

Crossroads Association

Registered Number 1544708

Report and Financial Statements

Year Ended 31 March 2008

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BDO Stoy Hayward
Chartered Accountants

Crossroads Association

Annual report and financial statements for the year ended 31 March 2008

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Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2008.

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 2008 are listed as follows:

Esrald Bennett
Ralph Cartwright (Treasurer)
Robin Foster
David Gawne (Retired 28 November 2007)
Susan Gower (Resigned 11 April 2007)
Patrick Healy (Appointed 28 November 2007)
Peter Mayer
Merfyn Roberts
John Oldham (Vice Chair)
David Stone (Appointed 28 November 2007)
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, P O Box 11, North Street, Rugby, Warwickshire, CV21 2AN Co-operative Bank, P O 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.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

Appointment of Trustees

The Memorandum and Articles of Association of Crossroads Association set out the conditions under which the 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 nine.
- 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.

	2008 £	2007 £
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 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:

- Finance and general purposes
- Policy performance and membership
- Wales

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.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

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

	Total all meetings		Board		Finance and General Purposes	
	Actual	Possible	Actual	Possible	Actual	Possible
E Bennett	8	11	6	7		
R Cartwright	11	11	7	7	4	4
R Foster	10	11	6	7	4	4
D Gawne	1	5	1	5		
P Healy	2	2	2	2		
P Mayer	8	11	4	7	4	4
M Roberts	14	16	5	7		
J Oldham	17	17	7	7	1	1
D Stone	2	2	2	2		
D Wright	6	7	6	7		
			Policy, Performance & Membership		Wales	
			Actual	Possible	Actual	Possible
E Bennett			2	4		
R Cartwright						
R Foster						
D Gawne						
P Healy						
P Mayer						
M Roberts			4	4	5	5
J Oldham			4	4	5	5
D Stone						
D Wright						

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

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 before hand and raise issues or questions with the Chair or sub committee chair as appropriate.

Board sub committees

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

Finance and General Purpose

- 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 mechanisms for determining levels of remuneration.
- Produce a risk register for the Board and deal with matters of Health and 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.

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, Business Development 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 is now in operation.

In order to ensure that the Board attracts and maintains Trustees with the appropriate range of skills an audit was conducted to map the existing skill base and identify gaps that would then determine the basis of future elections to the Board.

The sub-committee structure has been reviewed following the successful transfer out of the remaining in-house schemes and the Operational Services sub-committee has been merged with the Finance and General purposes sub-committee.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

Related parties

The delivery of services for carers and the people they support 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 community based services.

A strategic priority remains the identification of appropriate partnerships and the promotion of effective relationships with other organisations in the health and social care sector.

The Association continues to promote the need for a sustainable network of Crossroads schemes in the changing external environment and has reviewed the structure of the organisation so that resources are targeted more effectively.

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 workers and general merchandising. The surplus arising is transferred by deed of covenant to the charity (see note 6 to the accounts). Additional resources have been created within Crossroads Enterprises to develop the range of products offered in order to increase the surplus and make a greater contribution to the income base of the Association.

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 care provision enables carers to take a much needed break from their caring responsibilities.

The services are delivered through a network of local Crossroads schemes 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 awareness 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.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (*Continued*)

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, Wales and on the Isle of Man.

The Association's role in supporting the delivery of vital services for carers has continued to develop within the context of 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 continued to maintain a high level of participation at government level in England and Wales, and the year has been marked by the Review of the 1999 Carers' Strategy in England and the establishment of the Standing Commission on Carers.

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 five 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 2006 – March 2007 show an increase in the number of beneficiaries supported from 35,010 to 35,755 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 35,755 carers a further 35,755 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 71,510 beneficiaries.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

Income for the network grew to £65,760,180 an increase of 5.4%. The breakdown of income streams showed an 18% 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 2007 to March 2008 will be collated by September 2008 and we intend to work with a selected number of Crossroads schemes to review the range and type of information collected in the future.

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 and has supported the on-going mergers and collaborative work at a local level. The number of schemes has now reduced to 131 – as at March 2008.

Emphasis on the quality of service provision remains a high priority and with the emphasis on personal services and individual budget our ability to demonstrate that quality will become increasingly important. Crossroads own quality evaluation tool – CROQUET – has gained endorsement from the Charity Commission and this is a significant achievement as we are now one of only six organisations with this endorsement. This means that at levels two and three the CROQUET standard is compatible with their publication – Hallmarks of an Effective Charity – and schemes assessed at those levels will be able to display a Charity Commission logo.

During the year our team of quality assurance auditors completed the second cycle of CROQUET audits and began work on the third cycle. Over 60% of schemes in the network have now achieved one of the higher levels of CROQUET award (level 2 or 3). A review of audit methodology was undertaken, and a number of changes have been made, to reduce duplication of checks made through regulatory inspection by the Commission for Social Care Inspection in England and the Commission for Social Services Inspection in Wales. This duplication has been a major issue for Crossroads schemes and therefore achieving this reduction in duplication was a priority for the year.

Supporting volunteer trustees was also a priority and in February 2008 the Association, in partnership with the Governance Hub, hosted a conference for 100 trustees of local Crossroads schemes aimed at helping trustees to develop their governance knowledge and skills. The funding for the event, provided by the Governance Hub, enabled us to develop two new short training sessions for trustees which have now been added to our previous menu of training sessions for delivery locally by our Training Manager.

There has been significant external activity in England during the year with the focus on the review of the 1999 Carers' Strategy. The Association was represented on the Inter-departmental Steering Group established by the Department of Health to provide a focus for leading the review. The review was cross-government involving other departments – the Department of Work and Pensions, Department of Children, Schools and Family, The Treasury, Government Equalities Office and the Department for Communities and Local Government plus a number of other relevant organisation. In addition Crossroads provided staff to participate in the various working groups set up to do the detailed work on the different areas of interest.

There has been, and continues to be, considerable government interest in supporting carers and during the year the Prime Minister announced that a Standing Commission on Carers would be established. The Association was invited to become a member and to contribute to the initial work. The Commission will have a key role once the Carers Strategy is published, which will be in summer 2008.

In Wales the Association was successful in gaining further three year funding to support the work of the team. Structural change has been considerable in Wales with the formation of North Wales Crossroads and progress in other parts of the country towards the formation of larger operational units.

In England the Department of Health made a contribution to support our capacity building work with the network.

At the last AGM and conference a strategic review was announced together with a commitment to involving the network in the project. Since then the Board has established a sub-committee to lead the project and has secured consultancy support. The autumn should see the start of detailed working on the project.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

Trustees and senior staff at all 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. The Association has continued to report on the external environment with special focus on the emphasis on the provision of services through individual budgets and direct payments. A comprehensive pack aimed at helping schemes to consider the impact of self-directed care has been commissioned and will be available in summer 2008. The impact of this change in the delivery of care cannot be underestimated and it was therefore very rewarding when two development projects from Crossroads – one from the network and one from the Association won two of the five awards given as part of the social care "Meet the Dragons" competition in March 2008.

Specialist advice has been provided in areas such as human resources, charity law and children's services.

The Association has continued to survey Crossroads schemes on a quarterly basis to gain their feedback on the services and support provided by the Association. However the sample at each quarter is small and therefore in 2008 we will review the process with a view to moving to six monthly surveys.

Direct services to carers

The Association has continued to provide direct services to carers through the five in-house schemes.

The planned transfer of four of these schemes into the network was successfully managed by the Association and concluded during the year. The remaining one scheme was closed. This represented a significant achievement, given the level of financial, human resource and legal detail required for each transaction and has enabled the Association to refocus its effort on support to the network.

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.

The development of partnerships to facilitate the delivery of services at a local level has continued. The Association continues to work with Macmillan Cancer Support and has researched and planned a pilot service for carers of people with Motor Neurone Disease with the Motor Neurone Disease Association.

The Structure of the Association

As it was clear that the programme of transferring out the in-house schemes could be achieved the Association undertook a comprehensive review of its structure and the services provided to Crossroads schemes. Resources had been freed up by the completion of the transfers and this was, therefore, an opportunity to refocus on supporting the growth and expansion of services for carers and the people they support. The restructure reduced the number of staff working at a director level, and created a smaller, more cohesive department structure with three directors – Support Services, Business Development and Wales reporting to the Chief Executive.

Scheme support is now split in to three key areas. The business development team is focussed on encouraging and supporting the growth and development of services for carers by working with schemes in England to develop ideas and plans whilst the Wales team provide similar services to schemes in Wales. The support services team comprises a variety of services aimed at supporting schemes' day to day operation, including HR advice, provision of a policy framework, training sessions and quality assurance. A new, and key, appointment in the structure was the post of PR and Communications manager to provide a dedicated focus on this area of work, in response to feedback from the network.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

Financial review

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

- Unrestricted – containing the core activities of the Association in supporting the network
- Designated – where the Board has allocated unrestricted resources to fund specific projects
- Restricted – where funding has been provided for specific projects or activities
- Discontinued activities – during the year saw the culmination of a decision taken previously to either close or transfer to the network all the in-house schemes. The year under review saw the completion of that process and there are now no in-house schemes. Accordingly the in-house schemes are shown as a discontinued activity. These schemes are also an unrestricted activity.

Summary

There was a total surplus of £175,416 (2007 – deficit £198,322) of consolidated incoming resources over resources used in the financial year ending 31 March 2008. An analysis of the surplus is shown below:

	£
Unrestricted surplus	228,569
Designated deficit	(27,366)
Restricted surplus	230,125
Discontinued activities (in-house) deficit	(255,912)
Total surplus	175,416

After last year's unrestricted deficit of £73,411 a surplus of £45,841 was planned for 2007/2008. The actual surplus achieved was substantially higher at £228,569. The increase in performance arose mainly from better than anticipated voluntary income with legacies and a recurring donation both being above budget by £97,301 and £44,344 respectively. In both instances income from these sources is extremely difficult to anticipate. Costs were lower than budget by £9,765.

Designated fund expenditure totalled £27,366 during the financial year (2007 - £232,695). Last year's expenditure included a major campaign for committed giving at a cost of £191,045.

The restricted surplus of £230,125 (2007 - £42,153) showed a substantial increase over 2007. With restricted projects, funding is provided with restrictions over its use and sometimes the timescale within which it will be spent. On occasions the Association is prepared to expend monies in excess of the funding in order to successfully complete a project. In the year two projects were completed which required a transfer of £37,899 from unrestricted funds to complete the project. Further details of this transfer are provided in the reserves section of this report. Funding is obtained before expenditure is committed and sometimes the funding relates to longer than twelve months. The large surplus is therefore one of timing and the Association confidently expects to fully expend the funding. In the context of timing three projects are worthy of special mention:

- **MAN Young Carers Research**
Funding of £49,606 was provided to cover the costs of research into the relative costs and long term benefits of various interventions with young carers. The initial stages of this project, carried out during 2007/2008 entailed the identification of a suitable research organisation. This was completed towards the end of the financial year and the project is now properly underway, with completion scheduled for September 2008. This funding will thus be fully spent within the 2008/2009 financial year.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

- Department of Health
Funding of £35,000 was provided to help cover the costs of consultation with carers as part of the review of the Carers' Strategy in England. Due to the late receipt of the funding in relation to the consultation period set by the Government only £4,052 was spent in the year on this activity. We therefore obtained permission to utilise the remaining funds to support three carers' events during Carers' Week in June 2008. The full sum has been allocated to these events.
- Wales Lottery
Funding of £25,201 was provided of which only £1,000 was spent in the year. Work on the Big Lottery Wales Research project was suspended in June 2007 due to operational issues and with the agreement of both the Big Lottery and Bangor University. No payments were made to Bangor University until the work recommenced in 2008/2009, resulting in the surplus shown in the accounts.

The in-house schemes discontinued activity achieved a deficit of £255,912 (2007 – surplus £65,631). Included in this deficit were endowment payments of £260,778 to network schemes for working capital requirements consequent upon taking over in-house schemes. The underlying operational performance of these schemes was a surplus of £4,866, inclusive of the closure costs of one scheme. At the start of the year there were seven in-house schemes. On 1 April 2007 two schemes were transferred out into the network and a further four schemes were also transferred during the year whilst one non-viable scheme was closed. By the end of the financial year the Association had ceased all in-house activities.

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 £1,478,241 for the year (2007 - £1,423,089), whilst incoming resources from charitable activities reduced to £2,580,715 (2007 - £3,593,995) reflecting the reduced in-house income from ceasing the activity.

Unrestricted income

Income from generated funds for unrestricted activities was £1,306,471 (2007 - £1,167,807) with the increase arising in voluntary income. Voluntary income increased by £158,124 to £755,299. For the second year running there was a fall in trusts and corporate donors to £115,294 (2007 - £217,549 and 2006 - £272,039) which was more than offset by the receipt of Department of Health funds of £215,000. In addition general donations increased by £70,375 to £335,001 with committed giving income increasing after last year's donor development campaign by £41,907.

Income from charitable activities comprises mainly membership fees. Income from these fees showed a 3.8% increase at £417,537 (2007 - £402,123 and 2006 - £402,606).

Restricted income

Within restricted activities, income from generated funds increased by £37,587 to £167,050. There was an improvement of £85,990 on trusts and corporates inclusive of the MAN Group Young Carer Research funding referred to earlier. At the same time Lottery funding reduced by £76,377 to £25,201.

Income from charitable activities was 3.4% higher than last year at £1,488,487.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

In-house income

Income from charitable activities received by our in-house schemes was £666,929, a reduction of £1,085,390. This reduction arises from running a smaller number of schemes than last year together with both progressively transferring remaining schemes out into the network and closing one non viable scheme during the year.

Expenditure

Total expenditure on generating funds

The total cost of generating funds at £697,078 (inclusive of insurance costs and merchandising of £480,841) was £227,766 lower than last year and reflects last year's spend of £191,045 on donor development. The costs net of insurance and merchandising of £216,237 consist mainly of the fundraising and PR department.

Total expenditure on charitable activities

In total the resources expended on charitable activities reduced by £1,090,215 to £3,103,292.

Total resources expended on supporting the network were £1,217,170 (2007 - £1,393,361). Reductions occurred in restricted activities of £76,456 reflecting the mix and activity of the projects. Unrestricted activities also reduced by £95,343 due to the increased contribution from Crossroads Enterprises of £26,569 and the first savings affects of the restructuring exercise.

Total resources expended on carers were £1,886,122 (2007 - £2,800,146). This reduction arises from running a smaller number of schemes than last year together with both progressively transferring remaining schemes out into the network and closing one non-viable scheme during the year.

Total expenditure within unrestricted activities for the Association itself, rather than the group was £1,066,445 net of management fee income of £153,667 (2007 - £1,159,906).

Balance sheet

The consolidated net incoming resources for the year of £175,416 (2007 – outgoing £198,322) was adjusted by a reduction in the market value of investments of £72,756. This provides a total consolidated net asset value for the Association at 31 March 2008 of £2,002,395 (2007 - £1,899,735) see note 12.

Current assets included cash and cash equivalents held by the group at 31 March 2008 of £1,208,822 (2007 - £921,559). This sum included a number of cash balances which were held in interest bearing accounts in support of restricted projects listed in note 14.

Reserves

The reserves of the group increased by £102,660 over the financial year and totalled £2,002,395 at 31 March 2008 as described in note 12 to the accounts.

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.

Transfers between the reserve categories are shown in note 18 to the accounts.

- Transfer from unrestricted to restricted to absorb deficits on the ACE and TOP restricted projects of £37,899 on completion of the projects.
- Transfer of the balance of in-house reserves, following cessation of this activity, to designated funds.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

- Transfer of unrestricted funds in excess of those required to achieve the Board's General Reserve Fund policy to designated funds. This transfer arises from both the unrestricted activities surplus for the year and the need for a General Reserve Fund £65,191 lower than last year because the forecasted unrestricted expenditure for 2008/2009 is at a lower level than that for 2007/2008 following the restructuring exercise.

The designed reserve fund now stands at £474,881 and has been designated as below:

	£
Strategic review	75,000
• Further information on this project is provided in plans for the future.	
	£
Network support	145,000
• A two year programme of improvement in services and support to the network reflecting network schemes views, provided by the quarterly surveys, of services and support required from Crossroads Association. Areas that will be covered by this programme include:	
- PR and communications	
- Marketing	
- Service development	
	£
Fundraising	105,000
• Projects within this area will include:	
- Piloting assistance to network schemes on local fundraising	
- A national approach to a charity run benefiting all network schemes	
- Consultancy support	
	£
Donor development	130,000
• The fund to date has been built up over two years but this fund needs to be increased further before the Board can consider committing to a further campaign. This will be considered if funds permit in 2009/2010.	
	£
Others	20,000

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (*Continued*)

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.

Market value of investments reduced by 10% (2007 – 5% growth during the financial year, whilst investment income was £25,644 (2007 – £21,497) providing a 4% return on the capital invested as at 31 March 2008. As a result there was a total negative return of 6%. The capital erosion resulted from poor and turbulent stock market conditions. Your Board continues to review the situation at each Board meeting. We are of the view that we are unlikely to need to liquidate these investments in the medium term and can take a longer term view of these market conditions. Historically stock market investment has provided a better return than cash deposits. Trustees have a duty to balance the interests of current and future beneficiaries and holding some equity investments helps the Board to meet this duty.

Crossroads Enterprises Limited

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

A surplus of £39,364 was transferred by deed of covenant to the Association (2007 – £12,795). The activities include the provision of insurance cover for Crossroads carer support and other trading activities. During 2008/2009 we plan to increase the volume and scope of other trading activities to network schemes and third parties as part of a strategy to increase sustainable funding for the Association.

Plans for the future

Support for carers will continue to have a high profile in the next 12 months with the publication of the new national carer's strategy and the debate on the transformation of social care in England. Crossroads Association will participate as a member of the national stakeholder panel that has been established as part of the consultation leading to a Green Paper on the funding of care. We will continue to be engaged with the Department of Health and other Government departments to support the implementation of the recommendations contained in the Carers Strategy which we anticipate will provide a focus on services that give carers a break. We will work with the Welsh Assembly Government to support the development of policy and practice.

The transformation of social care in England encompasses personalisation – the drive to ensure that people who use services are in control, have choice about what services they use and are able to live their lives as fully as possible. This shift will have a potential huge impact on traditional sources of funding for Crossroads schemes and supporting schemes to respond to the changes that personalisation will bring will be a key focus of the newly established Business Development Team.

The impact of changes in the external environment and the benefits that are now being seen in the network as a result of mergers and collaborative working mean that the Association and the network needs to clarify the range and type of services we will provide in future and how we will help carers access them. We will take forward a strategic review during the coming year involving the network with the aim of agreeing a set of strategic aims for the network and the Association. The review will also consider what services and support the Association should provide to local schemes in future.

Crossroads Association

Trustees' responsibilities for the year ended 31 March 2008 (Continued)

We will continue to invest in PR and Communications developing the newsletter and increasing its circulation so that more people are aware of the role of Crossroads and how we can provide impartial support to carers and the people they support.

Through the Support Services function we will develop and expand the policy framework that is critical to high quality provision. Quality assurance and training will also have a key role to play in supporting schemes and scheme staff.

As well as encouraging collaborative working both within schemes with other local organisations we will maintain our focus on developing partnerships with condition specific organisations as well as the other carers organisations in England and Wales. This will enable us to develop and pilot innovative approaches to carer support.

Trustees' responsibilities

Under the Companies Act 1985, the Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the financial year and of the incoming resources and application of resources in the year. In preparing the statement the Trustees are required to:

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

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 or 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



R CARTWRIGHT

22 July 2008

Crossroads Association

Report of the independent auditors on the audited financial statements

We have audited the financial statements of Crossroads Limited for the year ended 31 March 2008 which comprise the consolidated and charity statement of financial activities, the consolidated income and expenditure account, the consolidated and charity balance sheets, the consolidated 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. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if 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.

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.

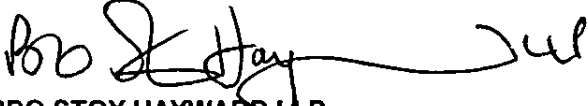
Crossroads Association

Report of the independent auditors on the audited financial statements *(Continued)*

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 2008, and of the group'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
and Registered Auditors
Birmingham

Date 8 August 2008

Crossroads Association

Consolidated statement of financial activities for the year ended 31 March 2008

Note	Un- restricted funds £	Un- Restricted Designated Funds £	Restricted funds £	Un- restricted dis- continued activities £	Total funds 2008 £	2007 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income						
Funding from trusts and corporate donors	115,294	-	91,381	-	206,675	222,940
General donations including committed giving and other sundry income (inc Gift Aid)	335,001	-	39,137	4,720	378,858	403,556
National Gardens Scheme	65,000	-	-	-	65,000	65,000
Grants for core funding	215,004	-	-	-	215,004	-
Lottery funding	-	-	25,201	-	25,201	101,578
Gifts in kind	25,000	-	-	-	25,000	50,000
	<u>755,299</u>	<u>-</u>	<u>155,719</u>	<u>4,720</u>	<u>915,738</u>	<u>843,074</u>
Activities for generating funds						
Income from training and publications	149	-	11,331	-	11,480	17,871
Merchandising	13,871	-	-	-	13,871	15,109
Insurance	459,643	-	-	-	459,643	474,213
	<u>473,663</u>	<u>-</u>	<u>11,331</u>	<u>-</u>	<u>484,994</u>	<u>507,193</u>
Investment income						
Dividends	25,644	-	-	-	25,644	21,497
Interest	51,865	-	-	-	51,865	51,325
	<u>77,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,509</u>	<u>72,822</u>
Total incoming resources from generated funds	<u>1,306,471</u>	<u>-</u>	<u>167,050</u>	<u>4,720</u>	<u>1,478,241</u>	<u>1,423,089</u>

Crossroads Association

Consolidated statement of financial activities for the year ended 31 March 2008 (Continued)

	Note	Un- restricted funds £	Un- restricted designated Funds £	Restricted funds £	Un- restricted dis- continued activities £	Total funds 2008 £	2007 £
Incoming resources from charitable activities							
Income to support the network	16	430,019	-	434,950	-	864,969	828,727
Income to support carers	17	-	-	1,053,537	662,209	1,715,746	2,765,268
Total incoming resources from charitable activities		430,019	-	1,488,487	662,209	2,580,715	3,593,995
Less:							
Costs of generating funds	5	679,712	17,366	-	-	697,078	924,844
Governance costs	5	83,170	-	-	-	83,170	97,055
Total incoming resources available for charitable application		973,608	(17,366)	1,655,537	666,929	3,278,708	3,995,185
Total incoming resources		1,736,490	-	1,655,537	666,929	4,058,956	5,017,084
Resources expended on charitable activities							
Costs to support the network		745,039	10,000	462,131	-	1,217,170	1,393,361
Costs to support carers		-	-	963,281	922,841	1,886,122	2,800,146
		745,039	10,000	1,425,412	922,841	3,103,292	4,193,507
Total resources expended	5	1,507,921	27,366	1,425,412	922,841	3,883,540	5,215,406
Net incoming/ (outgoing) resources before transfers	2	228,569	(27,366)	230,125	(255,912)	175,416	(198,322)
Gross transfers between funds		(293,760)	383,862	37,899	(128,001)	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses		(65,191)	356,496	268,024	(383,913)	175,416	(198,322)

Crossroads Association

Consolidated statement of financial activities for the year ended 31 March 2008 (Continued)

	Note	Un- restricted funds £	Un- restricted designated Funds £	Restricted funds £	Un- restricted dis- continued activities £	Total funds 2008 £	2007 £
Other recognised gains (losses)							
Gains (losses) on investments		(72,756)	-	-	-	(72,756)	14,723
Net movement in funds		(137,947)	356,496	268,024	(383,913)	102,660	(183,599)
Reconciliation of funds							
Total funds brought forward		835,696	118,385	561,741	383,913	1,899,735	2,083,334
Total funds carried forward		697,749	474,881	829,765	-	2,002,395	1,899,735

The notes on pages 30 to 42 form part of these financial statements.

Crossroads Association

Consolidated summary income and expenditure account for the year ended 31 March 2008

	Continuing operations £	Discontinued operations £	2008 £	2007 £
Total income	3,340,162	666,929	4,007,091	4,965,759
Total expenditure	2,832,698	1,050,842	3,883,540	5,215,406
Operating surplus (deficit)	507,464	(383,913)	123,551	(249,647)
Interest receivable			51,865	51,325
Surplus (deficit) on ordinary activities before taxation			175,416	(198,322)
Taxation			-	-
Retained surplus (deficit) for the year			175,416	(198,322)

The Consolidated summary of Income and Expenditure account is derived from the Statement of Financial Activities on pages 17 to 19, which together with the notes to the accounts on pages 30 to 42 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 2008

Note	Un- restricted funds £	Un- restricted designated funds £	Restricted funds £	Un- restricted dis- continued Activities £	Total funds 2008 £	2007 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income						
Funding from trusts and corporate donors	115,294	-	91,381	-	206,675	222,940
General donations including committed giving and other sundry income (inc Gift Aid)	335,001	-	39,137	4,720	378,858	403,556
National Gardens Scheme	65,000	-	-	-	65,000	65,000
Grants for core funding	215,004	-	-	-	215,004	-
Lottery funding	-	-	25,201	-	25,201	101,578
Gifts in kind	25,000	-	-	-	25,000	50,000
	755,299	-	155,719	4,720	915,738	843,074
Activities for generating funds						
Income from training and publications	149	-	11,331	-	11,480	17,871
Merchandising	145	-	-	-	145	346
	294	-	11,331	-	11,625	18,217
Investment income						
Subsidiary income	39,364	-	-	-	39,364	12,795
Dividends	25,644	-	-	-	25,644	21,497
Interest	44,394	-	-	-	44,394	43,434
	109,402	-	-	-	109,402	77,726
Total incoming resources from generated funds	864,995	-	167,050	4,720	1,036,765	939,017

Crossroads Association

Statement of financial activities for the year ended 31 March 2008 (Continued)

	Note	Un- restricted funds £	Un- restricted designated funds £	Restricted funds £	Un- restricted dis- continued activities £	Total funds	
						2008 £	2007 £
Incoming resources from charitable activities							
Income to support the network	16	430,019	-	434,950	-	864,969	828,727
Income to support carers	17	-	-	1,053,537	662,209	1,715,746	2,765,268
Total incoming resources from charitable activities		430,019	-	1,488,487	662,209	2,580,715	3,593,995
Less:							
Costs of generating funds	5	198,872	17,366	-	-	216,238	427,977
Governance costs	5	83,170	-	-	-	83,170	97,055
Total incoming resources available for charitable application		1,012,972	(17,366)	1,655,537	666,929	3,318,072	4,007,980
Total incoming resources		1,295,014	-	1,655,537	666,929	3,617,480	4,533,012
Resources expended on charitable activities							
Costs to support the network		784,403	10,000	462,131	-	1,256,534	1,406,156
Costs to support carers		-	-	963,281	922,841	1,886,122	2,800,146
		784,403	10,000	1,425,412	922,841	3,142,656	4,206,302
Total resources expended	5	1,066,445	27,366	1,425,412	922,841	3,442,064	4,731,334
Net incoming/ (outgoing) resources before transfers		228,569	(27,366)	230,125	(255,912)	175,416	(198,322)
Gross transfers between funds		(293,760)	383,862	37,899	(128,001)	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses		(65,191)	356,496	268,024	(383,913)	175,416	(198,322)

Crossroads Association

Statement of financial activities for the year ended 31 March 2008 (Continued)

	Note	Un- restricted funds £	Un- restricted designated Funds £	Restricted funds £	Un- restricted dis- continued activities £	Total funds 2008 £	2007 £
Other recognised gains (losses)							
Gains (losses) on Investments		(72,756)	-	-	-	(72,756)	14,723
Net movement in funds		<u>(137,947)</u>	<u>356,496</u>	<u>268,024</u>	<u>(383,913)</u>	<u>102,660</u>	<u>(183,599)</u>
Reconciliation of funds							
Total funds brought forward		828,560	118,385	561,741	383,913	1,892,599	2,076,198
Total funds carried forward		<u>690,613</u>	<u>474,881</u>	<u>829,765</u>	<u>-</u>	<u>1,995,259</u>	<u>1,892,599</u>

Crossroads Association

Consolidated balance sheet 31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	8		193,852		207,693
Investments					
Investments	9		651,078		723,834
Total fixed assets			844,930		931,527
Current assets					
Stock and work in progress		6,256		5,750	
Debtors	10	151,847		446,371	
Short term deposits		669,172		554,187	
Cash at bank and in hand		539,650		367,372	
		1,366,925		1,373,680	
Creditors – amounts falling due within one year	10	209,460		405,472	
Net current assets			1,157,465		968,208
Net assets			2,002,395		1,899,735
Funds					
Restricted income funds	14		829,765		561,741
Unrestricted income funds					
General reserve	12		580,907		646,098
In-house scheme reserves	12		-		383,913
Designated reserve	12		474,881		118,385
Revaluation reserve	12		116,842		189,598
Total unrestricted income funds			1,172,630		1,337,994
			2,002,395		1,899,735

Approved by the board of Trustees on 22 July 2008
and signed on its behalf by:



D WRIGHT
Chair

Crossroads Association

Balance sheet
31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	8		193,852		207,693
Investments					
Investments	9		651,079		723,835
Total fixed assets			844,931		931,528
Current assets					
Stock and work in progress		-		-	
Debtors	10	220,875		453,289	
Short term deposits		669,172		554,187	
Cash at bank and in hand		460,319		356,068	
		1,350,366		1,363,544	
Creditors – amounts falling due within one year	11	200,038		402,473	
Net current assets			1,150,328		961,071
Net assets			1,995,259		1,892,599
Funds					
Restricted income funds	14		829,765		561,741
Unrestricted income funds					
General reserve	13		573,771		638,962
In-house scheme reserves	13		-		383,913
Designated reserve	13		474,881		118,385
Revaluation reserve	13		116,842		189,598
Total unrestricted income funds			1,165,494		1,330,858
			1,995,259		1,892,599

Approved by the board of Trustees on 22 July 2008
and signed on its behalf by:



D WRIGHT
Chair

Crossroads Association

Consolidated cashflow statement sheet for the year ended 31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Net cash (inflow) outflow from Operating activities	(1 below)		214,335		(360,574)
Returns on investment and the servicing of finance					
Dividends		25,644		21,497	
Interest		51,865		51,325	
			77,509		72,822
Investing activities					
Purchase of tangible fixed assets		(8,936)		(21,443)	
Proceeds from sale of tangible fixed assets		4,355		264	
Purchase of investments		-		(18,799)	
Net cash (outflow) inflow from investing activities			(4,581)		(39,978)
Increase (decrease) in cash and cash equivalent	(2 below)		287,263		(327,730)
Cash and cash equivalents at 31 March 2007			921,559		1,249,289
Cash and cash equivalents at 31 March 2008			1,208,822		921,559

1 Reconciliation of changes in resources to net cash outflow from operating activities

	2008 £	2007 £
Change in resources before revaluation	175,416	(198,322)
Depreciation	15,990	23,680
(Gain) loss from sale of tangible fixed assets	2,432	222
(Loss) on disposal of investments		
Assets previously capitalised now written off	-	4,556
(Increase) decrease in stocks	(506)	2,522
(Increase) decrease in debtors	294,524	(153,378)
(Decrease) increase in creditors	(196,012)	32,968
Dividends	(25,644)	(21,497)
Interest	(51,865)	(51,325)
	214,335	(360,574)

Crossroads Association

Consolidated cashflow statement sheet for the year ended 31 March 2008 (*Continued*)

2 Analysis of changes in cash and cash equivalents during the year

	2008 £	2007 £
Cash at bank and in hand	<u>1,208,822</u>	<u>921,559</u>

Crossroads Association

Cashflow statement sheet for the year ended 31 March 2008

	Note	2008 £	2008 £	2007 £	2007 £
Net cash inflow (outflow) from operating activities	(1 below)		114,415		(339,881)
Returns on investment and the servicing of finance					
Subsidiary		39,364		12,795	
Dividends		25,644		21,497	
Interest		44,394		43,434	
			109,402		77,726
Investing activities					
Purchase of tangible fixed assets		(8,936)		(21,443)	
Proceeds from sale of tangible fixed assets		4,355		264	
Purchase of investments		-		(18,799)	
Net cash (outflow) inflow from investing activities			(4,581)		(39,978)
(Increase) decrease in cash and cash equivalent	(2 below)		219,236		(302,133)
Cash and cash equivalents at 31 March 2007			910,255		1,212,388
Cash and cash equivalents at 31 March 2008			1,129,491		910,255

1 Reconciliation of changes in resources to net cash inflow (outflow) from operating activities

	2008 £	2007 £
Change in resources before revaluation	175,416	(198,322)
Depreciation	15,990	23,680
(Gain) loss from sale of tangible fixed assets	2,432	222
(Loss) on disposal of investments	-	4,556
Assets previously capitalised now written off	232,414	(127,626)
Increase in debtors	(202,435)	35,335
(Decrease) increase in creditors	(39,364)	(12,795)
Subsidiary income	(25,644)	(21,497)
Dividends	(44,394)	(43,434)
Interest		
	114,415	(339,881)

Crossroads Association

Cashflow statement sheet for the year ended 31 March 2008 (*Continued*)

2 Analysis of changes in cash and cash equivalents during the year

	2008 £	2007 £
Cash at bank and in hand	<u>1,129,491</u>	<u>910,255</u>

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008

1 Accounting policies

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" published 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.

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 net assets concerned. The principal annual rates used for this purpose are:

Motor vehicles	- 25%
Fixtures and fittings	- 10-333%

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.

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.

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.

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.

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.

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008 (Continued)

1 Accounting policies (Continued)

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.

Operating leases

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

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.

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 unrestricted 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. |

Valuation of donated services

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

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008 (Continued)

2	Operating results	2008 Group £	2008 Company £	2007 Group £	2007 Company £
	The results are stated after charging:				
	Depreciation of tangible fixed assets	15,990	15,990	23,680	23,680
	Auditors' remuneration				
	- Audit fees	15,600	15,600	15,000	13,000
	- Other services	3,400	3,400	-	-
	Operating lease rentals:				
	- Land and buildings	114,924	114,924	113,742	113,742
	- Other	7,763	7,763	12,575	12,575
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

3 Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2007 - £nil).

Out of pocket expenses were reimbursed to the Trustees as follows:

	2008 Number	2007 Number	2008 £	2007 £
	9	9	6,047	14,205
4	Staff costs			
	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
	Wages, salaries and redundancy costs	1,621,938	1,613,927	2,444,819
	Social security costs	155,256	153,609	202,016
	Pension costs	53,630	52,672	74,172
	1,830,824	1,820,208	2,721,007	2,715,848

Note: redundancy costs included in the above amount to £16,986 (2007 - £17,541).

No employee earned more than £60,000.

The average monthly number of employees during the year was:

	Group 2008	Company 2008	Group 2007	Company 2007
Central structure (central office, appeals and area staff)	23	22	23	22
In-house projects and schemes	106	106	198	198
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	129	128	221	220
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Crossroads Association

Notes to the financial statements
for the year ended 31 March 2008 (Continued)

5 Resources expended

	Company						
	Employment costs including training £	Facility and services costs £	Compliance costs £	Fund-raising and PR costs £	Other costs inc project costs £	Total 2008 £	Total 2007 £
Costs of generating funds	76,442	68,307	-	65,200	6,289	216,238	427,977
Governance costs	40,899	21,217	17,000	1,028	3,026	83,170	97,055
Charitable activities							
Support to network	887,171	267,133	-	1,682	100,548	1,256,534	1,406,156
Support to carers	885,148	208,160	1,242	2,851	788,721	1,886,122	2,800,146
Total charitable activities	1,772,319	475,293	1,242	4,533	889,269	3,142,656	4,206,302
Total resources expended	1,889,660	564,817	18,242	70,761	898,584	3,442,064	4,731,334
	Group						
	Employment costs including training £	Facility and services costs £	Compliance costs £	Fund-raising and PR costs £	Other costs inc project costs £	Total 2008 £	Total 2007 £
Costs of generating funds	87,059	494,938	-	65,200	49,881	697,078	924,844
Governance costs	40,899	21,217	17,000	1,028	3,026	83,170	97,055
Charitable activities							
Support to network	887,171	267,133	-	1,682	61,184	1,217,170	1,393,361
Support to carers	885,148	208,160	1,242	2,851	788,721	1,886,122	2,800,146
Total charitable activities	1,772,319	475,293	1,242	4,533	849,905	3,103,292	4,193,507
Total resources expended	1,900,277	991,448	18,242	70,761	902,812	3,883,540	5,215,406

Support costs consist of the following:

	2008 £	2007 £
Staff costs	312,130	359,117
Office costs	100,152	102,169
Fundraising costs	446	-
Other costs	36,334	38,260
	449,062	499,545

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008 (Continued)

5 Resources expended (Continued)

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

6 Net income from subsidiary undertakings

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.

	2008 £	2007 £
Turnover	473,370	488,977
Cost of sales	399,445	473,294
Gross profit	73,925	15,683
Administrative costs	81,396	23,573
Operating loss	(7,471)	(7,890)
Interest receivable and similar income	7,471	7,890
Net profit before taxation	-	-
Taxation	-	-
Retained in subsidiary	-	-

7 Grants received

The following material grants were received in the year:

	2008 £	2007 £
Welsh Assembly Government S64	194,400	189,600
Hertfordshire County Council (care grants)	361,696	515,140
Hertfordshire County Council (Herts Officer)	25,500	833
Norfolk County Council	432,727	422,414
Leicester City Council	87,820	281,943
Leicester PCT (Mental outreach project)	112,272	112,272
Essex County Council	22,000	22,000
Blackburn with Darwen Council	18,868	90,535
Cheshire County Council	83,461	77,060
Gwynedd council	19,777	98,284
Northamptonshire County Council	601	601
Anonymous donor (North East project)	62,500	62,500
MAN - Group Young Carer research	49,606	-
Department of health – carer consultation	35,000	-

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008 (Continued)

7	Grants received (Continued)	2008	2007	
		£	£	
	Northampton PCT	-	35,064	
	Epping Forest District Council	-	42,000	
	Epping Forest PCT	-	26,189	
	Macmillan	78,165	175,996	
	Big Lottery fund – Research Grant + URN: RG/1/010086137:			
	Carers for people with mental health problems with Bangor University	25,201	99,258	
	Lloyds TSB – Training manager	40,200	-	
	Future builders	21,020	-	
8	Tangible fixed assets			
		Freehold land and buildings £	Fixtures And Fittings £	Total £
	Cost			
	At 1 April 2007	170,000	70,676	240,676
	Additions	-	8,936	8,936
	Disposals/retirements	-	(8,935)	(8,935)
	At 31 March 2008	170,000	70,677	240,677
	Depreciation			
	At 1 April 2007	-	32,983	32,983
	Disposals/retirements	-	(2,148)	(2,148)
	Charge for the year	-	15,990	15,990
	At 31 March 2008	-	46,825	46,825
	Net book value			
	At 31 March 2007	170,000	37,693	207,693
	At 31 March 2008	170,000	28,472	193,852

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 end 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 2008 (Continued)

9 Investments	2008 £	2007 £
Market value at 1 April 2007	723,834	690,312
Less: Disposals at opening book value	-	-
Add: Acquisitions at cost	-	18,799
Add: Net gain (loss) on revaluations at 31 March 2008	(72,756)	14,723
Market value at 31 March 2008	651,078	723,834
Historical cost at 31 March 2008	637,927	637,927
Total gains and losses on investments		
Realised gains (losses)	-	-
Unrealised gains (losses) as above	(72,756)	14,723
	(72,756)	14,723
 The valuation shown above on 31 March 2008 consists of the following:	 2008 £	 2007 £
Barclays UK Balanced Portfolio	573,099	642,488
Barclays Income Portfolio	59,729	61,096
Eurovestech	18,250	20,250
	651,078	723,834

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 (2007 - £7,137). Total investments of the charitable company at 31 March 2008 amounted to £651,079 (2007 - £723,835).

10 Debtors	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Trade debtors	65,362	62,999	210,166	204,289
Other debtors	52,656	52,656	176,847	176,847
Prepayments	33,829	28,701	59,358	59,358
Amounts due from group undertakings	-	76,519	-	12,795
	151,847	220,875	446,371	453,289

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008 (Continued)

11 Creditors	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Trade creditors	77,763	70,341	102,566	101,499
Social security and other taxation	38,750	38,750	2,594	2,594
Accruals	88,555	86,555	290,045	288,113
Other creditors	4,392	4,392	10,267	10,267
	<u>209,460</u>	<u>200,038</u>	<u>405,472</u>	<u>402,473</u>

Included in other creditors is 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 2007	646,098	383,913	118,385	561,741	189,598	1,899,735
Incoming (outgoing) resources for the year	228,569	(255,912)	(27,366)	230,125	-	175,416
Revaluation gains on investments	-	-	-	-	(72,756)	(72,756)
Transfers	(293,760)	(128,001)	383,862	37,899	-	-
	<u>580,907</u>	<u>-</u>	<u>474,881</u>	<u>829,765</u>	<u>116,842</u>	<u>2,002,395</u>

13 Reserves for the company	General fund £	In-house schemes £	Designated funds £	Restricted funds £	Revaluation reserve £	Total £
At 1 April 2007	638,962	383,913	118,385	561,741	189,598	1,892,599
Incoming (outgoing) resources for the year	228,569	(255,912)	(27,366)	230,125	-	175,416
Revaluation gains on investments	-	-	-	-	(72,756)	(72,756)
Transfers	(293,760)	(128,001)	383,862	37,899	-	-
	<u>573,771</u>	<u>-</u>	<u>474,881</u>	<u>829,765</u>	<u>116,842</u>	<u>1,995,259</u>

Crossroads Association

Notes to the financial statements
for the year ended 31 March 2008 (Continued)

14 Restricted funds

	Balance at 1.4.2007 £	Net movement in funds £	Transfer from un- restricted funds £	Balance 31.3.2008 £
Wales (including Wales Committee)	143,110	30,052	-	173,162
Young carer projects	14,568	-	-	14,568
Other projects	2,351	-	-	2,351
Norfolk projects	201,588	52,923	-	254,511
Cheshire project	22,929	390	-	23,319
Kidz Out Funding	1,464	-	-	1,464
TOPPS Funding	2,858	(5,775)	2,917	-
Hertfordshire carers money	28,080	1,854	-	29,934
Wales Lottery Project	32,155	24,201	-	56,356
Playscheme	9,915	-	-	9,915
Time Please Project	4,528	-	-	4,528
Learning skills	12,072	(12,072)	-	-
Black and ethnic worker	26,514	(5,866)	-	20,648
Carers panels	6,775	-	-	6,775
Macmillan project	19,319	7,515	-	26,834
Hertfordshire County Officer	8,129	5,134	-	13,263
Action for Carers in Employment	(26,867)	(8,115)	34,982	-
North East Project	50,881	14,189	-	65,070
In-house schemes – misc restricted fund	1,372	(1,372)	-	-
Dept of Health (carer consultation)	-	30,948	-	30,948
Training	-	14,079	-	14,079
Leicester Mental Health Outreach	-	22,236	-	22,236
MAN Group Young Carers research	-	49,606	-	49,606
Others	-	10,198	-	10,198
	561,741	230,125	37,899	829,765

Wales

Crossroads Wales is in part funded by the Welsh 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.

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 sachems are working with the County Officer to achieve a higher profile for Crossroads in the area and improved services to Carers as a result.

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008 (*Continued*)

14 Restricted funds (*Continued*)

Norfolk Young Carers Project

Crossroads Young Carers project started in 2000 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 co-ordinating services to make life easier for all family members. The Project provides advocacy, emotional and practical support to young carers on all aspects 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 and 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

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

Operational phase, during which a small number of schemes in England and Wales identified the needs of carers who are working or who are seeking to return to work, and piloted services specific to meet their needs (May 2005 – April 2007).

Dissemination phase, during which the Association started to disseminate the lessons from the project to raise the profile of this group of carers as well as to disseminate the good practice identified amongst the membership (May – December 2007).

Funded by income from the European Social Fund EQUAL Programme matched by the value of the Association's project activities throughout, and that of the participating pilot schemes project activities during the operational phase.

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.

Crossroads Association

Notes to the financial statements for the year ended 31 March 2008 (Continued)

14 Restricted funds (Continued)

Black & Ethnic Community Outreach Development Officer for Basildon, Harlow and 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.

Leicester Mental Health Outreach

This service, funded by Leicester City PCT, was originally part of Leicester City Crossroads, one of the in-house schemes. Although the Scheme became financially unviable, this service was sustainable, and is being managed as an Association Project for the time being. It provides emotional support, information, signposting, and peer support to carers of people with mental health problems.

15 In-house scheme reserves

	Balance at 1.4.2007 £	Endowments on transfer of schemes £	Net movement in funds £	Transfer to designated fund £	Balance at 31.3.2008 £
Leicester City Scheme	75,426	-	(57,503)	(17,923)	-
Epping Forest Scheme	5,958	42,029	(82,445)	34,458	-
Suffolk Coastal Scheme	(19,132)	-	(330)	19,462	-
Blackburn with Darwen Scheme	53,460	24,749	(60,992)	(17,217)	-
North & East Herts Scheme	325,417	60,000	(47,925)	(337,492)	-
Northampton Scheme	81,478	30,000	(70,071)	(41,407)	-
Milton Keynes Scheme	(72,960)	70,000	(148,315)	151,275	-
Gwynedd Scheme	39,302	34,000	(64,057)	(9,245)	-
Basildon Scheme	(60,169)	-	(998)	61,167	-
Isle of Wight Scheme	(44,867)	-	(409)	45,276	-
Old schemes	-	-	16,355	(16,355)	-
	383,913	260,778	(516,690)	(128,001)	-

As further explained in the Trustees Report all in-house schemes were transferred out to the network by the end of the year.

Crossroads Association

Notes to the financial statements
for the year ended 31 March 2008 (Continued)

16 Income to support the network

	Unrestricted funds £	Restricted Funds £
Statutory grants	-	194,400
Other support grants	-	177,472
Membership fees	417,537	63,078
ACE income	12,482	-
	<u>430,019</u>	<u>434,950</u>

17 Income to support carers

	Dis-Continued activities £	Restricted Funds £
Statutory grants	-	35,000
Grants for direct care and support	332,174	1,018,537
Other direct care and support income	330,035	-
	<u>662,209</u>	<u>1,053,537</u>

18 Transfer of funds

	Unrestricted funds £	In-house schemes funds £	Designated funds £	Restricted funds £
Transfers of deficits from restricted funds:				
ACE	(34,982)	-	-	34,982
TOPPS	(2,917)	-	-	2,917
Transfers between unrestricted and designated funds	(255,861)	(128,001)	383,862	-
	<u>(293,760)</u>	<u>(128,001)</u>	<u>383,862</u>	<u>37,899</u>

Transfers from unrestricted to restricted in respect of deficits on ACE and Topps projects which had reached the end of their lives during the year.

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

Following the cessation of in-house activities the remaining reserves were transferred from in-house schemes to designated.

Crossroads Association

Notes to the financial statements
for the year ended 31 March 2008 (Continued)

19 Analysis of net assets between funds

	Unrestricted funds inc revaluation reserves	Company		Total £
		Designated funds £	Restricted funds £	
Fixed assets	193,852	-	-	193,852
Investments	651,079	-	-	651,079
Net current assets	(154,318)	474,881	829,765	1,150,328
	<u>690,613</u>	<u>474,881</u>	<u>829,765</u>	<u>1,995,259</u>

	Unrestricted funds inc revaluation reserves	Group		Total £
		Designated funds £	Restricted funds £	
Fixed assets	193,852	-	-	193,852
Investments	651,078	-	-	651,078
Net current assets	(147,181)	474,881	829,765	1,157,465
	<u>697,749</u>	<u>474,881</u>	<u>829,765</u>	<u>2,002,395</u>

20 Operating lease commitments

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

	Land and buildings 2008 £	Other 2008 £	Land and buildings 2007 £	Other 2007 £
Expiring:				
Within one year	14,688	-	48,577	-
In two to five years	-	9,767	6,390	-
Over five years	8,367	-	54,967	7,895
	<u>23,055</u>	<u>9,767</u>	<u>109,934</u>	<u>7,895</u>

21 Gifts in kind

Group and company

Gifts in kind represent the Trustees' valuation of rent and services of the London office, being £25,000 and £50,000 respectively for both the current and previous period.