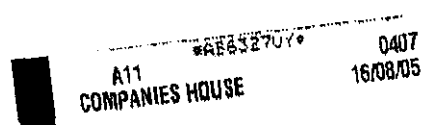


CROSSROADS ASSOCIATION

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2005

Registered Number 1544708

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CROSSROADS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2005

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 2005.

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

In 2004 Crossroads – Caring for Carers celebrated 30 years of supporting carers and their families. During those 30 years the organisation has grown from providing services to 28 families to a point where in 2004 34,000 carers received 4.5 million hours of care.

During the year the Association has continued to provide a range of support to the network of Crossroads schemes and to raise awareness of carers needs with government and statutory and voluntary partners.

We continue to work with the seven key objectives identified in the 5 Year Strategy and in the financial year 2005/6 the association will review the strategy to ensure we are able to meet the significant changes in the external environment. The objectives are:-

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 within 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 influence policy makers to ensure that the needs of carers are met

The Association has been proactive in supporting schemes to meet the registration and inspection standards for domiciliary care agencies and in developing a relationship at a national level with the Commission for Social Care Inspection. We have continued to ensure that the operational framework – the policies, procedures and quality assurance framework – is in place and we will carry out a comprehensive review of the framework next year, working with the Commission to ensure a good fit with their requirements.

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The Crossroads network ensures the provision of local services that meet local needs but in the light of changes in the way that social care will be planned and delivered in future we have recognised the need to review our structures. Through **Foundation for the Future** we have engaged with Crossroads schemes to discuss how best to position Crossroads so that we can deliver more services to more carers in more communities in England and Wales. Our focus during the next year must be to ensure that the Association has the resources to provide effective support to the schemes and that the schemes have the appropriate structures in place to ensure they are sustainable. The Association also recognises the need to develop our contact with carers and people with care needs who use Crossroads services so that we can be sure that new developments meet their expressed needs. The establishment of the pilot Carers Panel in the North West region is an important first step in this programme of user involvement.

The Association will continue to work in partnership with voluntary and statutory organisations to develop our services to carers and to the network.

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 an overall surplus of consolidated incoming resources over total resources used in the financial year ending 31 March 2005. A surplus on unrestricted activities, which was reduced by the utilisation of Restricted and Designated funds, resulted from an increase in Trust and Corporate Funding for the core activities of the Association and a reduction in staff costs following the reorganisation carried out in early 2004 in order to protect the Association's financial position at that time

Expenditure exceeded income on Restricted Activities by £20,000 during the financial year, as a result of the timing of expenditure on specific projects and the activities of the In-house schemes. A number of these schemes experienced difficult operating conditions during the financial year, which resulted in the transfer of £54,000 from the Association's funds to offset a financial deficit at two of these schemes. Designated Fund expenditure totalled £34,000 during the financial year. The surplus on the unrestricted activities of the Association, resulting from successful year for fundraising activity, which will be difficult to maintain, has enabled a further £73,000 to be designated to support the Association's 'Foundation for the Future' programme, whilst still maintaining the General Reserves of the Association at the agreed level.

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 2005 and shows a surplus of incoming resources to expenditure of £87,095 (2004 - deficit £34,207). The surplus on unrestricted activities was £140,857 (2004 - deficit £48,134).

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Consolidated incoming resources were £4,851,719 for the year (2004 - £4,712,117). Income to support the Associations unrestricted activities was £1,641,502 (2004 - £1,445,401) and included Trust funding and general donations including legacies of £478,628, which was an increase of £73,022 over the previous year. In addition there was a gift-in-kind of £50,000 to support the cost of the London office. Expenditure on unrestricted activities was £1,500,645 (2004 - £1,493,535), excluding the direct costs of generating funds, the balance of the remaining unrestricted expenditure was £976,566 an increase of £56,772 over the previous financial year despite the reduction in staff costs as reflected in Note 4 to the Accounts. This reduction in salaries cost resulted from the reorganisation carried out in early 2004 in order to protect the financial position of the Association at that time.

The consolidated income for restricted activities was £3,210,217 (2004 - £3,266,716). This income includes both grants received by our In-house schemes for the provision of direct services and other receipts for ten schemes in England and one in Wales. Total Grants for direct care and support were £1,969,196 (2004 - £1,663,692) of which £1,241,954 was received for the In-house schemes whilst the balance of £727,242 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 £270,952 (2004 - £402,824).

The total funding received by our In-House schemes was £1,859,397; an increase of £43,903 compared to the previous year and included significant increases in funding for the new scheme in the Isle of Wight and the Gwynedd scheme. Of the remaining nine schemes, six had reduced levels of funding from the previous year, which in some cases led to the provision of services at an uneconomic level. This deficit was funded, at most schemes from reserves or reduced support costs. However at two schemes this was not feasible and the deficit has been subsidised from the General Reserves of the Association. Action has been taken to reduce operating costs to future funding levels to avoid further deficits.

The total Cost of Generating Funds was £541,637 (2004 - £585,574). Fundraising costs were reduced because of a lack of a 'face-to-face' campaign in the financial year whilst insurance costs incurred for the Association and affiliated schemes increased by £9,937 compared to the previous financial year.

Direct Charitable Expenditure for the year was £3,283,932 (2004 - £3,370,302) and included salaries expenditure of £2,344,278 (2004 - £2,351,615) of which £2,036,319 (2004 - £2,027,345) 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 £939,055 for the financial year (2004 - £790,448). The administration costs supporting the core unrestricted activities of the Association were £572,747 an increase of £56,060 over the previous year including increases of £11,681 in legal, professional and audit fees, £9,403 in unrecoverable VAT and a provision of £25,000 for costs incurred for the administration of the Criminal Records Bureau employment checks for the member schemes.

Balance Sheet

The net incoming resources for the year of £87,095 was adjusted by an increase in the market value of investments of £29,334 and a revision in the market value of our Freehold land & buildings (see

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Note 8), giving an increase in the Revaluation Reserve of £103,690, provides a total consolidated net asset value for the Association at 31 March 2005 of £2,009,050 (2004 - £1,788,931, see Note 15).

Current Assets included cash and cash equivalents held by the group at the 31 March 2005 of £1,308,077 (2004 - £1,384,325). This sum included a number of cash balances, which were held in interest bearing accounts in support of restricted projects including the In-house schemes listed in Note 17.

Note 12 in the Annual Accounts details the decrease in consolidated creditors to £382,270 at 31 March 2005 (2004 - £398,951), and includes accruals made for expenditure committed in the financial year. Consolidated debtors increased by £126,608 to £269,368 at the financial year-end compared to the previous year as a consequence of an increase in outstanding Trade debtors of £125,439 (See Note 11).

Reserves

The Reserves of the Group increased by £220,119 over the financial year and totalled £2,009,050 at 31 March 2005 as described in Note 15 to the Accounts. The established Board policy is 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 used to assist the Association's development. In accordance with this policy a transfer of £72,644 from the General Reserve Fund to the Designated Fund has been made to support the Association's 'Foundation for the Future' programme.

The balance of the Consolidated Restricted funds reserve increased by £34,654, after adjustment for the shortfall on Reserves at two In-house schemes, over the financial year to £963,797 (2004 - £929,143) as a result of the timing of expenditure on special projects.

Expenditure on designated funds established in previous financial years was £34,060. The fund was increased by a transfer from the General Reserve Fund giving a balance at 31 March 2005 of £351,736 (2004 - £313,152)

Crossroads Enterprises Limited

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

A surplus of £24,835 was transferred by deed of covenant to the Association (2004 - £20,317). With the exception of the supporting costs and activity for the insurance cover required for Crossroads carer support, the other trading activities of Crossroads Enterprises were at a reduced level compared to previous years as they continue to be operated on a care and maintenance only basis.

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

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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.

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

CROSSROADS ASSOCIATION

Investment policy and performance

Cash resources that are not required to support the Association in the short to medium term are invested through the Association's appointed Investment advisors. The advisors have the following investment guidelines approved by the association's Board of Directors and Trustees:

- At least 50% of the investments should be in gilts or other fixed interest securities. The remainder should be invested in equities of medium to low risk nature and generally should be FTSE 100
- Although growth is an objective, annual income is essential.
- Any individual equity holding should not be more than 5% of the total portfolio and multiple holdings in an individual market sector should not exceed 10% of the total investment

Growth in excess of 5% was achieved on the market value of investments during the financial year, whilst investment income was £23,097, a 4.1% return on the capital invested.

DIRECTORS AND TRUSTEES

The directors of the company who served during the year ended 31 March 2005 are listed as follows:-

Ezrald Bennett	
David Wright	(Chair)
Margaret Hardman	(Resigned 03.11.04)
Graham Bradshaw	
Peter Senker	(Resigned 03.11.04)
Ann Miller	(Resigned 03.11.04)
David Bowler	
Pauline Adams	
Patricia Collinson	
Sheila Hyde	(Resigned 03.11.04)
David Gawne	
Raewyn Petherick	(Resigned 03.11.04)
David Wright	
John Oldham	(Vice Chair)
Susan Gower	(Appointed 20.08.04)
Valerie Bond	(Appointed 03.11.04)
Peter Mayer	(Appointed 03.11.04)
Robin Foster	(Appointed 03.11.04)

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

The following were appointed as directors and trustees after the year end:-

Ralph Cartwright	(Treasurer, appointed 19.07.05)
Michael Hill	(Appointed 19.07.05)
Gerald Bland	(Appointed 19.07.05)

CROSSROADS ASSOCIATION

Method of election of Trustees

The memorandum and Articles of Association of Crossroads Association state that the number of trustees shall be not less than five and will not exceed seventeen, the precise number of trustees shall be determined by the Board having regard to the geographical spread of member schemes.

At every Annual General Meeting, one third of the Board of Trustees or if their number is not three or a multiple of three, the number nearest to one third, shall retire from office but if there is only one trustee who is subject to retirement by rotation, he shall retire.

At least two months before the Annual General Meeting, notice is given to member schemes of any vacant Board positions for them to nominate individuals, the names and pen portraits are then sent to all schemes through the Electoral Reform Society who conduct the election process.

Trustees can be re-elected for a second three year period if they are successful in the election process, however, trustees will cease to hold office when they have served for a continuous period of 6 years except by special resolution of the Board of Trustees to the contrary.

The Board of Trustees appoint a Chair, Vice-Chair and Treasurer as unremunerated executive officers. These trustees are not subject to retirement by rotation. In addition the Board may appoint a person willing to act to fill a casual vacancy or as additional trustees if specific skills are required. These extra trustees will not exceed three in number and will not cause the total number of trustees to exceed 17.

Insurance of Trustees

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

	2005 £	2004 £
Insurance cost	364	364

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.

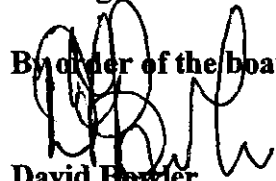
The trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2005. The trustees also confirm that applicable accounting standards 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

26th July 2005

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 2005 on pages 11 to 30 in accordance with the accounting policies set out on page 20.

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 8, 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.

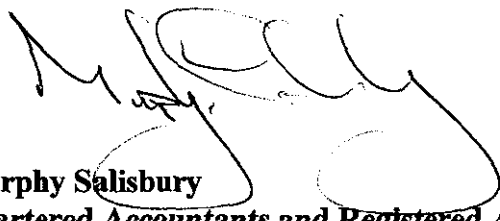
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2005 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
15 Warwick Road
Stratford Upon Avon
Warwickshire
CV37 6YW

26th July 2005

CROSSROADS ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005

		Consolidated				
		Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds 31-Mar-05 £	Total Funds 31-Mar-04 £
<u>INCOMING RESOURCES</u>						
Activities to further the charity's objects						
Trust Funding and General Donations		444,052	41,669		485,721	561,810
Corporate Funding		34,576	46,183		80,759	12,125
Merchandising		17,529	-		17,529	22,050
Grants		10,500	260,452		270,952	402,824
Grants for Direct Care & Support		-	1,969,196		1,969,196	1,663,692
Other Direct Care & Support Income		-	651,120		651,120	757,839
Lottery Funding		-	143,768		143,768	220,025
Membership Fees		358,041	51,253		409,294	396,399
Dividends		23,097	-		23,097	19,880
Interest		32,583	21,838		54,421	43,397
Publications		-	-		-	338
Training		7,456	20,920		28,376	21,716
Sundry Income		-	3,318		3,318	281
Management Fees		158,542	500		159,042	97,302
Gifts in kind		50,000	-		50,000	-
Insurance		505,126	-		505,126	492,439
Total incoming resources		1,641,502	3,210,217	-	4,851,719	4,712,117
<u>RESOURCES USED</u>						
<u>Costs of Generating Funds</u>						
Fundraising and PR		43,660	11,345	6,213	61,218	116,983
Merchandising		13,235	-	-	13,235	11,344
Insurance		467,184	-	-	467,184	457,247
		524,079	11,345	6,213	541,637	585,574
<u>Direct Charitable Expenditure</u>						
Special Projects		12,269	434,712		446,981	477,235
Salaries		307,959	2,036,319		2,344,278	2,351,615
Travel and Subsistence		47,547	258,348		305,895	315,026
Recruitment		3,862	11,523		15,385	17,769
Telephone		13,745	39,945		53,690	59,330
Stationery		3,968	34,444		38,412	56,255
Training		5,613	35,180		40,793	73,085
National Care Standards		-	6,775		6,775	12,950
Meetings and Forums		8,856	22,867		31,723	7,037
		403,819	2,880,113	-	3,283,932	3,370,302
<u>Other Expenditure (consolidated)</u>						
Administration	Note 5	572,747	338,461	27,847	939,055	790,448
Total resources used		1,500,645	3,229,919	34,060	4,764,624	4,746,324
<u>Net incoming/(outgoing) resources for the year</u>						
		140,857	(19,702)	(34,060)	87,095	(34,207)

	Consolidated				
	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31-Mar-05	Total Funds 31-Mar-04
Transfers	(127,000)	54,356	72,644	-	-
<u>Gains and losses on investment assets</u>					
Unrealised	29,334	-	-	29,334	35,171
<u>Gains and losses on freehold property</u>					
Unrealised	103,690	-	-	103,690	-
Net movements in funds	146,881	34,654	38,584	220,119	964
Balances brought forward 1/4/2004	546,636	929,143	313,152	1,788,931	1,787,967
Balances carried forward 31/3/2005	693,517	963,797	351,736	2,009,050	1,788,931

Continuing Operations

None of the activities were acquired or discontinued during the current and previous years.

The notes on pages 20 to 30 form part of these accounts

CROSSROADS ASSOCIATION

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
Total income of continuing activities		4,797,298	4,668,720
Total expenditure of continuing activities		4,764,624	4,746,324
Operating surplus/(deficit)		<u>32,674</u>	<u>(77,604)</u>
Interest receivable		54,421	43,397
Surplus/(deficit) on ordinary activities before taxation		<u>87,095</u>	<u>(34,207)</u>
Taxation	13	-	-
Retained surplus/(deficit) for the year		<u><u>87,095</u></u>	<u><u>(34,207)</u></u>

Total income of continuing activities comprises £1,608,919 for unrestricted funds and £3,188,379 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 £523,170. 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 11 and 12, which together with the notes to the accounts on pages 20 to 30 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 2005**

	Association				
	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds 31-Mar-05 £	Total Funds 31-Mar-04 £
<u>INCOMING RESOURCES</u>					
<i>Activities to further the charity's objects:</i>					
Trust Funding and General Donations	443,537	41,669		485,206	561,810
Corporate Funding	34,576	46,183		80,759	12,125
Grants	10,500	260,452		270,952	402,824
Grants for Direct Care & Support	-	1,969,196		1,969,196	1,663,692
Other Direct Care & Support Income	-	651,120		651,120	757,839
Lottery Funding	-	143,768		143,768	220,025
Membership Fees	358,041	51,253		409,294	396,399
Dividends	23,097	-		23,097	19,880
Interest	23,881	21,838		45,719	35,511
Publications	-	-		-	338
Training	7,456	20,920		28,376	21,716
Subsidiary income	24,835	-		24,835	24,597
Sundry Income	-	3,318		3,318	281
Management Fees	158,542	500		159,042	97,302
Gifts in kind	50,000	-		50,000	-
Total incoming resources	1,134,465	3,210,217	-	4,344,682	4,214,339
<u>RESOURCES USED</u>					
<u>Costs of Generating Funds</u>					
Fundraising and PR	43,660	11,345	6,213	61,218	116,983
<u>Direct Charitable Expenditure</u>					
Special Projects	12,269	434,712		446,981	477,235
Salaries	307,959	2,036,319		2,344,278	2,351,615
Travel and Subsistence	47,547	258,348		305,895	315,026
Recruitment	3,862	11,523		15,385	17,769
Telephone	13,745	39,945		53,690	59,330
Stationery	3,968	34,444		38,412	56,255
Training	5,613	35,180		40,793	73,085
National Care Standards	-	6,775		6,775	12,950
Meetings and Forums	8,856	22,867		31,723	7,037
	403,819	2,880,113	-	3,283,932	3,370,302
<u>Other Expenditure</u>					
Administration	546,129	338,461	27,847	912,437	761,260
Total resources used	993,608	3,229,919	34,060	4,257,587	4,248,545
<u>Net incoming/(outgoing) resources for the year</u>	140,857	(19,702)	(34,060)	87,095	(34,206)

Note

5

Transfers**Gains and losses on investment assets**

Unrealised

Gains and losses on freehold property

Unrealised

Net movements in funds

Balances brought forward 1/4/2004

Balances carried forward 31/3/2005

Association				
Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 31-Mar-05	Total Funds 31-Mar-04
(127,000)	54,356	72,644	-	-
29,334	-	-	29,334	35,171
103,690	-	-	103,690	-
146,881	34,654	38,584	220,119	965
539,500	929,143	313,152	1,781,795	1,780,830
686,381	963,797	351,736	2,001,914	1,781,795

Continuing Operations

None of the activities were acquired or discontinued during the current and previous years.

The notes on pages 20 to 30 form part of these accounts

CROSSROADS ASSOCIATION**CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005**

	Note	2005	2004
Net cash outflow from operating activities	1	(47,415)	(26,105)
Investing activities			
Purchase of tangible fixed assets	(33,593)	(6,414)	
Proceeds from sale of tangible fixed assets	150	1,841	
Purchase of investments	(55,265)	(174,278)	
Proceeds from sale of investments	59,875	187,155	
Net cash (outflow)/inflow from investing activities		(28,833)	8,304
Decrease in cash and cash equivalents	2	(76,248)	(17,801)
Cash and cash equivalents at 31 March 2004		1,384,325	1,402,126
Cash and cash equivalents at 31 March 2005		1,308,077	1,384,325

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

Change in resources before revaluations	87,095	(34,207)
Depreciation	10,171	8,148
(Gain)/loss from sale of tangible fixed assets	(150)	146
Gain on disposal of investments	(1,967)	(15,218)
Decrease in stocks	725	1491
(Increase)/decrease in debtors	(126,608)	4,763
(Decrease)/increase in creditors	(16,681)	8,772
	(47,415)	(26,105)

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

	2005	2004	Change in year
Cash at bank and in hand	1,308,077	1,384,325	(76,248)

CROSSROADS ASSOCIATION**CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005**

	Note	2005	2004
Net cash outflow from operating activities	1	(49,052)	(39,700)
Investing activities			
Purchase of tangible fixed assets		(33,593)	(6,414)
Proceeds from sale of tangible fixed assets		150	1,841
Purchase of investments		(55,265)	(174,278)
Proceeds from sale of investments		59,875	187,155
Net cash (outflow)/inflow from investing activities		(28,833)	8,304
(Decrease) in cash and cash equivalents	2	(77,885)	(31,396)
Cash and cash equivalents at 31 March 2004		1,358,584	1,389,980
Cash and cash equivalents at 31 March 2005		1,280,699	1,358,584

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

Changes in resources before revaluations	87,095	(34,206)
Depreciation	10,171	8,148
(Gain)/loss from sale of tangible fixed assets	(150)	146
Gain on disposal of investments	(1,967)	(15,218)
Increase in debtors	(128,252)	(6,837)
(Decrease)/increase in creditors	(15,949)	8,267
	(49,052)	(39,700)

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

	2005	2004	Change in year
Cash at bank and in hand	1,280,699	1,358,584	(77,885)

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 – 33½

Freehold land and buildings are shown in the balance sheet at valuation rather than historical cost. The company has chosen a policy of revaluation in accordance with FRS 15.

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) Incoming Resources

Incoming resources are accounted for on an invoiced basis by the company, net of Value Added Tax. Donations and legacies are included in incoming resources when they are receivable. The income from any fundraising activities is shown gross, with associated costs included in costs of generating funds. Grants are accounted for on an accruals basis.

g) Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of any Value Added Tax. Direct charitable expenditure includes all expenditure considered to be directly related to the furtherance of the charity's objectives. Administration expenditure includes all expenditure not directly related to the charitable activities.

CROSSROADS ASSOCIATION

2. TRUSTEES' REMUNERATION

The trustees neither received nor waived any emoluments during the year (2004:£nil)

Out of pocket expenses were reimbursed to trustees as follows.

	2005 Number	2004 Number	2005 £	2004 £
Travel and Subsistence	15	15	7,929	7,107
Postage and Stationery	15	15	94	20
Telecommunications	15	15	123	226

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 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Wages and Salaries	2,365,040	2,358,894	2,393,846	2,373,366
Social Security Costs	172,172	170,525	170,374	168,939
Pension Costs	65,304	64,346	65,245	64,270
	<u>2,602,516</u>	<u>2,593,765</u>	<u>2,629,465</u>	<u>2,606,575</u>

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:-

	Group 2005	Company 2005	Group 2004	Company 2004
Central Structure (central office, appeals & area staff)	26	25	30	29
In House projects & schemes	220	220	236	236
Total	<u>246</u>	<u>245</u>	<u>266</u>	<u>265</u>

CROSSROADS ASSOCIATION

5. ADMINISTRATION

	Group				Company				Group	Company
	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds 31-Mar-05 £	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds 31-Mar-05 £		
Salaries	258,238	-	-	258,238	249,487	-	-	249,487	262,181	254,960
Travel and Subsistence	28,256	-	-	28,256	28,256	-	-	28,256	23,212	23,212
Insurance Admin Costs	13,686	-	-	13,686	-	-	-	-	15,669	-
Recruitment	3,513	-	-	3,513	3,513	-	-	3,513	5,409	5,409
Rent and Rates	53,547	60,247	-	113,794	53,547	60,247	-	113,794	101,131	100,131
Insurance	15,206	30,865	-	46,071	15,206	30,865	-	46,071	38,285	38,285
Light and Heat	1,677	1,003	-	2,680	1,677	1,003	-	2,680	5,060	5,060
Repairs and Maintenance	20,788	28,023	16,332	65,143	20,788	28,023	16,332	65,143	65,761	65,761
Telephone	3,993	-	-	3,993	3,993	-	-	3,993	8,944	8,644
Postage	9,229	10,165	-	19,394	8,272	10,165	-	18,437	23,651	22,113
Stationery	8,966	-	-	8,966	8,947	-	-	8,947	6,571	5,688
Meetings and Forums	14,219	-	55	14,274	14,219	-	55	14,274	6,655	6,655
Legal and Professional	45,363	28,349	2,000	75,712	44,708	28,349	2,000	75,057	22,700	22,700
Audit Fees	14,000	-	-	14,000	12,000	-	-	12,000	9,500	8,000
Training	2,409	-	9,460	11,869	2,409	-	9,460	11,869	50	50
Subscriptions	4,379	3,768	-	8,147	4,379	3,768	-	8,147	9,419	8,619
Bank Charges	993	1,309	-	2,302	458	1,309	-	1,767	1,686	1,424
AGM and Annual Review	14,741	-	-	14,741	14,741	-	-	14,741	18,610	18,610
Regional Committees	1,583	-	-	1,583	1,583	-	-	1,583	4,189	4,189
Non recoverable VAT	41,881	13,726	-	55,607	41,881	13,726	-	55,607	58,660	58,660
Sundry Expenses	3,115	1,000	-	4,115	3,100	1,000	-	4,100	(552)	(567)
Management Fees	-	159,042	-	159,042	-	159,042	-	159,042	97,302	97,302
Loss (Profit) on sale of fixed assets	(150)	-	-	(150)	(150)	-	-	(150)	146	146
Loss (Profit) on sale of investments	(1,967)	-	-	(1,967)	(1,967)	-	-	(1,967)	(15,218)	(15,218)
Investment Charges	5,820	-	-	5,820	5,820	-	-	5,820	9,334	9,334
Special Projects	55	-	-	55	55	-	-	55	3,900	3,900
Depreciation	9,207	964	-	10,171	9,207	964	-	10,171	8,193	8,193
	572,747	338,461	27,847	939,055	546,129	338,461	27,847	912,437	790,448	761,260

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>	
	2005	2004
	£	£
Turnover	523,170	514,490
Cost of Sales	480,420	472,870
Gross Profit	42,750	41,620
Administrative Costs	51,452	49,506
Operating Loss	(8,702)	(7,886)
Interest Receivable and Similar Income	8,702	7,886
Net Profit before Taxation	-	-
Taxation	-	-
Retained in Subsidiary	-	-

7. GRANTS

The following material grants were received in the year:	£
Welsh Assembly Government S64	187,286
Hertfordshire County Council	294,000
Norfolk County Council	428,697
Leicester City Council	229,600
Essex County Council	119,881
Suffolk County Council	93,982
Blackburn with Darwen Council	90,535
Cheshire County Council	73,000
Gwynedd Council	62,648
Isle of Wight Council	94,335

CROSSROADS ASSOCIATION

8. TANGIBLE FIXED ASSETS

Group and Company

	Freehold land & buildings £	Motor Vehicles £	Fixtures & Fittings £	Total £
<u>Cost</u>				
At 1 April 2004	75,000	18,995	39,413	133,408
Additions	10,060	-	23,533	33,593
Transfer to revaluation Reserve	84,940	-	-	84,940
At 31 March 2005	170,000	18,995	62,946	251,941
<u>Depreciation</u>				
At 1 April 2004	16,875	7,480	31,979	56,334
Charge for the year	1,875	4,749	3,548	10,172
Transfer to revaluation Reserve	(18,750)	-	-	(18,750)
At 31 March 2005	-	12,229	35,527	47,756
<u>Net Book Value</u>				
At 31 March 2005	170,000	6,766	27,419	204,185
At 31 March 2004	58,125	11,515	7,434	77,074

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

The freehold land and buildings were revalued on 1st June 2005 at £170,000 by the external estate agents Hawkins Smith & Green, members of the RICS. The basis of the valuation is at market value with vacant possession. The trustees consider that the value of the freehold land and buildings at the year end was not materially different to that at the date of the valuation. The historical cost of this asset is £75,000.

CROSSROADS ASSOCIATION

9. INVESTMENTS

Group and Company

	2005	2004
	£	£
Market Value at 1 April 2004	575,837	538,322
Less: Disposals at opening book value	(57,907)	(171,937)
Add: Acquisitions at cost	55,265	174,278
Add: Net surplus on revaluations at 31 March 2005	29,334	35,174
Market Value at 31 March 2005	<u>602,529</u>	<u>575,837</u>
Historical cost at 31 March 2005	<u>567,820</u>	<u>570,917</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 market value of investments at the year end comprise 47% Fixed Interest Investments and 53% 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 2005 were £7,137 (2004 - £7,137).

10. BIG LOTTERY FUND

The following monies were received in the year:-

Big Lottery Fund	£143,768
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CROSSROADS ASSOCIATION

11. DEBTORS

	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Trade debtors	228,070	224,437	102,631	102,546
Other debtors	24,970	24,970	12,953	12,279
Prepayments	16,328	16,328	27,176	27,176
Amounts due from group	-	24,835	-	20,317
	<u>269,368</u>	<u>290,570</u>	<u>142,760</u>	<u>162,318</u>

12. CREDITORS: amounts falling due within one year

Trade creditors	56,351	54,849	79,658	77,135
Social security and other taxation	17,194	16,746	53,433	53,418
Accruals	292,370	288,120	249,505	245,111
Other Creditors	16,355	16,355	16,355	16,355
	<u>382,270</u>	<u>376,070</u>	<u>398,951</u>	<u>392,019</u>

Both group and company creditors include an amount of £8,951 (2004 - £8,802) 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 (2004- nil)

CROSSROADS ASSOCIATION

15. RESERVES FOR THE GROUP

	General Fund £	Restricted Funds £	Designated Fund £	Revaluation Reserve £	Total £
At 1 April 2004	541,716	929,143	313,152	4,920	1,788,931
Incoming/(outgoing) resources for the year	140,857	(19,702)	(34,060)	-	87,095
Revaluation gains on investments	-	-	-	29,334	29,334
Realisation of losses on investments	(455)	-	-	455	-
Revaluation gains on freehold property	-	-	-	103,690	103,690
Transfers	(127,000)	54,356	72,644	-	-
At 31 March 2005	555,118	963,797	351,736	138,399	2,009,050

Of the assets specifically held for use within the restricted funds, £556,293 relates to cash held in restricted fund bank accounts.

16. RESERVES FOR THE COMPANY

	General Fund £	Restricted Funds £	Designated Fund £	Revaluation Reserve £	Total £
At 1 April 2004	534,580	929,143	313,152	4,920	1,781,795
Incoming/(outgoing) resources for the year	140,857	(19,702)	(34,060)	-	87,095
Revaluation gains on investments	-	-	-	29,334	29,334
Realisation of losses on investments	(455)	-	-	455	-
Revaluation gains on freehold property	-	-	-	103,690	103,690
Transfers	(127,000)	54,356	72,644	-	-
At 31 March 2005	547,982	963,797	351,736	138,399	2,001,914

Of the assets specifically held for use within the restricted funds, £556,293 relates to cash held in restricted fund bank accounts.

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 2004 £	Net movement in funds £	Balance 31 March 2005 £
East Herts Scheme	57,889	(36,231)	21,658
Wales	70,654	22,869	93,523
Young Carer Projects	14,569	-	14,569
Other Projects	2,351	-	2,351
Norfolk Projects	147,416	(6,513)	140,903
Leicester City Scheme	29,680	(5,373)	24,307
Epping Forest Scheme	119,373	(20,294)	99,079
Suffolk Coastal Scheme	31,016	(30,015)	1,001
Blackburn with Darwen Scheme	20,411	16,573	36,984
Cheshire Project	11,707	(1,455)	10,252
North & North West Herts Scheme	150,118	48,872	198,990
Northampton Scheme	70,711	34,981	105,692
Milton Keynes Scheme	42,614	(42,614)	-
Gwynedd Scheme	20,837	13,359	34,196
Big Lottery Fund	16,247	38	16,285
Basildon Scheme	7,828	(7,828)	-
Kidz Out Funding	1,464	-	1,464
TOPPS Funding	1,695	1,388	3,083
Big Lottery Fund	5,711	2,524	8,235
Big Lottery Fund	51,808	8,079	59,887
Hertfordshire Money	27,305	21,685	48,990
Isle of Wight Scheme	1,641	(17,453)	(15,812)
Wales Committee	3,991	2,721	6,712
Playscheme	9,915	-	9,915
Time Please Project	1,762	-	1,762
Learning Skills	9,044	12,322	21,366
Black & Ethnic Worker	1,386	11,751	13,137
Carers' Panels	-	5,269	5,269
	929,143	34,654	963,797

CROSSROADS ASSOCIATION

18. RELATED PARTIES

During the year the company provided no services to Crossroads Enterprises Limited, a wholly owned subsidiary, on normal commercial terms, (2004 - £4,280) and received services, on normal commercial terms in the sum of £44,303 (2004 - £36,710). The net balance receivable from Crossroads Enterprises Limited at 31 March 2005 was £24,835 (2004 - £20,317). During the year, Crossroads Enterprises Limited covenanted £24,835 (2004 - £20,317) to Crossroads Association.

D Bowler is also a director of Crossroads Enterprises Limited.

CROSSROADS ASSOCIATION**CONSOLIDATED BALANCE SHEET AT 31 MARCH 2005**

	Note	2005 £	2004 £
<u>Fixed Assets</u>			
Tangible fixed assets	8	204,185	77,074
Investments – listed	9	602,529	575,837
		806,714	652,911
<u>Current Assets</u>			
Stocks		7,161	7,886
Debtors	11	269,368	142,760
Cash at bank and in hand		1,308,077	1,384,325
		1,584,606	1,534,971
<u>Creditors:</u> amounts falling due within one year	12	382,270	398,951
<u>Net Current Assets</u>		1,202,336	1,136,020
<u>Net Assets</u>		2,009,050	1,788,931
<u>Funds</u>			
Unrestricted:			
Revaluation Reserve	15	138,399	4,920
General reserve	15	555,118	541,716
Designated reserve	15	351,736	313,152
Restricted reserve	15	963,797	929,143
		2,009,050	1,788,931

The financial statements were approved by the board on 26th July 2005 and were signed on its behalf by:

David Wright
Chair

CROSSROADS ASSOCIATION**BALANCE SHEET AT 31 MARCH 2005**

	Note	2005 £	2004 £
<u>Fixed Assets</u>			
Tangible fixed assets	8	204,185	77,074
Investments – listed	9	602,529	575,837
Investments – unlisted	9	1	1
		806,715	652,912
<u>Current Assets</u>			
Debtors	11	290,570	162,318
Cash at bank and in hand		1,280,699	1,358,584
		1,571,269	1,520,902
<u>Creditors:</u> amounts falling due within one year	12	376,070	392,019
<u>Net Current Assets</u>		1,195,199	1,128,883
<u>Net Assets</u>		2,001,914	1,781,795
<u>Funds</u>			
Unrestricted:			
Revaluation Reserve	16	138,399	4,920
General reserve	16	547,982	534,580
Designated reserve	16	351,736	313,152
Restricted reserve	16	963,797	929,143
		2,001,914	1,781,795

The financial statements were approved by the board on 26th July 2005 and were signed on its behalf by:

David Wright
Chair