

CROSSROADS ASSOCIATION

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2004

Registered Number 1544708

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CROSSROADS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2004

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 March 2004.

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.

Strategy

Crossroads – Caring for Carers remains at the forefront of the delivery of services that enable carers to have a break from their caring responsibilities. During this year we have increased our service delivery both in terms of Carer Support Hours and the number of carers and we continue to work towards our target of 5 million Carer Support Hours and 40,000 Carers.

We are continuing to work under the seven key objectives identified in the 5 Year strategy:-

1. To ensure the continuing expansion of Crossroads coverage and service development
2. To ensure Crossroads branch schemes are sustainable and have the opportunity to develop
3. To ensure that Crossroads Association (including the in-house schemes and projects) is sustainable and has the capability and capacity to develop
4. To create an environment where everyone with Crossroads – trustees, staff and volunteers – feel valued and supported
5. To ensure that Carers inform and influence the sustainable development of the organisation at all levels
6. To increase awareness of the vital role Carers and Crossroads fulfil
7. To influence policy makers to ensure that the needs of Carers are met

This framework will enable us to ensure that we reach out to more carers in more communities while at the same time recognising the challenges that face the organisation. During the year all schemes in England have applied for registration in order to comply with the Regulations and Standards for Domiciliary Care. The regulatory framework will be introduced in Wales in 2004. At a national level we have worked with the National Care Standards Commission to support the introduction of the Regulations and Standards and will continue to work closely with the Commission for Social Care Inspection who takes on the responsibility for regulation in 2004.

In order to ensure that we are sustainable for the future we have embarked on a consultation across the network of branch schemes to identify the **Foundation for the Future**. The agenda for change was launched at the AGM and followed by a series of regional meetings across England and Wales. These meetings provided an opportunity for branch schemes to fully engage with the

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discussions about future structures. These discussions will continue in 2004 and any structural changes put in place will be in order to ensure that trustees and staff are enabled to reach out to more carers in more communities.

Feedback from carers about our services is vital and we know from what they tell us that opportunities to have a break from their caring responsibilities are an essential part of the support they require. Services that provide such support mean that carers can pursue leisure opportunities, continue in employment, maintain their social life or simply recharge their batteries – things we all need to do. Crossroads is committed to providing high quality services to Carers – services we know are needed.

Equal Opportunities

The charity has developed policies for the fair and equal treatment of all employees, including employment of disabled persons. Every effort is made to provide appropriate continued employment for any person who becomes disabled during the course of employment with the charity.

Financial Results

There was a shortfall of incoming resources over total resources used in the financial year ending 31 March 2004. The shortfall on unrestricted activities had been anticipated in the Association's budgeting process and funds were designated from the previous financial year's larger than expected legacy income to provide for this eventuality. The recovery in the market value of our Investments has assisted in the maintenance of the agreed level of General Reserves and reduced the level of designated fund utilised to contain the shortfall. Measures were taken during the year to reduce the annual level of unrestricted expenditure to match the anticipated income streams. Despite continuing difficulties in attracting funds to enable the Association to provide the correct level of support to its member schemes the level of Reserves at 31 March 2004 will enable a number of planned developments to be funded including raising the profile of Crossroads and supporting the Agenda for Change in order to sustain services to carers.

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 2004 and shows a deficit of incoming resources to expenditure of £34,207 (2003-surplus £356,736). The deficit on unrestricted activities was £48,134, which was reduced by expenditure of designated funds created in previous years of £17,860, and by a surplus on the revaluation of investments of £35,171. There was a further reduction in designated funds of £9,903 with the balance in the consolidated deficit relating to the timing of expenditure on restricted projects.

Consolidated incoming resources were £4,724,848 for the year (2003-£4,503,061). Income for unrestricted funds was £1,445,401 (2003 - £1,328,253) and included Trust funding and general donations (including legacies) of £393,481, which was a reduction on the previous financial year of £278,664 and principally related to the legacy income. Expenditure on unrestricted funds was £1,493,535 (2003 - £1,310,773) which included insurance costs of £457,247 (2003 - £387,901) and other direct costs for generating funds of £116,494 (2003 - £71,409). The cost of Insurances incurred in respect of member schemes by Crossroads Enterprises Limited and its subsequent

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recharge together with associated administration cost is shown in full in the Consolidated Statement of Financial Activities. In the financial statements for previous years the transactions have been treated as a contra item. The comparative figures for the financial year ending 31 March 2003 have been amended to conform with the revised presentation. Specific fund raising investment was made during the financial year in order to generate an increase in general donations for core activities in future years.

The consolidated income for restricted activities was £3,279,447 (2003 - £2,786,907). This income includes both grants received by our In-house schemes for the provision of direct services and other receipts for eleven schemes in England and one in Wales. Total Grants for direct care and support were £1,663,692 (2003 - £1,570,353) of which £1,289,558 was received for the In-house schemes whilst the balance of £374,134 was received to support the other restricted funding projects listed in Note 17 to the Accounts. Statutory Grant income for the year, which includes funding from the Welsh Assembly to support the Wales Office was £380,555 (2003 - £259,997). The statutory grant funding for the unrestricted core activities was £35,000, which was a reduction of £60,000 on the previous financial year following the cessation of the Section 64 Government Grant.

Direct Charitable Expenditure for the year was £3,370,302 (2003 - £2,923,007) and included salaries expenditure of £2,351,615 (2003 - £2,101,140) of which £2,027,345 (2003 - £1,801,903) was incurred in support of the in-house schemes and other restricted fund projects as listed in note 17 to the accounts.

Administration costs as detailed in Note 5 to the accounts were £803,179 for the year (2003 - £746,947)

Balance Sheet

The net outgoing resources for the year of £34,207 adjusted by an increase in the market value of investments of £35,171 provides an increase in the consolidated net asset value at 31 March 2004 of £964 to £1,788,931.

Current Assets included cash and cash equivalents held by the group at the 31 March 2004 of £1,384,325 (2003 - £1,402,126). This sum included a number of cash balances that were held in interest bearing accounts in support of restricted projects including the In-house schemes listed in Note 17. Cash specifically held in restricted fund bank accounts was £658,962 at 31 March 2004

Note 12 to the accounts details the increase in creditors to £398,951 at 31 March 2004 (2003 - £390,179), which includes accruals made for expenditure committed in the financial year.

Reserves

The Reserves of the Group increased by £964 over the financial year and totalled £1,788,931 at 31 March 2004 as detailed in Note 15 to the Accounts. The deficit for the financial year on unrestricted funds of £48,134 is reduced by the market value adjustment on Investments and by the transfer of £17,860 from specific designated funds, leaving the sum of £546,636 in the Unrestricted Reserve Fund held at 31 March 2004, comprising a Revaluation Reserve of £4,920 and a General Reserve of £541,716 (2003 - £541,739). This balance maintains the established Board policy that the General Reserve Fund should be approximately equal to six months of the Association's forecasted unrestricted expenditure and that funds in excess of this level should be

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used to assist the Association's development. Careful financial management will continue to be maintained. Expenditure on designated funds will be continually measured against the receipt of funds required to support the Association's core activities.

The balance of the Consolidated Restricted funds reserve increased by £23,830 over the financial year to £929,143 (2003 - £905,313).

Expenditure on designated funds established in previous financial years was £9,903, which resulted in the balance at 31 March 2004 reducing to £313,152 (2003 - £340,915), after the transfer to unrestricted funds of £17,860.

Crossroads Enterprises Limited

A summary of the trading results for Crossroads Enterprises Limited is shown in Note 6 to the Accounts.

Improved trading and a reduction in salaries expenditure compared with the previous financial year enabled a surplus of £20,317 to be transferred by deed of covenant to the Association (2003 - £6,879).

Risk review

The Board of Trustees has 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 regularly reviewed within each financial year to ensure that they continue to meet the needs of the charity.

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Legal and Administrative Information

Registered Office	10 Regent Place Rugby Warwickshire CV21 2PN
Company Secretary	Carolyn Robb
Treasurer	David Bowler
Auditors	Murphy Salisbury 15 Warwick Road Stratford Upon Avon Warwickshire CV37 6YW
Solicitors	Reed Smith Warner Cranston Park House Station Square Coventry CV1 2FL
Bankers	Barclays Bank Plc PO Box 11 North Street Rugby Warwickshire CV21 2AN Co-Operative Bank PO Box 101 1 Balloon Street Manchester M60 4EP
Investment Advisors	Barclays Personal Investment Management Eagle Court Lynch Wood Peterborough PE2 6WY

Investment Powers

Barclays Personal Investment Management has 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 AND TRUSTEES

The directors of the company who served during the year ended 31 March 2004 are listed as follows:-

Ezrald Bennett	
Margaret Hardman	(Chair)
Graham Bradshaw	(Vice Chair)
Peter Gallant	(Resigned 05.11.03)
Rita Godwin	
Peter Senker	
Ann Miller	
Ann Gill	(Resigned 08.05.03)
David Bowler	(Treasurer)
Pauline Adams	
Patricia Collinson	
Sheila Hyde	
David Gawne	
Raewyn Petherick	
David Wright	
John Oldham	(Appointed 05.11.03)

All directors of the company are also trustees of the charity, and there are no other trustees.

Insurance of Trustees

The charity maintains insurance for the trustees in respect of their duties as trustees of the charity.

	2004	2003
	£	£
Insurance cost	364	827

CROSSROADS ASSOCIATION

Trustees' Responsibilities

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

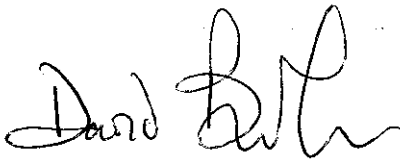
The trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2004. The trustees also confirm that applicable accounting standards and statements of recommended practice 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 trustees are responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity 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



David Bowler
Trustee
16th August 2004

CROSSROADS ASSOCIATION

Report of the independent auditors to the members of Crossroads Association

We have audited the financial statements of Crossroads Association for the year ended 31 March 2004 on pages 10 to 29 in accordance with the accounting policies set out on page 19.

This report is made solely to the company's members, as a body, in accordance with the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 7, the charity's trustees who are also the company's directors for the purposes of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 charitable company's circumstances, consistently applied and adequately disclosed.

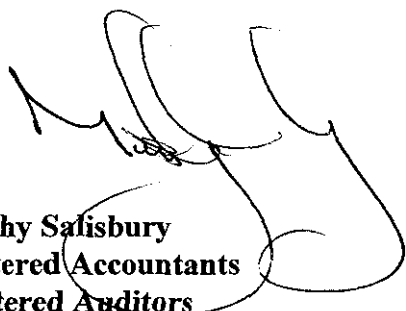
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

CROSSROADS ASSOCIATION

Report of the independent auditors to the members of Crossroads Association (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the group as at 31 March 2004 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
Registered Auditors
15 Warwick Road
Stratford Upon Avon
Warwickshire
CV37 6YW**

16th August 2004

CROSSROADS ASSOCIATION**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004**

Consolidated

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31.03.04	Total Funds 31.03.03
	£	£	£	£	£
<u>INCOMING RESOURCES</u>					
Activities to further the charity's objects					
Trust Funding and General Donations	393,481	168,329		561,810	791,015
Corporate Funding	12,125	-		12,125	48,260
Merchandising	22,050	-		22,050	29,783
Grants	35,000	380,555		415,555	355,526
Grants for Direct Care & Support	-	1,663,692		1,663,692	1,570,353
Other Direct Care & Support Income	-	757,839		757,839	561,736
Lottery Funding	-	220,025		220,025	74,248
Membership Fees	347,486	48,913		396,399	378,509
Dividends	19,880	-		19,880	17,308
Interest	21,251	22,146		43,397	46,107
Publications	338	-		338	365
Training	4,049	17,667		21,716	8,242
Sundry Income	-	281		281	-
Management Fees	97,302	-		97,302	88,047
Directly Managed Schemes Funds Transferred	-	-		-	121,065
Insurance	492,439	-		492,439	412,497
Total incoming resources	1,445,401	3,279,447		4,724,848	4,503,061

RESOURCES USED**Costs of Generating Funds**

Fundraising and PR	105,150	9,381	2,452	116,983	61,749
Merchandising	11,344	-	-	11,344	26,721
Insurance	457,247	-	-	457,247	387,901
	573,741	9,381	2,452	585,574	476,371

Direct Charitable Expenditure

Special Projects	-	472,400	4,835	477,235	347,922
Salaries	324,270	2,027,345	-	2,351,615	2,101,140
Travel and Subsistence	45,395	269,631	-	315,026	299,116
Recruitment	4,899	12,870	-	17,769	28,041
Telephone	12,406	46,924	-	59,330	45,019
Stationery	9,008	47,247	-	56,255	44,769
Training	3,788	67,876	1,421	73,085	45,391
National Care Standards	-	12,950	-	12,950	-
Meetings and Forums	3,341	3,696	-	7,037	11,609
	403,107	2,960,939	6,256	3,370,302	2,923,007

CROSSROADS ASSOCIATION**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004**

		Consolidated				
		Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31.03.04	Total Funds 31.03.03
<u>Other Expenditure (consolidated)</u>	Note					
Administration	5	516,687	285,297	1,195	803,179	746,947
Total resources used		1,493,535	3,255,617	9,903	4,759,055	4,146,325
<u>Net incoming resources for the year</u>		(48,134)	23,830	(9,903)	(34,207)	356,736
Transfers		17,860	-	(17,860)	-	-
<u>Gains and losses on investment assets</u>						
Unrealised		35,171	-	-	35,171	(75,801)
Net movements in funds		4,897	23,830	(27,763)	964	280,935
Balances brought forward 1/4/2003		541,739	905,313	340,915	1,787,967	1,507,032
Balances carried forward 31/3/2004		546,636	929,143	313,152	1,788,931	1,787,967

The notes on pages 19 to 29 form part of these accounts

CROSSROADS ASSOCIATION

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
Total income of continuing activities		4,681,451	4,456,954
Total expenditure of continuing activities		4,759,055	4,146,325
Operating (deficit)/surplus		(77,604)	310,629
Interest receivable		43,397	46,107
(Deficit)/surplus on ordinary activities before taxation		(34,207)	356,736
Taxation	13	-	-
Retained (deficit)/surplus for the year		(34,207)	356,736

Total income of continuing activities comprises £1,424,150 for unrestricted funds and £3,257,301 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 £514,490. A detailed analysis is shown in note 6.

Detailed analyses of the expenditure are provided in the Statement of Financial Activities and note 5.

The Summary of Income and Expenditure account is derived from the Statement of Financial Activities on pages 10 and 11, which together with the notes to the accounts on pages 19 to 29 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 2004**

	Association				
	Unrestricted	Restricted	Designated	Total Funds	Total Funds
	Funds	Funds	Funds	31.03.04	31.03.03
	£	£	£	£	£
<u>INCOMING RESOURCES</u>					
Activities to further the charity's objects					
Trust Funding and General Donations	393,481	168,329		561,810	791,015
Corporate Funding	12,125	-		12,125	38,926
Grants	35,000	380,555		415,555	355,526
Grants for Direct Care & Support	-	1,663,692		1,663,692	1,570,353
Other Direct Care & Support Income	-	757,839		757,839	561,736
Lottery Funding	-	220,025		220,025	74,248
Membership Fees	347,486	48,913		396,399	378,508
Dividends	19,880	-		19,880	17,308
Interest	13,365	22,146		35,511	39,684
Publications	338	-		338	365
Training	4,049	17,667		21,716	8,242
Subsidiary Income	24,597	-		24,597	11,159
Sundry Income	-	281		281	648
Management Fees	97,302	-		97,302	88,047
Directly managed schemes funds transferred	-	-		-	121,065

Total incoming resources	947,623	3,279,447		4,227,070	4,056,830
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RESOURCES USED**Costs of Generating Funds**

Fundraising and PR	105,150	9,381	2,452	116,983	61,749
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Direct Charitable Expenditure

Special Projects	-	472,400	4,835	477,235	347,922
Salaries	324,270	2,027,345	-	2,351,615	2,101,140
Travel and Subsistence	45,395	269,631	-	315,026	299,116
Recruitment	4,899	12,870	-	17,769	28,041
Telephone	12,406	46,924	-	59,330	45,019
Stationery	9,008	47,247	-	56,255	44,769
Training	3,788	67,876	1,421	73,085	45,391
National Care Standards	-	12,950	-	12,950	-
Meetings and Forums	3,341	3,696	-	7,037	11,609
	403,107	2,960,939	6,256	3,370,302	2,923,007

CROSSROADS ASSOCIATION**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004**

		Association				
		Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31.03.04	Total Funds 31.03.03
<u>Other Expenditure</u>	Note					
Administration	5	487,499	285,297	1,195	773,991	715,338
Total resources used		995,756	3,255,617	9,903	4,261,276	3,700,094
<u>Net incoming resources for the year</u>		(48,133)	23,830	(9,903)	(34,206)	356,736
Transfers		17,860	-	(17,860)	-	-
<u>Gains and losses on investment assets</u>						
Unrealised		35,171	-	-	35,171	(75,801)
Net movements in funds		4,898	23,830	(27,763)	965	280,935
Balances brought forward 1/4/2003		534,602	905,313	340,915	1,780,830	1,499,895
Balances carried forward 31/3/2004		539,500	929,143	313,152	1,781,795	1,780,830

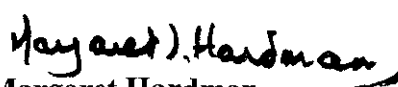
The notes on pages 19 to 29 form part of these accounts

CROSSROADS ASSOCIATION

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2004

	Note	2004 £	2003 £
<u>Fixed Assets</u>			
Tangible fixed assets	8	77,074	80,798
Investments – listed	9	575,837	538,322
		<u>652,911</u>	<u>619,120</u>
<u>Current Assets</u>			
Stocks		7,886	9,377
Debtors	11	142,760	147,523
Cash at bank and in hand		1,384,325	1,402,126
		<u>1,534,971</u>	<u>1,559,026</u>
<u>Creditors:</u> amounts falling due within one year	12	398,951	390,179
<u>Net Current Assets</u>		1,136,020	1,168,847
<u>Net Assets</u>		<u>1,788,931</u>	<u>1,787,967</u>
<u>Funds</u>			
Unrestricted:			
Revaluation Reserve	15	4,920	-
General reserve	15	541,716	541,739
Designated reserve	15	313,152	340,915
Restricted reserve	15	929,143	905,313
		<u>1,788,931</u>	<u>1,787,967</u>

The financial statements were approved by the board on 16th August 2004 and were signed on its behalf by:

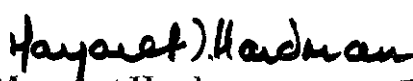

Margaret Hardman
Chair

CROSSROADS ASSOCIATION

BALANCE SHEET AT 31 MARCH 2004

	Note	2004 £	2003 £
<u>Fixed Assets</u>			
Tangible fixed assets	8	77,074	80,798
Investments – listed	9	575,837	538,322
Investments – unlisted		1	1
		<u>652,912</u>	<u>619,121</u>
<u>Current Assets</u>			
Debtors	11	162,318	155,481
Cash at bank and in hand		1,358,584	1,389,980
		<u>1,520,902</u>	<u>1,545,461</u>
<u>Creditors:</u> amounts falling due within one year	12	392,019	383,752
<u>Net Current Assets</u>		1,128,883	1,161,709
<u>Net Assets</u>		<u>1,781,795</u>	<u>1,780,830</u>
<u>Funds</u>			
Unrestricted:			
Revaluation Reserve	16	4,920	-
General reserve	16	534,580	534,602
Designated reserve	16	313,152	340,915
Restricted reserve	16	929,143	905,313
		<u>1,781,795</u>	<u>1,780,830</u>

The financial statements were approved by the board on 16th August 2004
on its behalf by:


Margaret Hardman
Chair

CROSSROADS ASSOCIATION

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004	2003
		£	£
Net cash (outflow)/inflow from operating activities	1	(26,105)	400,274
Investing activities			
Purchase of tangible fixed assets	(6,414)	(12,336)	
Proceeds from sale of tangible fixed assets	1,841	995	
Purchase of investments	(174,278)	(454,177)	
Proceeds from sale of investments	187,155	246,843	
Net cash inflow/(outflow) from investing activities		8,304	(218,675)
(Decrease)/increase in cash and cash equivalents	2	(17,801)	181,599
Cash and cash equivalents at 31 March 2003		1,402,126	1,220,527
Cash and Cash Equivalents at 31 March 2004		1,384,325	1,402,126

Notes to the Cashflow Statement

1 Reconciliation of Changes in Resources to Net Cash (Outflow)/Inflow from Operating Activities

Changes in resources before revaluations	(34,207)	356,736
Depreciation	8,148	8,307
Loss/(gain) on disposal of tangible fixed assets	146	(995)
(Gain)/loss on disposal of investments	(15,218)	5,890
Decrease/(increase) in stocks	1,491	(158)
Decrease/(increase) in debtors	4,763	(57,449)
Increase in creditors	8,772	87,943
	(26,105)	400,274

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

	2004	2003	Change in year
	£	£	£
Cash at bank and in hand	1,384,325	1,402,126	(17,801)

CROSSROADS ASSOCIATION

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004	2003
	£	£	£
Net cash (outflow)/inflow from operating activities	1	(39,700)	399,970
Investing activities			
Purchase of tangible fixed assets	(6,414)	(12,336)	
Proceeds from sale of tangible fixed assets	1,841	995	
Purchase of investments	(174,278)	(454,177)	
Proceeds from sale of investments	187,155	246,843	
Net cash inflow/(outflow) from investing activities		8,304	(218,675)
(Decrease)/increase in cash and cash equivalents	2	(31,396)	181,295
Cash and cash equivalents at 31 March 2003		1,389,980	1,208,685
Cash and Cash Equivalents at 31 March 2004		1,358,584	1,389,980

Notes to the Cashflow Statement

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

Changes in resources before revaluations	(34,206)	356,736
Depreciation	8,148	8,307
Loss/(gain) on disposal of tangible fixed assets	146	(995)
(Gain)/loss on disposal of investments	(15,218)	5,890
Increase in debtors	(6,837)	(72,934)
Increase in creditors	8,267	102,966
	(39,700)	399,970

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

	2004	2003	Change in year
	£	£	£
Cash at bank and in hand	1,358,584	1,389,980	(31,396)

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	10 – 33⅓

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 and Retirement Benefits

The company operates a defined contribution 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. TRUSTEES' REMUNERATION

The trustees neither received nor waived any emoluments during the year (2003:£nil)

Out of pocket expenses were reimbursed to trustees as follows.

	2004 Number	2003 Number	2004 £	2003 £
Travel and Subsistence	15	15	7,107	6,431
Postage and Stationery	15	15	20	89
Telecommunications	15	15	226	30

3. 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

4. TOTAL STAFF COSTS

	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Wages and Salaries	2,393,846	2,373,366	2,154,036	2,131,220
Social Security Costs	170,374	168,939	141,245	139,438
Pension Costs	65,245	64,270	67,393	66,019
	2,629,465	2,606,575	2,362,674	2,336,677

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

Pension and Retirement Benefits

The cost of a defined contribution scheme is equal to the contributions payable to the scheme in the accounting period. The pension costs are allocated across the relevant resources expended categories of the SOFA.

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

Central Structure (central office, appeals & area staff)	30	29	27	26
In House projects & schemes	236	236	232	232
Total	266	265	259	258

CROSSROADS ASSOCIATION

5.ADMINISTRATION

	Group				Company				Group	Company
	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31/03/2004	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31/03/2004	Total Funds 31/03/2003	Total Funds 31/03/2003
Salaries	262,181	-	-	262,181	254,960	-	-	254,960	243,381	235,537
Travel and Subsistence	23,212	-	-	23,212	23,212	-	-	23,212	17,780	16,746
Insurance Admin Costs	15,669	-	-	15,669	-	-	-	-	18,153	-
Recruitment	5,409	-	-	5,409	5,409	-	-	5,409	178	178
Rent and Rates	50,610	50,521	-	101,131	49,610	50,521	-	100,131	92,066	92,066
Insurance	14,718	23,567	-	38,285	14,718	23,567	-	38,285	44,068	44,068
Light and Heat	2,183	2,877	-	5,060	2,183	2,877	-	5,060	6,154	6,154
Repairs and Maintenance	16,033	48,533	1,195	65,761	16,033	48,533	1,195	65,761	72,234	72,234
Telephone	8,944	-	-	8,944	8,644	-	-	8,644	6,479	6,358
Postage	12,500	11,151	-	23,651	10,962	11,151	-	22,113	23,758	22,121
Stationery	6,571	-	-	6,571	5,688	-	-	5,688	7,135	6,758
Meetings and Forums	6,655	-	-	6,655	6,655	-	-	6,655	3,784	3,784
Legal and Professional	13,182	9,518	-	22,700	13,182	9,518	-	22,700	16,504	16,504
Audit Fees	9,500	-	-	9,500	8,000	-	-	8,000	9,500	8,000
Training	50	-	-	50	50	-	-	50	199	199
Subscriptions	7,304	2,115	-	9,419	6,504	2,115	-	8,619	7,234	6,484
Bank Charges	319	1,367	-	1,686	57	1,367	-	1,424	1,536	1,358
AGM and Annual Review	18,610	-	-	18,610	18,610	-	-	18,610	12,654	12,654
Welsh Committee Expenses	-	12,731	-	12,731	-	12,731	-	12,731	12,360	12,360
Regional Committees	4,189	-	-	4,189	4,189	-	-	4,189	-	-
Non recoverable VAT	32,478	26,182	-	58,660	32,478	26,182	-	58,660	38,934	38,934
Sundry Expenses	15	(567)	-	(552)	-	(567)	-	(567)	328	313
Management Fees	-	97,302	-	97,302	-	97,302	-	97,302	88,047	88,047
Loss (Profit) on sale of fixed assets	146	-	-	146	146	-	-	146	(995)	(995)
Loss (Profit) on sale of investments	(15,218)	-	-	(15,218)	(15,218)	-	-	(15,218)	5,890	5,890
Investment Charges	9,334	-	-	9,334	9,334	-	-	9,334	11,279	11,279
Special Projects	3,900	-	-	3,900	3,900	-	-	3,900	-	-
Depreciation	8,193	-	-	8,193	8,193	-	-	8,193	8,307	8,307
	516,687	285,297	1,195	803,179	487,499	285,297	1,195	773,991	746,947	715,338

CROSSROADS ASSOCIATION

6. 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.

<u>Profit and Loss Account</u>	<u>Crossroads Enterprises Limited</u>	
	2004	2003
	£	£
Turnover	514,490	451,614
Cost of Sales	472,870	414,622
Gross Profit	41,620	36,992
Administrative Costs	49,506	43,415
Operating Loss	(7,886)	(6,423)
Interest Receivable and Similar Income	7,886	6,423
Net Profit Before Taxation	-	-
Taxation	-	-
Retained in Subsidiary	-	-

7. GRANTS

The following material grants were received in the year:

	£
Welsh Assembly Government S64	128,375
Welsh Assembly Government S26	39,963
Department of Health	35,000
Hertfordshire County Council	154,510
Norfolk County Council	381,484
Leicester City Council	214,563
Essex County Council	162,840
Suffolk County Council	105,763
Blackburn with Darwen Council	88,834
Cheshire County Council	70,459
Milton Keynes Council	264,756
Gwynedd Council	56,858
Alzheimer's Society in Herts	30,165
Learning Skills Council (Norfolk)	57,578
Isle of Wight Council	54,841
Learning Skills Council (Leicester)	32,312
Northamptonshire County Council	56,974

CROSSROADS ASSOCIATION

8. TANGIBLE FIXED ASSETS

Group and Company

	Freehold land & buildings £	Motor Vehicles £	Fixtures & Fittings £	Total £
<u>Cost</u>				
At 1 April 2003	75,000	26,939	32,999	134,938
Additions	-	-	6,414	6,414
Disposals	-	(7,944)	-	(7,944)
At 31 March 2004	75,000	18,995	39,413	133,408
<u>Depreciation</u>				
At 1 April 2003	15,000	8,688	30,452	54,140
Charge for the year	1,875	4,749	1,527	8,151
Add back on disposals	-	(5,957)	-	(5,957)
At 31 March 2004	16,875	7,480	31,979	56,334
<u>Net Book Value</u>				
At 31 March 2004	58,125	11,515	7,434	77,074
At 31 March 2003	60,000	18,251	2,547	80,798

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

CROSSROADS ASSOCIATION

9. INVESTMENTS

Group and Company

	2004	2003
	£	£
Market Value at 1 April 2003	538,322	412,679
Less: Disposals at opening book value	(171,937)	(252,733)
Add: Acquisitions at cost	174,278	454,177
Add: Net surplus/(loss) on revaluations at 31 March 2004	35,174	(75,801)
Market Value at 31 March 2004	<u>575,837</u>	<u>538,322</u>
Historical cost at 31 March 2004	<u>570,917</u>	<u>601,492</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 50% Fixed Interest Investments and 50% in Equities and Unit Trusts that are listed on a recognised stock exchange

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 2004 were £7,137 (2003 - £7,137).

10. BIG LOTTERY FUND

The following monies were received in the year:-

Big Lottery Fund	£220,025
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CROSSROADS ASSOCIATION

11. DEBTORS

	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Trade debtors	102,631	102,546	85,677	83,175
Other debtors	12,953	12,279	49,321	48,202
Prepayments	27,176	27,176	12,525	12,525
Amounts due from group	-	20,317	-	11,579
	<u>142,760</u>	<u>162,318</u>	<u>147,523</u>	<u>155,481</u>

12. CREDITORS: amounts falling due within one year

Trade creditors	79,658	77,135	81,009	80,045
Social security and other taxation	53,433	53,418	49,482	48,810
Accruals	249,505	245,111	243,762	238,971
Other Creditors	16,355	16,355	15,926	15,926
	<u>398,951</u>	<u>392,019</u>	<u>390,179</u>	<u>383,752</u>

Both group and company creditors include an amount of £8,802 (2003 - £7,874) relating to outstanding pension contributions.

13. TAXATION

There is no liability to taxation

14. CAPITAL COMMITMENTS

There are no capital commitments at the year end (2003- nil)

CROSSROADS ASSOCIATION

15. RESERVES FOR THE GROUP

	General Fund £	Restricted Funds £	Designated Fund £	Revaluation Reserve £	Total £
At 1 April 2003	541,739	905,313	340,915	-	1,787,967
Incoming/ (outgoing) resources for the year	(48,134)	23,830	(9,903)	-	(34,207)
Revaluation gain on Investments	30,251	-	-	4,920	35,171
Transfers	17,860	-	(17,860)	-	-
At 31 March 2004	541,716	929,143	313,152	4,920	1,788,931

Assets specifically held for use within the restricted funds are:

	£
Cash held in restricted funds bank accounts	658,962
Cash at bank	270,181
	<u>929,143</u>

16. RESERVES FOR THE COMPANY

	General Fund £	Restricted Funds £	Designated Fund £	Revaluation Reserve £	Total £
At 1 April 2003	534,602	905,313	340,915	-	1,780,830
Incoming/ (outgoing) resources for the year	(48,133)	23,830	(9,903)	-	(34,206)
Revaluation gain on Investments	30,251	-	-	4,920	35,171
Transfers	17,860	-	(17,860)	-	-
At 31 March 2004	534,580	929,143	313,152	4,920	1,781,795

Assets specifically held for use within the restricted funds are:

	£
Cash held in restricted fund bank accounts	658,962
Cash at bank	270,181
	<u>929,143</u>

CROSSROADS ASSOCIATION

17. 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 1 April 2003 £	Net movement in funds £	Balance 31 March 2004 £
East Herts Scheme	90,186	(32,297)	57,889
Wales	53,677	16,977	70,654
Young Carer Projects	14,569	-	14,569
Other Projects	2,351	-	2,351
Norfolk Projects	128,582	18,834	147,416
Leicester City Scheme	65,559	(35,879)	29,680
Epping Forest Scheme	123,912	(4,539)	119,373
Suffolk Coastal Scheme	43,473	(12,457)	31,016
Blackburn with Darwen Scheme	13,409	7,002	20,411
Cheshire Project	14,366	(2,659)	11,707
North & North West Herts Scheme	114,659	35,459	150,118
Northampton Scheme	56,410	14,301	70,711
Milton Keynes Scheme	71,521	(28,907)	42,614
Gwynedd Scheme	15,610	5,227	20,837
Big Lottery Fund	17,558	(1,311)	16,247
Basildon Scheme	47,463	(39,635)	7,828
Kidz Out Funding	3,770	(2,306)	1,464
TOPPS Funding	895	800	1,695
Big Lottery Fund	3,052	2,659	5,711
Big Lottery Fund	(6,708)	58,516	51,808
Herefordshire Scheme	22,918	(22,918)	-
Hertfordshire Money	3,081	24,224	27,305
Isle of Wight Scheme	5,000	(3,359)	1,641
Wales Committee	-	3,991	3,991
Playscheme	-	9,915	9,915
Time Please Project	-	1,762	1,762
Learning Skills	-	9,044	9,044
Black & Ethnic Worker	-	1,386	1,386
	905,313	23,830	929,143

CROSSROADS ASSOCIATION

18. 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 £4,280 (2003 - £4,280) and received services, on normal commercial terms in the sum of £36,710 (2003 - £43,813). The net balance receivable from Crossroads Enterprises Limited at 31 March 2004 was £20,317 (2003 - £11,313). A total amount of £nil (2003 - £75,763) was loaned to Crossroads Enterprises Limited during the year, on normal commercial terms. During the year, Crossroads Enterprises Limited covenanted £20,317 (2003 - £6,879) to Crossroads Association.

D Bowler is also a director of Crossroads Enterprises Limited.