

Crossroads Association

Report and Financial Statements

Year Ended

31 March 2007

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BDO Stoy Hayward
Chartered Accountants

CROSSROADS ASSOCIATION

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2007

	Pages
Trustees' report	2
Report of the auditors	23 - 24
Consolidated statement of financial activities	25
Consolidated summary income and expenditure account	26
Charity statement of financial activities	27
Consolidated balance sheet	28
Charity balance sheet	29
Consolidated Cashflow Statement	30
Charity cashflow Statement	31
Notes to the financial statements	32-48

Trustees Report

Report of the Trustees for the year ended 31 March 2007

The trustees present their annual report and the audited financial statements for the year ended 31 March 2007.

Reference and administrative details

Charity number	282102
Company number	1544708
Principal address	10 Regent Place, Rugby, Warwickshire CV21 2PN

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law.

The directors of the company who served during the year ended 31 March 2007 are listed as follows:

Pauline Adams (Retired 14.11.06)
Esrald Bennett (Appointed 14.11.06)
Gerald Bland (Co-option ended 14.11.06))
Valerie Bond (Resigned 14.11.06)
David Bowler (Resigned 03.05.07)
Ralph Cartwright (Treasurer)
Patricia Collinson (Retired 14.11.06)
Robin Foster
David Gawne
Rita Godwin (Retired 14.11.06)
Susan Gower (Resigned 11.04.07)
Michael Hill (Resigned 12.12.06)
Peter Mayer
Merfyn Roberts
John Oldham (Vice Chair)
David Wright (Chair)

There were no appointments since the year-end.

Chief Executive Officer Anne Roberts

Company Secretary Carolyn Robb

Auditors;
BDO Stoy Hayward LLP
125 Colmore Row, Birmingham
West Midlands. B3 3SD

Solicitors;
Reed Smith, Richards Butler LLP
Trigen House, Central Boulevard, Blythe Valley Park, Solihull, B90 8AB

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

Structure, Governance, and Management

Governing Document

Crossroads Association, a company limited by guarantee, is a registered charity governed by its Memorandum and Articles of Association adopted on 3 November 1999, amended by special resolution on 5 November 2003, and 14 November 2006.

Appointment of Trustees

The Memorandum and Articles of Association of Crossroads Association set out the conditions under which Trustees are appointed and prescribe the election process. These include:

- The Board determines the number of trustees, which shall be not less than five and not more than seventeen. It is currently ten.

- At every Annual General Meeting, one third of the Board of Trustees, or the number nearest to a third, who have been the longest in office, shall retire.
- The Electoral reform Society conducts the process for electing trustees.
- Retiring trustees can be re-elected unless at the date of reappointment they would have served as a Trustee for a continuous period of six years.
- The Board of Trustees annually appoints unremunerated executive officers (Chair, Vice-Chair and Treasurer), these trustees are not subject to retirement by rotation.
- The Board may appoint a person to fill a casual vacancy or as an additional trustee if specific skills are required. Such appointments run until the next Annual General Meeting

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

	2007	2006
	£	£
Insurance cost	364	364

Trustee induction and training

New trustees undergo an orientation day to brief them on:

- Their legal obligations under charity and company law.
- The content of the Memorandum and Articles of Association.
- The committee and decision making processes.
- The business plan and recent financial performance of the charity.

During the induction day they will meet key employees and other trustees. Trustees are encouraged to attend appropriate external and internal training events where these will facilitate the undertaking of their role.

Organisation

Overview

The Board of Trustees administers the charity. The Board meets at least quarterly and during the year there have been sub-committees to cover:

- strategy and planning
- finance and general purposes

- policy performance and membership
- Wales
- operational services.

Following Board agreement in December 2006 changes in the sub committee structure were made. The strategy and planning functions reverted to the Board but nominated Trustees would continue to meet with Regional Development Group representatives. Additionally due to the reducing number of In House schemes, the operational services sub committee was merged with the financial and general purposes sub committee with effect from April 2007.

The Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, from the Trustees, for operational matters including care provision, fundraising, finance and employment.

The Board

The Board is collectively responsible for setting of the Association's objectives and business plans, providing effective leadership, setting an effective framework of prudent controls to enable risk within the business to be managed, and reviewing on an ongoing basis the performance of the Association.

The Board reserves the making of certain decisions to itself and in other cases delegates the power to sub committees or to the decision of the Chief Executive and executive management. The areas the board has reserved to itself include:

- Corporate governance
- Approval of strategy
- Approval of the budget and business plan
- Approval of major capital expenditure contracts
- Approval of accounting policies particularly policies on reserves and investments
- Approving the senior management establishment levels
- Authority to amend the salary scale
- Approval of other employment terms and conditions

- Authority to terminate contracts of employment for the Chief Executive and senior management
- Approval of the annual accounts
- Managing risk

The board sub committees report to the Board on their activities as appropriate during the year.

The Board held 4 meetings during the year. Details of attendance by directors at Board and board sub committees are set out as below:

	Total All Meetings		Board		Strategy & Planning		Finance & General Purposes	
	actual	Possible	Actual	possible	actual	possible	actual	possible
P Adams	4	6	1	2	1	2		
E Bennett	3	3	2	2				
G Bland	2	4	2	2	0	2		
V Bond	2	7	0	1				
R Cartwright	13	13	4	4			5	5
P Collinson	5	7	1	2	2	2		
R Foster	12	13	4	4	3	3	1	2
D Gawne	1	13	1	4			0	5
R Godwin	5	8	2	2			1	2
S Gower	3	8	3	4				
M Hill	5	6	3	3			2	3
P Mayer	6	9	3	4			3	5
M Roberts	9	12	2	4				
J Oldham	15	16	3	4	3	3	1	1
D Wright	7	8	3	4	3	3		

	Policy Performance & Membership		Operational Services		Wales	
	actual	Possible	Actual	possible	actual	possible
P Adams					2	2
E Bennett	1	1				
G Bland						
V Bond	1	3	1	3		
R Cartwright			4	4		
P Collinson	2	3				
R Foster			4	4		

D Gawne			0	4		
R Godwin			2	4		
S Gower	0	4				
M Hill						
P Mayer						
M Roberts	3	4			4	4
J Oldham	4	4			4	4
D Wright					1	1

In addition to attending Board and sub committee meetings the Trustees also make themselves available between the scheduled meetings to attend other meetings and to provide guidance and advice as appropriate in relation to the business activities of the Association. The contribution of individual Trustees should not therefore be assessed solely by reference to the number of meetings attended. When Trustees were unable to attend meetings as a result of business or personal commitments they had the opportunity to review the papers beforehand and raise issues or questions with the Chair or sub committee chair as appropriate.

Board sub committees

Five sub committees have worked in the year to assist decision making and internal governance. Their respective main responsibilities are:

Strategy and Planning

- Oversee and input into the Strategic and Operational Plans of the Association and monitor progress against them.
- Act as the focus for Foundation for the Future and meet with representatives from Regional Development Groups.
- Make recommendations to the Board.

Finance and General Purposes

- Recommend the annual budget for the Association and changes to it.
- Monitor all aspects of financial performance and make appropriate recommendations to the Board.
- Agree procedures for financial controls.
- Agree senior management levels and recommend levels of remuneration.
- Produce a risk register for the Board and deal with matters of Health & Safety.
- Act as the Audit Committee.

Policy, Performance and Membership

- Deal with membership issues, including the production of a Member Scheme Agreement for approval by the Board.
- Sponsor and support the development and delivery of policies, in accordance with the Policy Framework, and recommend to the Board for approval.
- Sponsor and support the development of the Quality Assurance System, including the audit programme, and consider CROQUET audit reports on behalf of the Board.

Wales

- Advise the Board on the distinctive features of Welsh legislation and recommend strategies for the work of Crossroads Association in Wales.
- Ensure compliance with Welsh Assembly Government funding conditions.

Operational Services

- Oversee activities of in-house schemes and projects.
- Support the delivery of the strategy to transfer in-house schemes to the network.

Directors' team (DT)

The purpose of this senior team is to assist the Chief Executive in the exercise of her responsibilities in respect of the Association. The DT comprises the Chief Executive, Support Services Director, Finance Director, Business Manager, Operational Services Director, Director for Wales and the Chief Executive's Executive Assistant. The DT meets on a monthly basis to review business activities and take decisions on all significant business issues that are not reserved to the Board. The DT assists in the formulation of strategy for the Association and provides an additional level of monitoring on business performance.

Board and sub committee evaluation

The Board has developed and agreed a comprehensive appraisal system for the Board and individual Trustees, which it is in the process of implementing.

Related parties

The delivery of services to carers must take account of the external environment and respond to government policy initiatives and regulatory requirements. Crossroads Association participates in a range of statutory and voluntary initiatives at a national level in England and Wales in order to raise awareness of the needs of carers and to contribute to the development of policy that affects both carers and Crossroads as a provider of services for carers.

A strategic priority remains the identification of appropriate partnerships and the promotion of effective relationships with other organisations that seek to support carers and the people they care for.

- The national strategic partnership with Macmillan Cancer Relief has continued to support the provision of palliative care services within selected Crossroads schemes in order to develop an evaluated model of such provision.
- The ACE (Action for Carers in Employment) project, led by Carers UK, has brought together a range of provider organisations in the statutory and voluntary sectors to provide services that support carers in employment. The service delivery phase of the project has now ended and the evaluation report is now being completed. This will provide an overview of the different models of care provision that have been tested by Crossroads to support carers to remain in or return to work. Supporting carers to work is a key area for future development.
- The Association continues to promote the need for a sustainable network of Crossroads schemes in the changing external environment. Securing additional resources to support schemes to develop their capacity is therefore vital and the Association is now working at a National level in England with Futurebuilders to provide targeted resources to Crossroads schemes who wish to develop a full application to Futurebuilders.
- The Association has worked closely with Carers UK and the Princess Royal Trust for Carers to respond with a joint voice on key strategic issues that impact on carers and also to consider how best to promote more effective joint work at a local level. Work has also continued to build appropriate partnerships with other national organisations interested in the development of services for carers

The charity's wholly owned subsidiary, Crossroads Enterprises Limited was established to operate the commercial activities including provision of insurance cover for Crossroads carer support and general merchandising. The surplus arising is transferred by deed of covenant to the charity (see note 6 to the accounts)

Risk management

The risk management strategy developed by the Board comprises,

- An annual review of the risks the charity may face
- The establishment of systems and procedures to mitigate those risks identified in the plan
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise,

Objectives and activities

Principal objects

Crossroads Association's objects are to relieve the stresses experienced by carers and beneficiaries, and to promote the efficiency and effectiveness of charities which operate for the care and support of carers and beneficiaries.

Aims

Crossroads – Caring for Carers aims to provide a range of high quality services that respond to the needs of carers and the people they support. The core provision enables carers to take a much needed break from their caring responsibilities.

The services are delivered through a network of local Crossroads schemes in England and Wales and as the umbrella organisation for the network the Association provides a range of support to facilitate both delivery and development.

The Association also works at a national level in England and Wales to raise aware of the contribution made by carers and to influence the policy and legislative framework that impacts both on carers and on Crossroads as a service provider.

Objectives for the year

The main objectives for the year were:

- To take forward ***Foundation for the Future*** in order to ensure a sustainable network with effective governance at all levels, able to support, develop and deliver services for carers

- To deliver effective support to the Crossroads network in order to stimulate service development and delivery for carers
- To develop national partnerships that will benefit carers and the network
- To influence the legislative and policy framework across government in order to strengthen support for carers and their families
- To raise awareness of Carers' Needs and the profile of Crossroads

Strategies

In order to achieve the objectives the Association has continued to provide a range of organisational and administrative support to Crossroads schemes in England and Wales.

The Association's role in supporting the delivery of vital services for carers has developed with regulation and the significant changes that are taking place in the way that social and health care will be provided in the future. In articulating those changes in the external environment the Association has provided a forum for debate with Crossroads schemes so that the most appropriate structures to sustain existing provision, achieve growth of services and improve access to services for more carers can be identified.

The Association has reviewed the Memorandum and Articles of Association to recognise the umbrella function of the organisation and proposed new criteria for membership based on the principle of sustainability. These criteria remain a focus for discussion with Crossroads schemes,

Significant activities

There are two significant areas of activity:

Facilitating the delivery of high quality services for carers through support to Crossroads schemes and liaison with government and other statutory and voluntary organisations

And

Providing Direct Services to Carers

The Association has provided services to carers through the operation of a number of specific projects and the direct management of eight local schemes in different geographic locations in England and Wales

Achievements and performance

Facilitating the delivery of high quality services for carers through support to Crossroads schemes and liaison with government and other statutory and voluntary organisations.

Statistical information for the previous year is gathered on an annual basis from the network and an analysis of activities for April 2005 – March 2006 show an increase in the number of beneficiaries supported from 34,766 to 35,010 carers. A Crossroads service is of double value, information, emotional support and an opportunity for a break for carers, and a high quality and appropriate support service to the person they are caring for. That support service could be personal care for someone with physical disabilities or social support for someone with dementia. Therefore in addition to the 35,010 carers a further 35,010 people supported by those carers – people with a range of different disabilities and conditions – also benefit from the services provided by Crossroads giving a total of 70,020 beneficiaries.

Income for the network grew from £58,839,056 to £62,410,215 an increase of 6.1%. The breakdown of income streams showed an 11% increase in the number of individual purchasers of services. This is positive and in line with the government's emphasis on direct payments and choice for individuals using services. Statistics for the period April 2006 to March 2007 will be collated by September 2007.

External funding has supported the employment of a development worker in the North East of England. The post holder will work with existing Crossroads schemes to expand service delivery in an area where there are significant gaps in provision.

Through ***Foundation for the Future*** the Association has continued to lead the debate on the future configuration of Crossroads schemes in the light of changes in the delivery of health and social care. Proposed future membership criteria have been developed based on sustainability and these will be used as a benchmark to measure the restructuring and scheme mergers that are taking place across England and Wales.

Larger operational units are being created at regional and sub-regional levels. East Midlands Crossroads has been established and will comprise schemes in the region who wish to formally become part of the regional schemes as well as providing a mechanism for development of services in areas where none currently exist.

In the South West all eight schemes have agreed the creation of a regional entity that will provide a similar function to the East Midlands.

In North Wales all seven schemes have now merged to form a new scheme. Discussions are underway in other parts of Wales about larger groupings.

In England there are now a number of examples of larger groupings – including Coventry and Warwickshire, West Anglia, Norfolk, East Sussex, Liverpool with Sefton and Warrington, St. Helens and Halton, Oxfordshire. It is expected that this pattern will continue in the next 12 months and the Association will continue to facilitate this work.

In order to build capacity within the network the Association secured a £110,000 development grant from Futurebuilders. This grant is being used to provide targeted business consultancy advice to selected schemes to enable them to develop a full application for a Futurebuilders investment.

The provision of services that enable schemes to operate as providers regulated by the Commission for Social Care Inspection (CSCI) has remained a key focus of work. The support services team completed a major review of adult care practice policies, providing comprehensive procedures for managers and guidance for care staff and attaining the endorsement of CSCI. This task was made easier by the contribution of the policy reference group, a group of fifteen scheme representatives, drawn from across England and Wales, who help ensure that policies meet the needs of the scheme network.

The team also conducted the second cycle of CROQUET (Crossroads' quality evaluation tool) audits, and expanded our capacity to perform audits in the future through the recruitment of additional volunteer auditors. Over 60% of schemes audited during the second cycle have achieved level 2 or 3 of the CROQUET standard.

Towards the end of the year a programme of training events for schemes aimed at enhancing business skills, covering strategic planning, tendering, sustainable funding and managing change has been made available. Three pilot workshops on tendering were well received. Development of expertise in this area is essential for scheme sustainability.

A Crossroads specific version of the Governance Hub's trustee recruitment toolkit was launched at Crossroads conference in November 2006. More than 60 CD copies of the kit were distributed at the conference and it has also been made available on Crossroads internal information database (CIID).

Crossroads' materials relating to the recruitment and selection of staff were reviewed and rewritten during the year, to incorporate current good practice and guidance issued by the CSCI.

The first comprehensive customer satisfaction survey, distributed to all Crossroads schemes towards the end of 2006, achieved an overall response rate of 51% and provided valuable information about what schemes think about the services provided by the Association. This will be continued in 2007 through the introduction of a rolling quarterly survey to a quarter of Crossroads' schemes at a time, with a view to tracking trends in satisfaction levels.

The Association has maintained extensive external links at national levels in England and Wales. The breadth of this involvement is reported to the network through monthly briefings. Together with other carer's organisations and charities covering specific conditions the Association has participated in Carers Week raising awareness of the contribution made by carers and the work of Crossroads.

Trustees and senior staff at all 154 schemes have received monthly information mailings intended to ensure they have the appropriate range of information to enable them to effectively govern and manage their schemes. Specialist advice has been provided in areas such as human resources, charity law and children's services.

Direct services to carers

The Association has continued to provide direct services to carers through the eight in house schemes. However during the year considerable progress has been made in achieving the strategy approved by the Board of transferring such local service provision back to the network, enabling the Association to focus on its umbrella function.

During the year Milton Keynes has merged with Buckingham and Winslow and Epping and Harlow with Redbridge and the two in-house schemes in Hertfordshire merged prior to transfer to the network in 2007.

The Association has continued to operate a number of projects including Norfolk Crossroads Young Carers Project, funded by Norfolk County Council's Carers Grant to give help and support to young carers, Cheshire Carers and Essex Ethnic Minority Project.

Action for Carers and Employment (ACE)

ACE is a 5 years project dedicated to supporting the inclusion of carers in work. ACE is funded by the European Social Fund's EQUAL programme and has run from 2002.

From the outset ACE recognised the need to make a case with those in a position to make a difference. A broad partnership was drawn from business and employers, government ministries, trade unions, the public and voluntary sectors

and researchers and set out to identify and debate the issues facing carers in employment and importantly to identify possible solutions. From 2005 ACE set out to test services carers need if they are to gain and sustain a job and Crossroads has been a service delivery partner in this stage – testing out different approaches in Gwynedd, Swansea Neath Port Talbot, Anglesey, Ellesmere Port, Neston and Wirral and Epping and Harlow. The Association has worked in partnership with those local schemes and through the project additional resources of over £200,000 have been secured to pilot services for working carers.

The operational phase of the ACE project concluded in mid May 2007 and from then until the project end in December the Association will evaluate the work and share the lessons learnt with other schemes interested in developing services specifically to meet the needs of working carers.

Strategic Partnership with Macmillan Cancer Support

Macmillan Cancer Support recognised Crossroads expertise in the provision of services in the community and the project was developed to facilitate palliative care services in selected Crossroads schemes. Macmillan has made significant investment in Crossroads services in excess of £4.4million across fifteen schemes to date. Feedback from carers has been very appreciative of the quality and consistency of the support provided.

Financial review

Within the Consolidated Statement of Financial Activities the incomes and costs are analysed into four sub divisions:

- Unrestricted – containing the core activities of the Association in supporting the network
- In House schemes – also an unrestricted activity and shown separately because of the significant nature of the area and the distinct objective of supporting carers
- Designated – where the Board has allocated unrestricted resources to fund specific projects
- Restricted – where funding has been provided for specific projects or activities

Summary

There was a total deficit of £198,322 (2006 - surplus £3,871) of consolidated incoming resources over resources used in the financial year ending 31 March 2007. An analysis of the deficit is shown below:

	£
Unrestricted deficit	(73,411)
In House surplus	65,631
Designated deficit	(232,695)
Restricted surplus	42,153
 Total deficit	 (198,322)

The major reason for the total deficit has been the project spending within designated funds.

After two years of substantial surpluses on unrestricted activities a deficit of £73,411 (2006 – surplus £201,981) was incurred. The deficit on unrestricted activities was higher than that budgeted. The later than planned commencement of the committed giving campaign and the consequent lower level of income contributed to the higher deficit.

After at least three year's of major deficits the In House schemes achieved a surplus of £65,631 (2006 – deficit £183,327). At the start of the year there were eight In House schemes. During the year agreement was reached for two schemes to merge with network schemes and both were legally transferred out on 1 April 2007. In addition two schemes in Hertfordshire were merged to gain operational and financial efficiencies prior to a proposed transfer out and merger with a network scheme in 2007/08. Significant additional management resource has been devoted to the In House schemes in the year and the benefits are clearly showing through. Future plans for the remaining schemes are detailed in the "plans for the future" section below.

Designated fund expenditure totalled £232,695 during the financial year (2006 - £6,600). Last year it was announced that a major campaign for committed giving was planned and a contract was placed for the recruitment of 2,000 donors. The cost of this campaign was £191,045.

Late in the financial year restricted funding to support the CROQUET quality assurance programme ran out and unrestricted reserves had to be transferred to cover the shortfall. This is explained further in the reserves section of this report. In the absence of further restricted funding being available the CROQUET programme will be financed in 2007/08 out of unrestricted funding.

Statement of financial activities

Total Income

The income available to the Association is analysed into two broad categories:

- Income from generated funds, which arises from voluntary sources, commercial activities and investment income
- Income from charitable activities, includes membership fees and funds provided by Local Authorities, other charities and grant making bodies for either the provision of support to carers or the network

Consolidated incoming resources from generated funds were £1,423,089 for the year (2006 - £1,427,505), whilst incoming resources from charitable activities were £3,593,995 (2006 - £3,468,865).

Unrestricted income

Income from generated funds for unrestricted activities was £1,167,807 (2006 - £1,067,540) reflecting a fall in trust and corporate funding of £54,490 and a rise in general donations of £133,603 over the previous year. The fall in trusts and corporate funding was anticipated in last year's report and general donations have benefited from a large legacy and the commencement of income from the committed giving programme. In addition there was a gift-in-kind of £50,000 to support the cost of the London Office.

Income from charitable activities, which comprises mainly membership fees, was at the same level as the previous year.

In House income

Income from charitable activities received by our In House schemes was £1,752,319, a reduction of £158,870. This reduction has been caused by transfer out into the network or closure of three schemes during 2005/06. For the remaining eight schemes income on a continuing basis actually increased by £213,000. Approximately half the increase was achieved by Milton Keynes where the benefit of improvements in management control, facilitated by staff seconded from the Oxfordshire Crossroads network scheme, has resulted in better service delivery volumes and revenue. All the remaining schemes maintained or improved on income levels achieved in the previous year.

Restricted income

Within restricted activities, income from generated funds reduced by £150,306 to £129,463 with all areas showing reductions. The major reduction was in Lottery funding which showed a reduction of £70,419.

Income from charitable activities was £1,438,916 (2006 - £1,150,947) with £305,000 of this increase arising from "Hertfordshire Monies" shown within the income to support carers total.

Expenditure

Total expenditure on generating funds

The total cost of generating funds at £924,844 (inclusive of insurance costs and merchandising of £473,295 and donor development of £191,045) was £220,229 higher than last year. If the one off cost of the donor development is removed the cost increase on a like for like basis was £5,611 whilst the incoming resources from voluntary income rose by a similar amount. The costs net of insurance, merchandising and donor development of £236,932 consist mainly of the fundraising and PR department.

Total expenditure on charitable activities

In total the resources expended on charitable activities increased by £76,196 to £4,193,507.

Total resources expended on supporting the network were £1,393,361 (2006 - £1,127,204) with the increase occurring in unrestricted activities. The major reasons for this increase were:

- Personnel and services financed in the previous year by restricted funding and shown in restricted activities
- Recruitment of management to help steer through the transfer out of the In House schemes to the network
- Full year effect of personnel recruited part way through the previous year.

Total resources expended on carers were £2,800,146 (2006 - £2,990,107). Costs within the restricted activities category showed an increase of £172,244 to £987,639. The project "Hertfordshire Monies" increased spending by £239,444 within this category. Costs within In House activities were £1,812,507 (2006 - £2,174,712). This apparent reduction arises from the 2006 comparative figures including costs for three schemes which closed during 2005/06. Excluding the closed schemes the expenditure rose by £113,435 to £1,759,668.

Total expenditure within unrestricted activities for the Association itself, rather than the group was £1,159,906 net of management fee income of £152,855.

Balance sheet

The consolidated net outgoing resources for the year of £198,322 (2006 – incoming £3,871) was adjusted by an increase in the market value of investments of £14,723. This provides a total consolidated net asset value for the Association at 31 March 2007 of £1,899,735 (2006 - £2,083,334, see Note 12).

Current Assets included cash and cash equivalents held by the group at 31 March 2007 of £921,559 (2006 - £1,249,289). This sum included a number of cash balances, which were held in interest bearing accounts in support of restricted projects listed in Note 14.

Note 10 details an increase in consolidated debtors of £153,378 to £446,371. The largest element of that increase is a £44,000 increase in the amount owed to the Association for ACE project income. Consolidated creditors also increased to £405,472 (2006- £372,504).

Reserves

The reserves of the Group reduced by £183,599 over the financial year and totalled £1,899,735 at 31 March 2007 as described in note 12 to the Accounts. This is primarily due to the cost of the committed giving campaign.

Transfers between the reserve categories are shown in note 18 to the Accounts

- Transfer from unrestricted to restricted to absorb deficits on the CROQUET restricted project of £13,242 following the exhaustion of the restricted funding.
- Following re - designation of designated activities £64,925 was transferred to unrestricted to enable the Association to maintain the reserve policy.

The Board has a policy that the General Reserve Fund of the Association, as shown in note 12, should be approximately equal to six months of the Association's forecasted unrestricted expenditure excluding the unrestricted expenditure of the In House schemes.

The Board has yet to see a full evaluation of the success of the recent committed giving campaign particularly regarding the level of drop out of donors. Funds held in the designated fund will permit the Board to consider a phase two to this programme possibly in 2008/09.

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 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 investment.

The fund managers are not required to consider social, environmental, or ethical matters in stock selection.

Growth of 5% (2006 - 11%) was achieved on the market value of investments during the financial year, whilst investment income was £21,497 providing a 3% return on the capital invested. As a result total return was 8%.

Crossroads Enterprises Limited

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

A surplus of £12,795 was transferred by deed of covenant to the Association (2006 - £8,511). 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 continue at a reduced level remaining on a care and maintenance only basis.

Plans for the future

It is appropriate that, as an umbrella body, the Association's main activities should focus on support to the network. That support should enable Crossroads schemes to achieve growth and meet internal and external quality standards.

Action will continue to be taken with regard to the remaining In House schemes. At the start of the new financial year there were seven In House schemes providing carer support. On 1 April 2007 two schemes, Epping Forest and Milton

Keynes were transferred out and merged with network schemes. At the end of May 2007 a similar transfer out was effected with Gwynedd.. The scheme in Leicester has become non viable with service delivery contracts either reaching a renewal point or ceasing completely. As a result this scheme will close in July 2007. The local authority will be taking the main contract back "in house" with the intention of maintaining service delivery to clients and will also take over under TUPE regulations many of the Association staff employed in our scheme. The Association is in discussion with network schemes so that the remaining three schemes can be transferred out and merged with network schemes. It is believed that these transfers can be achieved by 31 December 2007. If these planned transfers can be achieved in this timescale then over an approximately thirty month period to 31 December 2007 the Association will have transferred out into the network eight schemes and closed three other non financially viable schemes. Completion of this programme will permit the Association to fully concentrate on supporting the network.

It is appropriate that as the network changes and larger schemes are created the type of support provided by the Association will also change. Therefore during the coming year CROQUET will be reviewed and the use of expert consultancy provided through the Futurebuilders project continued and evaluated. Analysis of the customer satisfaction survey will provide feedback from the network about the range of services provided.

The Association will participate in the Interdepartmental Steering Group in England leading the review of the 1999 Carers Strategy and continue to contribute to policy development in England and Wales. Potential partnerships are being explored with the Motor Neurone Disease Association and Marie Curie Cancer Care and close working relationships with the Princess Royal Trust for Carers and Carers UK will be maintained and, where appropriate, developed.

Trustee responsibilities

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make sound judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the

Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

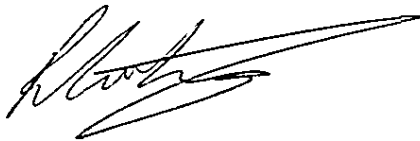
In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware.
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting that BDO Stoy Hayward LLP be re-appointed as auditors for the ensuing year.

By order of the board



Ralph Cartwright

Date: 31 July 2007

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 2007 which comprise the consolidated and charity statement of financial activities, the consolidated income and expenditure account the consolidated and charity balance sheets, the consolidated and charity cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charity 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 charity is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CROSSROADS ASSOCIATION

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and the group at 31 March 2007, and of the group's and charity's incoming resources and resources expended, including its income and expenditure, for the year then ended;
- the group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



BDO STOY HAYWARD LLP

**Chartered Accountants & Registered Auditors
BIRMINGHAM**

Date 2 August 2007

CROSSROADS ASSOCIATION						
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2007						
NOTE	Consolidated					
	Unrestricted Funds £	In house schemes Funds £	Designated Funds £	Restricted Funds £	Total Funds 31-Mar-07 £	Total Funds 31-Mar-06 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Funding from trusts & corporate donors	217,549	-	-	5,391	222,940	344,596
General donations including committed giving & other sundry income (inc Gift Aid)	264,626	123,369	-	15,561	403,556	204,211
National Gardens Scheme	65,000	-	-	-	65,000	65,000
Grants for core funding	-	-	-	-	-	700
Lottery funding	-	-	-	101,578	101,578	171,997
Gifts in kind	50,000	-	-	50,000	50,000	50,000
	597,175	123,369	-	122,530	843,074	836,504
Activities for generating funds						
Income from training & publications	8,488	2,450	-	6,933	17,871	23,582
Merchandising	15,109	-	-	-	15,109	14,568
Insurance	474,213	-	-	-	474,213	468,924
	497,810	2,450	-	6,933	507,193	507,074
Investment income						
Dividends	21,497	-	-	-	21,497	26,458
Interest	51,325	-	-	-	51,325	57,469
	72,822	-	-	-	72,822	83,927
Total incoming resources from generated funds	1,167,807	125,819	-	129,463	1,423,089	1,427,505
Incoming resources from charitable activities						
Income to support the network	402,760	-	-	425,967	828,727	801,454
Income to support carers	-	1,752,319	-	1,012,949	2,765,268	2,667,411
	402,760	1,752,319	-	1,438,916	3,593,995	3,468,865
Total incoming resources from charitable activities	402,760	1,752,319	-	1,438,916	3,593,995	3,468,865
Less Costs of generating funds	721,297	-	203,547	-	924,844	704,616
Governance costs	82,299	-	14,756	-	97,055	70,572
	766,971	1,878,138	(218,303)	1,568,379	3,995,185	4,121,182
Total incoming resources available for charitable application	766,971	1,878,138	(218,303)	1,568,379	3,995,185	4,121,182
Total incoming resources	1,570,567	1,878,138	-	1,568,379	5,017,084	4,896,370
Resources expended						
Resources expended on charitable activities						
Costs to support the network	840,382	-	14,392	538,587	1,393,361	1,127,204
Costs to support carers	-	1,812,507	-	987,639	2,800,146	2,990,107
	840,382	1,812,507	14,392	1,526,226	4,193,507	4,117,311
Total resources expended	1,643,978	1,812,507	232,695	1,526,226	5,215,406	4,892,499
Net incoming/(outgoing) resources before transfers	(73,411)	65,631	(232,695)	42,153	(198,322)	3,871
Gross Transfers Between Funds	51,683	-	(64,925)	13,242	-	-
	(21,728)	65,631	(297,620)	55,395	(198,322)	3,871
Net incoming/(outgoing) resources before other recognised gains and losses	(21,728)	65,631	(297,620)	55,395	(198,322)	3,871
Other recognised gains/losses						
Gains on revaluation of fixed assets for charity's own use	-	-	-	-	-	-
Gains/losses on investments	14,723	-	-	-	14,723	70,413
	(7,005)	65,631	(297,620)	55,395	(183,599)	74,284
Net movement in funds	(7,005)	65,631	(297,620)	55,395	(183,599)	74,284
Reconciliation of funds						
Total funds brought forward	842,701	318,282	416,005	506,346	2,083,334	2,009,050
Total funds carried forward	835,696	383,913	118,385	561,741	1,899,735	2,083,334

All amounts relate to continuing activities.

The notes on pages 32 to 48 form part of these financial statements

**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE
YEAR ENDED 31 MARCH 2007**

	2007	2006
	£	£
Total income of continuing activities	4,965,759	4,838,901
Total expenditure of continuing activities	<u>5,215,406</u>	<u>4,892,499</u>
Operating surplus/(deficit)	(249,647)	(53,598)
Interest receivable	<u>51,325</u>	<u>57,469</u>
Surplus/(deficit) on ordinary activities before taxation	(198,322)	3,871
Taxation	-	-
Retained surplus/(deficit) for the year	<u>(198,322)</u>	<u>3,871</u>

Total income of continuing activities comprises £3,397,380 for unrestricted funds and £1,568,379 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 £488,977. 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 Consolidated Summary of Income and Expenditure account is derived from the Statement of Financial Activities on page 25, which together with the notes to the accounts on pages 32 to 48 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 2007

		Association					
		Unrestricted Funds	In house schemes Funds	Designated Funds	Restricted Funds	Total Funds 31-Mar-07	Total Funds 31-Mar-06
	NOTE	£	£	£	£	£	£
Incoming resources							
Incoming resources from generated funds							
Voluntary income							
Funding from trusts & corporate donors		217,549	-		5,391	222,940	344,596
General donations including committed giving & other sundry income (inc Gift Aid)		264,626	123,369		15,561	403,556	204,211
National Gardens Scheme		65,000				65,000	65,000
Grants for core funding		-				-	700
Lottery funding					101,578	101,578	171,997
Gifts in kind		50,000				50,000	50,000
		597,175	123,369	-	122,530	843,074	836,504
Activities for generating funds							
Income from training & publications		8,488	2,450		6,933	17,871	23,582
Merchandising		346				346	231
Insurance							
		8,834	2,450	-	6,933	18,217	23,813
Investment income							
Subsidiary income		12,795				12,795	8,511
Dividends		21,497				21,497	26,458
Interest		43,434	-			43,434	49,579
		77,726	-	-	-	77,726	84,548
Total incoming resources from generated funds		683,735	125,819	-	129,463	939,017	944,865
Incoming resources from charitable activities							
Income to support the network	16	402,760	-	-	425,967	828,727	801,454
Income to support carers	17		1,752,319		1,012,949	2,765,268	2,667,411
		402,760	1,752,319	-	1,438,916	3,593,995	3,468,865
Total incoming resources from charitable activities							
Less Costs of generating funds	5	224,430	-	203,547	-	427,977	213,465
Governance costs	5	82,299	-	14,756	-	97,055	70,572
		779,766	1,878,138	(218,303)	1,568,379	4,007,980	4,129,693
Total incoming resources available for charitable application		779,766	1,878,138	(218,303)	1,568,379	4,007,980	4,129,693
Total incoming resources		1,086,495	1,878,138	-	1,568,379	4,533,012	4,413,730
Resources expended							
Resources expended on charitable activities							
Costs to support the network	5	853,177	-	14,392	538,587	1,406,156	1,135,715
Costs to support carers	5		1,812,507		987,639	2,800,146	2,990,107
		853,177	1,812,507	14,392	1,526,226	4,206,302	4,125,822
Total resources expended		1,159,906	1,812,507	232,695	1,526,226	4,731,334	4,409,859
Net incoming/(outgoing) resources before transfers		(73,411)	65,631	(232,695)	42,153	(198,322)	3,871
Gross Transfers Between Funds	18	51,683	-	(64,925)	13,242	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(21,728)	65,631	(297,620)	55,395	(198,322)	3,871
Other recognised gains/losses							
Gains on revaluation of fixed assets for charity's own use						-	-
Gains/losses on investments	9	14,723				14,723	70,413
		(7,005)	65,631	(297,620)	55,395	(183,599)	74,284
Net movement in funds		(7,005)	65,631	(297,620)	55,395	(183,599)	74,284
Reconciliation of funds							
Total funds brought forward		835,565	318,282	416,005	506,346	2,076,198	2,001,914
Total funds carried forward		828,560	383,913	118,385	561,741	1,892,599	2,076,198

CROSSROADS ASSOCIATION
CONSOLIDATED BALANCE SHEET AT 31 MARCH 2007

	Note	2007 £	2006 £
Fixed Assets			
Heritage assets			
Tangible fixed assets	8	207,693	214,972
Investments			
Investments	9	723,834	690,312
Total fixed assets		931,527	905,284
Current Assets			
Stocks and work in progress		5,750	8,272
Debtors	10	446,371	292,993
Short term deposits		554,187	820,584
Cash at bank and in hand		367,372	428,705
		1,373,680	1,550,554
Creditors: amounts falling due within one year	11	405,472	372,504
Net Current Assets		968,208	1,178,050
Net Assets		1,899,735	2,083,334
Funds			
Restricted income funds	14	561,741	506,346
Unrestricted income funds:			
General reserve	12	646,098	667,826
In house scheme reserves	12	383,913	318,282
Designated reserve	12	118,385	416,005
Revaluation Reserve	12	189,598	174,875
Total unrestricted income funds:		1,337,994	1,576,988
		1,899,735	2,083,334

The financial statements were approved by the board on 31 July 2007 and were signed on its behalf by:

David Wright
Chair



CROSSROADS ASSOCIATION
BALANCE SHEET AT 31 MARCH 2007

	Note	2007 £	2006 £
Fixed Assets			
Hentage assets			
Tangible fixed assets	8	207,693	214,972
Investments			
Investments	9	723,835	690,313
Total fixed assets		931,528	905,285
<u>Current Assets</u>			
Stocks and work in progress			
Debtors	10	453,289	325,663
Short term deposits		554,187	820,584
Cash at bank and in hand		356,068	391,804
		1,363,544	1,538,051
Creditors: amounts falling due within one year	11	402,473	367,138
Net Current Assets		961,071	1,170,913
<u>Net Assets</u>		1,892,599	2,076,198
<u>Funds</u>			
Restricted income funds	14	561,741	506,346
Unrestricted income funds:			
General reserve	13	638,962	660,690
In house scheme reserves	13	383,913	318,282
Designated reserve	13	118,385	416,005
Revaluation Reserve	13	189,598	174,875
Total unrestricted income funds:		1,330,858	1,569,852
		1,892,599	2,076,198

The financial statements were approved by the board on 31 July 2007 and were signed on its behalf by:

David Wright 
Chair

CROSSROADS ASSOCIATION			
CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007			

	Note	2007	2006
		£	£
Net cash outflow from operating activities	1	(360,574)	(103,114)
Returns on investment and the servicing of finance			
Dividends		21,497	26,458
Interest		51,325	57,469
		72,822	83,927
Investing activities			
Purchase of tangible fixed assets		(21,443)	(23,026)
Proceeds from sale of tangible fixed assets		264	23
Purchase of investments		(18,799)	(619,127)
Proceeds from sale of investments		-	602,529
Net cash (outflow)/inflow from investing activities		(39,978)	(39,601)
Decrease in cash and cash equivalents	2	(327,730)	(58,788)
Cash and cash equivalents at 31 March 2006		1,249,289	1,308,077
Cash and cash equivalents at 31 March 2007		921,559	1,249,289

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

Change in resources before revaluations	(198,322)	3,871
Depreciation	23,680	12,239
(Gain)/loss from sale of tangible fixed assets	222	(23)
(Loss) on disposal of investments		(772)
Assets previously capitalised now written off	4,556	
Decrease in stocks	2,522	(1,111)
(Increase)/decrease in debtors	(153,378)	(23,625)
(Decrease)/increase in creditors	32,968	(9,766)
Dividends	(21,497)	(26,458)
Interest	(51,325)	(57,469)

(360,574)	(103,114)
------------------	------------------

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

	2007	2006	Change in year
Cash at bank and in hand	921,559	1,249,289	(327,730)

CROSSROADS ASSOCIATION			
CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007			
	Note	2007	2006
		£	£
Net cash outflow from operating activities	1	(339,881)	(113,258)
Returns on investment and the servicing of finance			
Subsidiary income		12,795	8,511
Dividends		21,497	26,458
Interest		43,434	49,579
		<u>77,726</u>	<u>84,548</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(21,443)	(23,026)
Proceeds from sale of tangible fixed assets		264	23
Purchase of investments		(18,799)	(619,127)
Proceeds from sale of investments		-	602,529
		<u>(39,978)</u>	<u>(39,601)</u>
Net cash (outflow)/inflow from investing activities		(39,978)	(39,601)
(Decrease) in cash and cash equivalents	2	(302,133)	(68,311)
Cash and cash equivalents at 31 March 2006		1,212,388	1,280,699
Cash and cash equivalents at 31 March 2007		910,255	1,212,388

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

Changes in resources before revaluations	(198,322)	3,871
Depreciation	23,680	12,239
(Gain)/loss from sale of tangible fixed assets	222	(23)
(Loss) on disposal of investments	-	(772)
Assets previously capitalised now written off	4,556	-
Increase in debtors	(127,626)	(35,093)
(Decrease)/increase in creditors	35,335	(8,932)
Subsidiary income	(12,795)	(8,511)
Dividends	(21,497)	(26,458)
Interest	(43,434)	(49,579)
	<u>(339,881)</u>	<u>(113,258)</u>

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

	2007	2006	Change in year
Cash at bank and in hand	910,255	1,212,388	(302,133)

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments and freehold property which are included at market value, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985. The consolidated financial statements incorporate the full results of the charity's in house schemes and trading subsidiary.

The principal accounting policies adopted in the preparation of the financial statements are as follows:-

b) Tangible Fixed Assets

Individual tangible fixed assets costing £100 or more are capitalised at 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:-

	%
Motor vehicles	25
Fixtures and fittings	10 – 33

Gifted assets are not capitalised unless they have a material value.

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.

Had this policy not been adopted freehold buildings would have depreciated at 2.5% per annum on a straight line basis giving an annual charge of £2,126.

c) Investments

Quoted Investments are stated at their market value as determined by our investment advisors. Any gain or loss is taken to the Statement of Financial Activities.

Investments in subsidiary undertakings are stated at cost

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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. Expenditure is recognised when a liability is incurred either explicitly or constructively.

- Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds,
- Charitable expenditure is divided into that spending which supports the network of affiliated schemes and that which provides support to carers directly, either through the in house schemes or through projects which are based on direct support to carers,
- Governance costs include direct spending on expenses for trustees and also an appropriate proportion of the costs of departments which support the governance of the charity,
- Support costs include central functions which have been allocated to activities on the basis of the use of resources.

h) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities as incurred.

i) Taxation

Crossroads Association is registered with the Charity Commission and under the provisions of Section 505, Income and Corporation Taxes Act 1988, is exempt from liability to taxation.

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

k) Fund accounting

The Charity's funds comprise:

Unrestricted Funds -	these are funds that can be used in accordance with the Charity's objects at the discretion of the Trustees.
Restricted Funds -	these are funds received under a specific trust and can only be used for the specific purposes determined by the donors.
Designated Funds -	these are funds that can be used in accordance with the Charity's objects which have been specifically allocated by the Trustees.
In House Funds -	these are designated funds.

l) Valuation of donated services

Where goods and services have been donated to the Charity, the trustees value these on a deemed market value basis.

2. OPERATING RESULTS

	2007		2006	
	Group £	Company £	Group £	Company £
The results are stated after charging				
Depreciation of tangible fixed assets	23,680	23,680	12,239	12,239
Auditors remuneration	15,000	13,000	14,000	12,000
Operating lease rentals				
- Land & Buildings	113,742	113,742	123,565	123,565
- Other	12,575	12,575	10,965	10,965

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

3. TRUSTEES' REMUNERATION

The trustees neither received nor waived any emoluments during the year (2006: £nil).

Out of pocket expenses were reimbursed to trustees as follows.

2007 Number	2006 Number	2007 £	2006 £
9	15	14,205	21,203

4. STAFF COSTS

	Group 2007 £	Company 2007 £	Group 2006 £	Company 2006 £
Wages, Salaries & Redundancy costs	2,444,819	2,442,266	2,624,121	2,620,380
Social security costs	202,016	200,368	196,067	194,420
Pension costs	74,172	73,214	67,944	66,986
	2,721,007	2,715,848	2,888,132	2,881,786

Note: Redundancy costs included in the above amount to £17,541 (2006 £ 8,596)

No employee earned more than £60,000.

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

	Group <u>2007</u>	Company <u>2007</u>	Group <u>2006</u>	Company <u>2006</u>
Central Structure (Central office, appeals & area staff)	23	22	23	22
In House projects & schemes	198	198	212	212
Total	<u>221</u>	<u>220</u>	<u>235</u>	<u>234</u>

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

5. RESOURCES EXPENDED

	Company						2006
	Employment costs including training £	Facility and service costs £	Compliance costs £	Fundraising and PR costs £	Other costs inc project costs £	Total £	Total £
Costs of generating funds	85,632	79,826	-	253,617	8,902	427,977	213,465
Governance costs	44,878	49,847	-	1,022	1,308	97,055	70,572
Charitable activities							
Support to network	943,349	281,143	14,500	636	166,528	1,406,156	1,135,715
Support to carers	1,886,198	305,808	6,707	10,106	591,327	2,800,146	2,990,107
Total charitable activities	2,829,547	586,951	21,207	10,742	757,855	4,206,302	4,125,822
Total resources expended	2,960,057	716,624	21,207	265,381	768,065	4,731,334	4,409,859

	Group						2006
	Employment costs including training £	Facility and service costs £	Compliance costs £	Fundraising and PR costs £	Other costs inc project costs £	Total £	Total £
Costs of generating funds	90,789	556,540	2,200	253,617	21,698	924,844	704,616
Governance costs	44,878	49,847	-	1,022	1,308	97,055	70,572
Charitable activities							
Support to network	943,350	281,143	14,500	636	153,732	1,393,361	1,127,204
Support to carers	1,886,198	305,808	6,707	10,106	591,327	2,800,146	2,990,107
Total charitable activities	2,829,548	586,951	21,207	10,742	745,059	4,193,507	4,117,311
Total resources expended	2,965,215	1,193,338	23,407	265,381	768,065	5,215,406	4,892,499

Support costs consist of the following:

	2007 £	2006 £
Staff costs	359,117	254,750
Office costs	102,169	59,721
Fundraising costs	-	-
Other costs	38,260	10,359
Total	499,545	324,830

The gross support costs are derived on the basis of an individual analysis of costs in relevant departments in the unrestricted activity and apportioned in

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

accordance with that analysis to the relevant expenditure heading in the Statement of Financial Activities.

6. NET INCOME FROM SUBSIDIARY UNDERTAKING

The Charity has one wholly owned trading subsidiary, Crossroads Enterprises Limited, which operates as general trading commercial company selling merchandise. A summary of its trading results is shown below. Audited financial statements are available from Companies House.

	2007 £	2006 £
Turnover	488,977	483,261
Cost of Sales	473,295	472,552
Gross Profit	15,682	10,709
Administrative Costs	23,573	18,599
Operating Loss	(7,890)	(7,890)
Interest receivable and similar income	7,890	7,890
Net Profit before taxation	-	-
Taxation	-	-
Retained in subsidiary	-	-

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

7. GRANTS RECEIVED

	Year ended 31-Mar-07	Year ended 31-Mar-06
The following material grants were received in the year	£	£
Welsh Assembly Government S64	189,600	187,370
Hertfordshire County Council (Care grants)	515,140	209,847
Hertfordshire County Council (Herts Officer)	833	45,000
Norfolk County Council	422,414	398,906
Leicester City Council	281,943	232,186
Leicester PCT(Mental outreach project)	112,272	112,278
Essex County Council	22,000	95,640
Suffolk County Council	-	115,876
Blackburn with Darwen Council	90,535	82,348
Cheshire County Council	77,060	77,000
Milton Keynes Council	-	20,000
Gwynedd Council	98,284	62,648
Isle of Wight Council	-	121,862
Northamptonshire County Council	601	38,577
Zurich	-	40,000
Anonymous donor (North East project)	62,500	-
We are pleased to acknowledge also the following		
Northampton PCT	35,064	30,908
Epping Forest District Council	4,200	4,100
Epping Forest PCT	26,189	26,189
Florence Fund Suffolk Coastal Crossroads	-	3,114
Suffolk Coastal District Council	-	200
Parkinsons Disease Society Milton Keynes	-	1,372
Macmillan	175,996	94,000
Medicor	-	10,000
Big Lottery Fund	99,258	101,320

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

8. TANGIBLE FIXED ASSETS

Group and company

	Freehold land & buildings £	Leasehold land & buildings £	Motor Vehicles £	Fixtures & Fittings £	Total £
Cost					
At 1 April 2006	170,000	-	18,995	85,972	274,967
Additions				21,443	21,443
Transfer to revaluation reserve					-
Disposals/Retirements			(18,995)	(36,739)	(55,734)
Revaluations					
Transfers					
At 31 March 2007	170,000	-	-	70,676	240,676
Depreciation					
At 1 April 2006	-	-	16,228	43,767	59,995
Disposals/Retirements			(18,995)	(31,697)	(50,692)
Revaluations					-
Impairment charges					
Transfers					
Charge for the year			2,767	20,913	23,680
At 31 March 2007	-	-	-	32,983	32,983
Net Book Value					
At 31 March 2006	170,000		2,767	42,205	214,972
At 31 March 2007	170,000		-	37,693	207,693

The freehold land and buildings were revalued on 1 June 2005 at £170,000, by the external estate agents Hawkins Smith and Green, members of 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 was not materially different to that at the date of valuation. The historical cost of this asset is £85,060.

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

9. INVESTMENTS

	2007 £	2006 £
Market value at 1 april 2006	690,312	602,529
Less disposals at opening book value		(602,529)
Add Acquisitions at cost	18,799	619,127
Add Net surplus/(loss) on revaluations at 31 March 2007	14,723	71,185
Market Value at 31 March 2007	723,834	690,312
Historical cost at 31 March 2007	637,927	567,820

	2007 £	2006 £
Total gains and losses on investments		
Realised gains/(losses)	-	(772)
Unrealised gains/(losses) as above	14,723	71,185
	14,723	70,413

The acquisition of investment consists of 100,000 shares in Eurovestech which were donated to the charity during the year.

The valuation shown above on 31st March 2007 consists of the following:

	2007	2006
Barclays UK Balanced Portfolio	642,488	628,098
Barclays Income Portfolio	61,096	62,214
Eurovestech	20,250	-

The historical cost of investments includes £1 representing a 100% holding in Crossroads Enterprises Limited, a company which carries on the business of a general commercial company, whose profits are covenanted in full to support the work of Crossroads Association. The aggregate capital and reserves of Crossroads Enterprises Limited was £7,137 (2006 - £7,137).

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

10. DEBTORS

	Group 2007 £	Company 2007 £	Group 2006 £	Company 2006 £
Trade debtors	210,166	204,289	138,796	138,120
Other debtors	176,847	176,847	125,370	125,370
Prepayments	59,358	59,358	28,827	28,827
Accounts due from group	-	12,795	-	33,346
	446,371	453,289	292,993	325,663

11. CREDITORS: Amounts falling due within one year

	Group 2007 £	Company 2007 £	Group 2006 £	Company 2006 £
Trade creditors	102,566	101,499	41,067	36,187
Social security & other taxation	2,594	2,594	34,014	34,014
Accruals	290,045	288,113	281,068	280,582
Other creditors	10,267	10,267	16,355	16,355
	405,472	402,473	372,504	367,138

Included in other creditors are an amount of £4,411 (Company) and £4,621 (Group) due in respect of pension contributions.

12. RESERVES FOR THE GROUP

	General Fund £	In house schemes £	Designated Funds £	Restricted Funds £	Revaluation Reserve £	Total £
At 1 April 2006	667,826	318,282	416,005	506,346	174,875	2,083,334
Incoming/(Outgoing) resources for the year	(73,411)	65,631	(232,695)	42,153		(198,322)
Revaluation gains on investments	-	-	-	-	14,723	14,723
Realisation of gains/(losses) on investments	-	-	-	-	-	-
Realisation of gains on investments	-	-	-	-	-	-
Transfers	51,683	-	(64,925)	13,242	-	-
At 31 March 2007	646,098	383,913	118,385	561,741	189,598	1,899,735

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

13. RESERVES FOR THE COMPANY

Reserves					
General Fund £	In house schemes £	Designated Funds £	Restricted Funds £	Revaluation Reserve £	Total £
At 1 April 2006					
660,690	318,282	416,005	506,346	174,875	2,076,198
Incoming/(Outgoing) resources for the year					
(73,411)	65,631	(232,695)	42,153		(198,322)
Revaluation gains on investments				14,723	14,723
Realisation of gains/(losses) on investments	-				-
Realisation of gains on investments	-				-
Transfers	51,683	(64,925)	13,242	-	-
At 31 March 2007	638,962	383,913	118,385	561,741	1,892,599

14. RESTRICTED FUNDS

	Balance at 1 April 2006 £	Transfers to In house funds £	Transfer from In house schemes £	Net movement in funds £	Transfers to unrestricted funds £	Balance 31 March 2007 £
Wales (including Wales Committee)	128,793			14,317		143,110
Young carer projects	14,568					14,568
Other projects	2,351					2,351
Norfolk Projects	148,213			53,375		201,588
Cheshire Project	26,105			(3176)		22,929
Kidz Out Funding	1,464					1,464
TOPPS Funding	2,518			340		2,858
Big Lottery Fund (CROQUET)	59,877			(73,119)	13,242	-
Hertfordshire Money	5,587			22,493		28,080
Wales Lottery Project	23,597			8,558		32,155
Playscheme	9,915					9,915
Time Please Project	7,762			(3,234)		4,528
Learning Skills	12,072			-		12,072
Black & Ethnic Worker	24,204			2,310		26,514
Carers Panels	6,775			-		6,775
Macmillan project	-			19,319		19,319
Hertfordshire Officer	28,059			(19,930)		8,129
Action for Carers in Employment	-			(26,867)		(26,867)
North East Project	-			50,881		50,881
In house schemes - misc restricted funds	4,486		-	(3,114)		1,372
	506,346	-	-	42,153	13,242	561,741

Wales

Crossroads Wales is in part funded by the Welsh Assembly Government for its contribution to facilitate Assembly policy objectives, in its work in the Social Sector for development and delivery of services to carers in Wales.

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Hertfordshire County Officer

A new post in 2005, funded by Hertfordshire Adult Care Services, the role is to work with the four Crossroads schemes across the county, exploring ways of them collaborating and working ever more closely to benefit Carers living in Hertfordshire. This is achieved by working closely with the trustees and staff of the four member schemes and also our partners in adult care and other voluntary organisations. The schemes are working with the County Officer to achieve a higher profile for Crossroads in the area and improved services to Carers as a result.

Norfolk Young Carers Project

Crossroads Young Carers project started in 2003 and is funded by the Carers' Grant.

The aim is to provide a holistic approach to young carers work. The project offers support to the families where there are young carers by listening to their needs and coordinating services to make life easier for all family members. The Project provides advocacy, emotional and practical support to young carers on all aspect of daily living affected by their caring responsibilities. We also enable young carers to have a break from their caring tasks by enjoying leisure and cultural pursuits.

In addition the Project raises awareness about young carers and the issues they face thereby enabling other agencies to identify them and develop suitable services.

Norfolk County Officer & 24 hour Helpline

The Norfolk County Officer for Crossroads post is funded for 25 hours per week by Norfolk County Council to 2007. The project mainly funds the postholder to manage the 24 hour helpline which provides information and emotional support over the telephone to carers of people who live in Norfolk and to assist Norfolk schemes to reconfigure into more sustainable units by providing both information and assistance.

Norfolk Crossroads Workforce Development Officer

The postholder's role has been to assess the training needs of the Norfolk Crossroads staff and to arrange a training programme.

Macmillan Partnership Officer

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

The Crossroads/Macmillan Partnership Project supports Crossroads schemes to develop services for the carers of people living with cancer and form a major element of Macmillan's social care programme. The schemes are adopting Macmillan's 'Total Care' approach in the delivery of services which places the needs of service users (in this case, carers and cancer patients) at the centre, and attempts to support access to all other sources of support available in the cancer services area.

Action for Carers in Employment (ACE) Project

This project is concerned with supporting working carers and is based on three service delivery pilots located at four Crossroads schemes who are testing these services effectiveness in reaching the needs of carers who are either working or seeking to return to work.

This project is shown with a deficit to date of £26,867. The project will be completed in 2007/8 and it is anticipated that income will be received in that year which may extinguish the greater part of the deficit. As such it has been decided to carry forward the deficit in anticipation of receiving that income rather than write off the deficit against the unrestricted funds in 2006/7.

Cheshire Carers Development Initiative

The Cheshire Carers Development Initiative promotes and supports the development of better services for all carers in Cheshire. It assists Cheshire County Council in implementing its Carers Strategy, focusing on promoting flexibility of services with increased control for carers.

Black & Ethnic Community Outreach Development Officer for Basildon, Harlow & Epping

This project is concerned with developing links with ethnic communities and carers in Epping Forest District, Basildon and Harlow; identifying the needs of carers in these communities and helping them access information, support and breaks.

North East Project

Crossroads have received funding from an anonymous donor for a three year project to develop Crossroads services in the North East of England.

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

15. IN HOUSE SCHEME RESERVES

	Balance at 1 April 2006 £	Endowments on transfer of schemes £	Net movement in funds £	Balance at 31 March 2007 £
Leicester City Scheme	32,602		42,824	75,426
Epping Forest Scheme	53,922		(47,963)	5,958
Suffolk Coastal Scheme	(8,761)	(6,000)	(4,371)	(19,132)
Blackburn with Darwen Scheme	41,445		12,015	53,460
North & East Herts Scheme	265,042		60,375	325,417
Northampton Scheme	99,250		(17,773)	81,478
Milton Keynes Scheme	(79,779)		6,818	(72,960)
Gwynedd Scheme	13,656		25,646	39,302
Basildon Scheme	(57,586)		(2,583)	(60,169)
Isle of Wight Scheme	(41,509)		(3,357)	(44,867)
	318,282	(6,000)	71,631	383,913

Movement in funds for closed or transferred schemes refers to costs incurred or amounts received after closure or transfer not previously provided. Schemes closed/transferred in 2005/6 were Basildon and Suffolk Coastal. The scheme on the Isle of Wight was closed in early April 2006.

The Epping Forest scheme merged with Redbridge on 1st April 2007 and the Milton Keynes scheme merged with Buckingham & Winslow on the same date.

The in house schemes are schemes which are directly managed by Crossroads Association and are concerned with the direct delivery of services to carers in their local area.

16. INCOME TO SUPPORT THE NETWORK

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Unrestricted Funds £	In house schemes Funds £	Designated Funds £	Restricted Funds £
Statutory grants				189,600
Other support grants				176,348
Membership Fees	402,133			60,019
ACE Income	627			-
	402,760	-	-	425,967

17. INCOME TO SUPPORT CARERS

	Unrestricted Funds £	In house schemes Funds £	Designated Funds £	Restricted Funds £
Grants for Direct Care & Support		976,597		1,012,949
Other Direct Care & Support Income		775,722		-
	-	1,752,319	-	1,012,949

18. TRANSFERS OF FUNDS

	Unrestricted Funds £	In house schemes Funds £	Designated Funds £	Restricted Funds £
Transfers of funds from in house schemes regarded as restricted		-		-
Transfers of deficits from restricted funds to unrestricted funds				
- CROQUET	(13,242)			13,242
Transfers between unrestricted and designated funds	64,925		(64,925)	
	51,683	-	(64,925)	13,242

Transfers from restricted to unrestricted are in respect of the CROQUET function whose funding ended during 2006/07 and whose costs were subsequently taken into the core of the Association.

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Transfers between unrestricted and designated represent a transfer to maintain the reserve requirement of the association.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Company				
	Unrestricted funds inc Revaln Reserves £	In house scheme funds £	Designated Funds £	Restricted Funds £	Total £
Fixed Assets	206,713	980	-	-	207,693
Investments	723,835	-	-	-	723,835
Net current assets	(101,988)	382,933	118,385	561,741	961,071
	828,560	383,913	118,385	561,741	1,892,599

	Group				
	Unrestricted funds inc Revaln Reserves £	In house scheme funds £	Designated Funds £	Restricted Funds £	Total £
Fixed Assets	206,713	980	-	-	207,693
Investments	723,834	-	-	-	723,834
Net current assets	(94,851)	382,933	118,385	561,741	968,208
	835,696	383,913	118,385	561,741	1,899,735

20. OPERATING LEASE COMMITMENTS

The group and company have the following annual commitments under non cancellable operating leases:

2007

2006

CROSSROADS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Land & Buildings £	Other £	Land & Buildings £	Other £
Expiring:				
Within one year	48,577	-	28,260	-
In two to five years	6,390	7,895	17,375	7,200
Over five years	54,967	7,895	45,635	7,200

21. GIFTS IN KIND

Group and company

Gifts in kind represent the trustees' valuation of rent and services of the London office, being £40,000 and £10,000 respectively for both the current and previous period