -                            | -                            |
| <hr/>                                                  |      |                            |                          |                          |                              |                              |
| <u>Gains and losses on</u><br><u>investment assets</u> |      |                            |                          |                          |                              |                              |
| Unrealised                                             |      | (14,615)                   | -                        | -                        | (14,615)                     | (20,457)                     |
| <hr/>                                                  |      |                            |                          |                          |                              |                              |
| Net movements in funds                                 |      | (14,615)                   | (24,398)                 | (54,793)                 | (93,806)                     | 305,500                      |
| Balances brought forward<br>1 April 2001               |      | 469,866                    | 885,658                  | 238,177                  | 1,593,701                    | 1,288,201                    |
| <hr/>                                                  |      |                            |                          |                          |                              |                              |
| Balances carried forward<br>31 March 2002              |      | 455,251                    | 861,260                  | 183,384                  | 1,499,895                    | 1,593,701                    |
| <hr/>                                                  |      |                            |                          |                          |                              |                              |

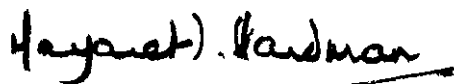
The notes on pages 17 to 27 form part of these accounts.

## CROSSROADS ASSOCIATION

### CONSOLIDATED BALANCE SHEET AT 31 MARCH 2002

|                                                                 | Note | 2002<br>£        | 2001<br>£        |
|-----------------------------------------------------------------|------|------------------|------------------|
| <b><u>Fixed Assets</u></b>                                      |      |                  |                  |
| Tangible fixed assets                                           | 9    | 76,769           | 75,260           |
| Investments – listed                                            | 10   | 412,679          | 444,575          |
|                                                                 |      | <u>489,448</u>   | <u>519,835</u>   |
| <b><u>Current Assets</u></b>                                    |      |                  |                  |
| Stocks                                                          | 1d   | 9,219            | 9,100            |
| Debtors                                                         | 12   | 90,074           | 97,544           |
| Cash at bank and in hand                                        |      | 1,220,527        | 1,155,832        |
|                                                                 |      | <u>1,319,820</u> | <u>1,262,476</u> |
| <b><u>Creditors:</u></b> amounts falling due<br>within one year | 13   | 302,236          | 181,473          |
| <b><u>Net Current Assets</u></b>                                |      | <u>1,017,584</u> | <u>1,081,003</u> |
| <b><u>Net Assets</u></b>                                        |      | <u>1,507,032</u> | <u>1,600,838</u> |
| <b><u>Funds</u></b>                                             |      |                  |                  |
| Unrestricted:                                                   |      |                  |                  |
| General reserve                                                 | 16   | 462,388          | 477,003          |
| Designated reserve                                              | 16   | 183,384          | 238,177          |
| Restricted reserve                                              | 16   | 861,260          | 885,658          |
|                                                                 |      | <u>1,507,032</u> | <u>1,600,838</u> |

The financial statements were approved by the board on 23<sup>rd</sup> July 2002 and were signed on its behalf by:



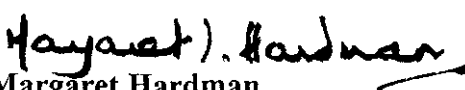
Margaret Hardman  
Chair

## CROSSROADS ASSOCIATION

### BALANCE SHEET AT 31 MARCH 2002

|                                                                 | Note | 2002<br>£        | 2001<br>£        |
|-----------------------------------------------------------------|------|------------------|------------------|
| <b><u>Fixed Assets</u></b>                                      |      |                  |                  |
| Tangible fixed assets                                           | 9    | 76,769           | 75,260           |
| Investments – listed                                            | 10   | 412,679          | 444,575          |
| Investments – unlisted                                          |      | 1                | 1                |
|                                                                 |      | <u>489,449</u>   | <u>519,836</u>   |
| <b><u>Current Assets</u></b>                                    |      |                  |                  |
| Debtors                                                         | 12   | 82,547           | 96,283           |
| Cash at bank and in hand                                        |      | 1,208,685        | 1,139,023        |
|                                                                 |      | <u>1,291,232</u> | <u>1,235,306</u> |
| <b><u>Creditors:</u></b> amounts falling due<br>within one year | 13   | 280,786          | 161,441          |
|                                                                 |      | <u>1,010,446</u> | <u>1,073,865</u> |
| <b><u>Net Current Assets</u></b>                                |      | <u>1,010,446</u> | <u>1,073,865</u> |
| <b><u>Net Assets</u></b>                                        |      | <u>1,499,895</u> | <u>1,593,701</u> |
| <b><u>Funds</u></b>                                             |      |                  |                  |
| Unrestricted:                                                   |      |                  |                  |
| General reserve                                                 | 17   | 455,251          | 469,866          |
| Designated reserve                                              | 17   | 183,384          | 238,177          |
| Restricted reserve                                              | 17   | 861,260          | 885,658          |
|                                                                 |      | <u>1,499,895</u> | <u>1,593,701</u> |

The financial statements were approved by the board on 23<sup>rd</sup> July 2002 and were signed on its behalf by:

  
Margaret Hardman  
Chair

## CROSSROADS ASSOCIATION

### CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

|                                                     | Note | 2002      | 2001      |
|-----------------------------------------------------|------|-----------|-----------|
|                                                     |      | £         | £         |
| Net cash inflow from operating activities           | 1    | 58,191    | 286,693   |
| Investing activities                                |      |           |           |
| Purchase of tangible fixed assets                   |      | (9,229)   | (8,178)   |
| Proceeds from sale of tangible fixed assets         |      | 2,571     | 800       |
| Purchase of investments                             |      | (179,041) | (101,346) |
| Proceeds from sale of investments                   |      | 192,203   | 116,309   |
| Net cash (outflow)/inflow from investing activities |      | 6,504     | 7,585     |
| Increase in cash and cash equivalents               | 2    | 64,695    | 294,278   |
| Cash and cash equivalents at 31 March 2001          |      | 1,155,831 | 861,553   |
| Cash and Cash Equivalents at 31 March 2002          |      | 1,220,526 | 1,155,831 |

#### Notes to the Cashflow Statement

##### 1 Reconciliation of Changes in Resources to Net Cash Inflow from Operating Activities

|                                           |          |          |
|-------------------------------------------|----------|----------|
| Changes in resources before revaluations  | (79,191) | 325,957  |
| Depreciation                              | 7,720    | 7,429    |
| Gain on disposal of tangible fixed assets | (13)     | (800)    |
| Loss/(Profit) on disposal of investments  | 1,562    | (7,078)  |
| Increase in stocks                        | (119)    | (220)    |
| Decrease in debtors                       | 7,469    | 2,304    |
| Increase/(Decrease) in creditors          | 120,763  | (40,899) |
|                                           | 58,191   | 286,693  |

##### 2 Analysis of Changes in Cash and Cash Equivalents during the Year

|                          | 2002      | 2001      | Change in year |
|--------------------------|-----------|-----------|----------------|
|                          | £         | £         | £              |
| Cash at bank and in hand | 1,220,526 | 1,155,831 | 64,695         |

## **CROSSROADS ASSOCIATION**

### **CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002**

|                                                     | Note | 2002      | 2001      |
|-----------------------------------------------------|------|-----------|-----------|
|                                                     |      | £         | £         |
| Net cash inflow from operating activities           | 1    | 63,158    | 289,136   |
| Investing activities                                |      |           |           |
| Purchase of tangible fixed assets                   |      | (9,229)   | (8,178)   |
| Proceeds from sale of tangible fixed assets         |      | 2,571     | 800       |
| Purchase of investments                             |      | (179,041) | (101,346) |
| Proceeds from sale of investments                   |      | 192,203   | 116,309   |
| Net cash (outflow)/inflow from investing activities |      | 6,504     | 7,585     |
| Increase in cash and cash equivalents               | 2    | 69,662    | 296,721   |
| Cash and cash equivalents at 31 March 2001          |      | 1,139,023 | 842,302   |
| Cash and Cash Equivalents at 31 March 2002          |      | 1,208,685 | 1,139,023 |

#### **Notes to the Cashflow Statement**

##### **1 Reconciliation of Changes in Resources to Net Cash Inflow from Operating Activities**

|                                           |          |          |
|-------------------------------------------|----------|----------|
| Changes in resources before revaluations  | (79,191) | 325,957  |
| Depreciation                              | 7,720    | 7,429    |
| Gain on disposal of tangible fixed assets | (13)     | (800)    |
| Loss/(Profit) on disposal of investments  | 1,562    | (7,078)  |
| Decrease in debtors                       | 13,735   | 12,770   |
| Increase/(Decrease) in creditors          | 119,345  | (49,142) |
|                                           | 63,158   | 289,136  |

##### **2 Analysis of Changes in Cash and Cash Equivalents during the Year**

|                          | 2002      | 2001      | Change in year |
|--------------------------|-----------|-----------|----------------|
|                          | £         | £         | £              |
| Cash at bank and in hand | 1,208,685 | 1,139,023 | 69,662         |

## **CROSSROADS ASSOCIATION**

### **1. ACCOUNTING POLICIES**

#### **a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:-

#### **b) Tangible Fixed Assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

|                       | %   |
|-----------------------|-----|
| Freehold buildings    | 2.5 |
| Motor vehicles        | 25  |
| Fixtures and fittings | 25  |

#### **c) Investments**

Investments are stated at their market value as determined by our investment advisors.

#### **d) Stock**

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Where necessary provision is made for obsolete, slow moving and defective stock.

#### **e) Pension Costs**

The company operates a defined pension scheme for employees. The company funds pension liabilities by payments to a separately managed pension fund. Payments made to the fund are charged in the financial statements in the period to which they relate.

#### **f) Donations, Grants and other Voluntary Income**

Voluntary income is accounted for when received. Donations and grants that are given for a specific purpose are treated as income in the year of receipt.

## **CROSSROADS ASSOCIATION**

### **2. DIRECTORS' EMOLUMENTS**

|                        | 2002<br>£ | 2001<br>£ |
|------------------------|-----------|-----------|
| Directors remuneration | 34,878    | 16,473    |
| Total expenses paid    | 4,643     | 7,196     |

### **3. TRUSTEES' REMUNERATION**

The trustees neither received nor waived any emoluments during the year (2001:£nil)

Out of pocket expenses were reimbursed to trustees as follows.

|                        | 2002<br>Number | 2001<br>Number | 2002<br>£ | 2001<br>£ |
|------------------------|----------------|----------------|-----------|-----------|
| Travel and Subsistence | 16             | 16             | 8,703     | 7,196     |
| Postage and Stationery | 16             | 16             | 18        | 5         |
| Telecommunications     | 16             | 16             | -         | 17        |

### **4. OVERHEAD COSTS**

#### **a) Direct Charitable Expenditure**

Under this heading are the costs for the in house schemes and projects and the area offices. These are the costs that relate directly to the charitable activities of the company.

#### **b) Administration**

Included under this heading are central office costs, appeals department and in house schemes, project and area offices administration costs.

## CROSSROADS ASSOCIATION

### 5. TOTAL STAFF COSTS

|                       | Group<br>2002<br>£ | Company<br>2002<br>£ | Group<br>2001<br>£ | Company<br>2001<br>£ |
|-----------------------|--------------------|----------------------|--------------------|----------------------|
| Wages and Salaries    | 1,870,766          | 1,824,362            | 1,440,532          | 1,400,216            |
| Social Security Costs | 131,313            | 126,817              | 164,309            | 160,734              |
| Pension Costs         | 42,269             | 38,830               | 21,949             | 20,661               |
|                       | <hr/> 2,044,348    | <hr/> 1,990,009      | <hr/> 1,626,790    | <hr/> 1,581,611      |

No employee earned more than £50,000 p.a.

The average monthly number of employees during the year was:-

|                                                                |           |           |           |           |
|----------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Central Structure<br>(central office, appeals &<br>area staff) | 34        | 31        | 36        | 33        |
| In House projects &<br>schemes                                 | 186       | 186       | 180       | 180       |
| Total                                                          | <hr/> 220 | <hr/> 217 | <hr/> 216 | <hr/> 213 |

## **6. ADMINISTRATION**

20

## 6. ADMINISTRATION (CONT.)

21

## **CROSSROADS ASSOCIATION**

### **7. NET INCOME FROM SUBSIDIARY TRADING ACTIVITIES**

The Charity has one wholly owned trading subsidiary Crossroads Enterprises Limited which operates as a general commercial company selling merchandise. A summary of its trading results is shown below. Audited accounts will be filed with the Registrar of Companies.

| <b><u>Profit and Loss Account</u></b> | <b><u>Crossroads Enterprises Limited</u></b> |             |
|---------------------------------------|----------------------------------------------|-------------|
|                                       | <b>2002</b>                                  | <b>2001</b> |
|                                       | <b>£</b>                                     | <b>£</b>    |
| Turnover                              | 403,803                                      | 207,762     |
| Cost of Sales                         | 334,863                                      | 142,483     |
| Gross Profit                          | 68,940                                       | 65,279      |
| Administrative Costs                  | 68,940                                       | 65,279      |
| Net Profit                            | -                                            | -           |
| Taxation                              | -                                            | -           |
| Retained in Subsidiary                | -                                            | -           |

### **8. GRANTS**

The following material grants were received in the year:-

£

|                                         |         |
|-----------------------------------------|---------|
| Department of Health                    | 60,000  |
| Department of Health                    | 17,500  |
| Leicester City Council                  | 189,180 |
| Leicester City Council – Childrens Fund | 7,700   |
| Milton Keynes Council                   | 161,976 |
| Welsh Assembly                          | 166,043 |
| Norfolk County Council                  | 309,512 |
| Hertfordshire County Council            | 45,000  |
| North Essex Health Authority            | 6,515   |
| Epping Forest Primary Care Trust        | 25,550  |
| Essex County Council                    | 29,247  |
| Essex County Council                    | 42,439  |
| Suffolk County Council                  | 60,575  |
| Blackburn with Darwen Borough Council   | 85,135  |
| Cheshire County Council                 | 68,063  |
| Gwynedd Council                         | 18,977  |

## CROSSROADS ASSOCIATION

### 9. TANGIBLE FIXED ASSETS

#### Group and Company

|                          | Freehold<br>land &<br>buildings<br>£ | Motor<br>Vehicles<br>£ | Fixtures<br>& Fittings<br>£ | Total<br>£ |
|--------------------------|--------------------------------------|------------------------|-----------------------------|------------|
| <u>Cost or Valuation</u> |                                      |                        |                             |            |
| At 1 April 2001          | 75,000                               | 15,939                 | 30,429                      | 121,368    |
| Additions                | -                                    | 8,000                  | 1,229                       | 9,229      |
| At 31 March 2002         | 75,000                               | 23,939                 | 31,658                      | 130,597    |
| <u>Depreciation</u>      |                                      |                        |                             |            |
| At 1 April 2001          | 11,250                               | 7,316                  | 27,541                      | 46,107     |
| Charge for the year      | 1,875                                | 4,485                  | 1,361                       | 7,721      |
| At 31 March 2002         | 13,125                               | 11,801                 | 28,902                      | 53,828     |
| <u>Net Book Value</u>    |                                      |                        |                             |            |
| At 31 March 2002         | 61,875                               | 12,138                 | 2,756                       | 76,769     |
| At 31 March 2001         | 63,750                               | 8,622                  | 2,888                       | 75,260     |

Any gifts of assets have not been capitalised on the basis that they are not material.

## **CROSSROADS ASSOCIATION**

### **10. INVESTMENTS**

#### **Group and Company**

|                                                          | 2002<br>£      | 2001<br>£      |
|----------------------------------------------------------|----------------|----------------|
| Market Value at 1 April 2001                             | 444,575        | 472,916        |
| Less: Disposals at opening book value                    | (196,322)      | (109,230)      |
| Add: Acquisitions at cost                                | 179,041        | 101,346        |
| Add: Net (losses)/gains on revaluations at 31 March 2002 | (14,615)       | (20,457)       |
| Market Value at 31 March 2002                            | <u>412,679</u> | <u>444,575</u> |
| Historical cost at 31 March 2002                         | <u>417,729</u> | <u>445,513</u> |

The investments are classified as fixed assets as it is the intention to retain them for the continuing benefit of the charity, in the form of income and capital appreciation.

The investments comprise 62% Fixed Interest Investments and 38% in Equities and Unit Trusts that are listed on a recognised stock exchange. The market values of material investments at 31 March 2002 are listed below:

|                          | £      |
|--------------------------|--------|
| Great Universal          | 26,244 |
| Halifax                  | 35,943 |
| Treasury 63/4% STK 2004  | 39,301 |
| Treasury 5% STK 2004     | 55,788 |
| European Investment Bank | 44,689 |
| Japan Development Bank   | 54,779 |

The charity's investments at the balance sheet date in the share capital of unlisted companies comprise a 100% holding of the share capital of Crossroads Enterprises Limited, a company who carry on the business of a general commercial company and whose profits are covenanted in full to support the work of Crossroads Association. The aggregate capital and reserves of Crossroads Enterprises Limited at 31 March 2002 were £7,137 (2001 - £7,137).

### **11. COMMUNITY FUND**

The following monies were received in the year:-

|                        | £      |
|------------------------|--------|
| Community Fund (Wales) | 20,846 |
| Community Fund         | 48,252 |

## **CROSSROADS ASSOCIATION**

### **12. DEBTORS**

|               | Group<br>2002<br>£ | Company<br>2002<br>£ | Group<br>2001<br>£ | Company<br>2001<br>£ |
|---------------|--------------------|----------------------|--------------------|----------------------|
| Trade debtors | 64,250             | 58,107               | 50,477             | 49,653               |
| Other debtors | 12,880             | 11,496               | 36,071             | 35,634               |
| Prepayments   | 12,944             | 12,944               | 10,996             | 10,996               |
|               | 90,074             | 82,547               | 97,544             | 96,283               |

### **13. CREDITORS:** amounts falling due within one year

|                                       |         |         |         |         |
|---------------------------------------|---------|---------|---------|---------|
| Trade creditors                       | 80,993  | 74,760  | 42,063  | 38,668  |
| Social security and<br>other taxation | 51,829  | 48,748  | 20,974  | 20,317  |
| Accruals                              | 169,414 | 155,685 | 115,389 | 99,409  |
| Other Creditors                       | -       | 1,593   | 3,047   | 3,047   |
|                                       | 302,236 | 280,786 | 181,473 | 161,441 |

### **14. TAXATION**

There is no liability to taxation

### **15. CAPITAL COMMITMENTS**

There are no capital commitments at the year end (2001- nil)

## **CROSSROADS ASSOCIATION**

### **16. RESERVES FOR THE GROUP**

|                                               | General<br>Fund<br>£ | Restricted<br>Funds<br>£ | Designated<br>Fund<br>£ | Total<br>£ |
|-----------------------------------------------|----------------------|--------------------------|-------------------------|------------|
| At 1 April 2001                               | 477,003              | 885,658                  | 238,177                 | 1,600,838  |
| Incoming/(outgoing)<br>resources for the year | (1,528)              | (24,398)                 | (53,265)                | (79,191)   |
| Revaluation loss on<br>investments            | (14,615)             | -                        | -                       | (14,615)   |
| Transfers                                     | 1,528                | -                        | (1,528)                 | -          |
| At 31 March 2002                              | 462,388              | 861,260                  | 183,384                 | 1,507,032  |

Assets specifically held for use within the restricted funds are:

|                                             | £              |
|---------------------------------------------|----------------|
| Cash held in restricted funds bank accounts | 634,578        |
| Cash at bank                                | 226,682        |
|                                             | <u>861,260</u> |

### **17. RESERVES FOR THE COMPANY**

|                                               | General<br>Fund<br>£ | Restricted<br>Funds<br>£ | Designated<br>Fund<br>£ | Total<br>£ |
|-----------------------------------------------|----------------------|--------------------------|-------------------------|------------|
| At 1 April 2001                               | 469,866              | 885,658                  | 238,177                 | 1,593,701  |
| Incoming/(outgoing)<br>resources for the year | (1,528)              | (24,398)                 | (53,265)                | (79,191)   |
| Revaluation loss on<br>Investments            | (14,615)             | -                        | -                       | (14,615)   |
| Transfers                                     | 1,528                | -                        | (1,528)                 | -          |
| At 31 March 2002                              | 455,251              | 861,260                  | 183,384                 | 1,499,895  |

Assets specifically held for use within the restricted funds are:

|                                            | £              |
|--------------------------------------------|----------------|
| Cash held in restricted fund bank accounts | 634,578        |
| Cash at bank                               | 226,682        |
|                                            | <u>861,260</u> |

## **CROSSROADS ASSOCIATION**

### **18. RESTRICTED FUNDS**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

|                                    | Balance<br>1 April<br>2001<br>£ | Net<br>movement<br>in funds<br>£ | Balance<br>31 March<br>2002<br>£ |
|------------------------------------|---------------------------------|----------------------------------|----------------------------------|
| East Herts scheme                  | 107,262                         | 3,143                            | 110,405                          |
| Wales                              | 22,033                          | 16,947                           | 38,980                           |
| Young carer projects               | 14,569                          | -                                | 14,569                           |
| Other projects                     | 2,351                           | -                                | 2,351                            |
| Norfolk projects                   | 116,033                         | 27,378                           | 143,411                          |
| Bridgehouse funding                | (313)                           | 313                              | -                                |
| Leicester City Scheme              | 86,163                          | (9,948)                          | 76,215                           |
| Epping Forest Scheme               | 85,164                          | 16,339                           | 101,503                          |
| Suffolk Coastal Scheme             | 63,151                          | 36,023                           | 99,174                           |
| Blackburn with Darwen Scheme       | 21,417                          | 5,624                            | 27,041                           |
| Cheshire Project                   | 12,877                          | 1,636                            | 14,513                           |
| North & North West Herts<br>Scheme | 224,082                         | (127,463)                        | 96,619                           |
| Northampton Scheme                 | 43,910                          | 1,938                            | 45,848                           |
| Milton Keynes Scheme               | 64,304                          | 11,903                           | 76,207                           |
| Gwynedd Scheme                     | -                               | 1,566                            | 1,566                            |
| Community Fund (Wales)             | 2,530                           | (1,030)                          | 1,500                            |
| Community Fund                     | -                               | 11,124                           | 11,124                           |
| Training Monies                    | 20,125                          | (19,891)                         | 234                              |
|                                    | 885,658                         | (24,398)                         | 861,260                          |

### **19. RELATED PARTIES**

During the year the company provided services to Crossroads Enterprises Limited, a wholly owned subsidiary, on normal commercial terms, in the sum of £4,722 and received services, on normal commercial terms in the sum of £27,702. The net balance payable to Crossroads Enterprises Limited at 31 March 2002 was £4,993 (2001 - £191 receivable).