

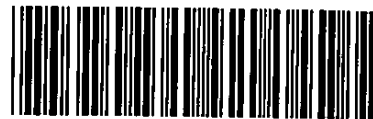
Crossroads Association

Registered Number 1544708

Report and Financial Statements

Year Ended 31 March 2011

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Crossroads Association

Annual report and financial statements for the year ended 31 March 2011

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Crossroads Association

Trustees' report for the year ended 31 March 2011

The Trustees present their annual report and the audited financial statements for the year ended 31 March 2011

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 2011 are listed as follows

Esrald Bennett
Mark Currie (Treasurer)
Elin Fitzpatrick
Robin Foster (Vice Chair to 17 November 2010)
Patrick Healy (Chair from 17 November 2010)
Peter Mayer
John Oldham (retired 17 November 2010)
Sohail Rasul (Vice chair from 17 November 2010)
Merfyn Roberts (retired 17 November 2010)
David Stone
Joyce Wilcock (from 17 November 2010)
David Wright (Chair to 17 November 2010 and retired as Trustee on the same date)

There were no appointments since the year-end

Chief Executive Officer Anne Roberts
Auditors, BDO LLP, 125 Colmore Row, Birmingham West Midlands B3 3SD
Solicitors, Hill Hofstetter 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, 14 November 2006 and 5 May 2011

Crossroads Association and its Member Schemes are collectively referred to as Crossroads Care

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Trustees' report for the year ended 31 March 2011 (*Continued*)

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, by ordinary resolution, the number of trustees, which shall be not less than five and not more than seventeen. It is currently eleven.
- 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 in which case they may only be appointed by special resolution of the Board.
- 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.

	2011 £	2010 £
Insurance cost	734	515

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.

Crossroads Association

Trustees' report for the year ended 31 March 2011 (*Continued*)

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
- Strategy

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.

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 because 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

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

Crossroads Association

Trustees' report for the year ended 31 March 2011 (Continued)

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

Strategy

- Sponsor and provide oversight of the Strategic Review
- Determine how the Review shall be taken forward
- Provide oversight of the Project Team
- Oversee implementation of the results of the Review

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, Director of Support Services, Director of Marketing, 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 in place a comprehensive appraisal system for the Board and individual Trustees.

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 is kept under review to ensure that it meets current needs.

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Trustees' report for the year ended 31 March 2011 (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 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 7 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.

Vision and Mission

Crossroads Care wants every carer to be recognised, supported and offered services to help them maintain their own health and well being. We aim to achieve this vision through

- providing services that respond to the needs of carers and the people they support, offering them peace of mind and understanding, and
- working with carers and other stakeholders to influence service innovation and growth

As a result of the Strategic Review which has been underway during the past 18 months we have agreed a set of strategic objectives with the network of Crossroads Care schemes throughout England and Wales. The agreed strategic objectives are as follows

Crossroads Association

Trustees' report for the year ended 31 March 2011 (Continued)

To provide services for carers

To provide a range of services for carers and the people they support which

- enable carers to have a life of their own outside caring
- enhance the health and wellbeing of both carers and the people they support
- are flexible, high quality and tailored to meet the particular needs of individual carers, the people they support and the wider family unit where there is one

To encourage, and contribute to the development of, comprehensive carers' services that are both available and accessible in each local area

To review the extent to which Crossroads Care services are fully accessible to minority groups and implement appropriate activity to increase accessibility

To maintain a comprehensive local knowledge of the services available for carers in order to be able to effectively signpost carers to other providers if Crossroads Care cannot assist

To influence policy

To raise and maintain awareness of carers' issues (with a particular focus on service requirements) amongst politicians, policy makers and commissioners at both national and local level

To grow and develop

To achieve sustainable growth so that more Crossroads Care services are available to more carers in more places without loss of service quality. Indicators of this growth will be increases in

- the number of carers supported by Crossroads Care services
- the number of care and support hours (including assessments) provided
- the range of services provided
- the number of areas where Crossroads Care services are available
- the total income of the network of Crossroads Care organisations

To increase the proportion of Crossroads Care's funding that comes from sources other than statutory sources, with a particular focus on increasing the proportion of funds generated to spend on charitable activity

To explore and develop an appropriate means to measure improvements in outcomes for carers and the people they support, at national, local and individual levels

To provide more charitable activities to meet needs of carers and the people they support that are not being satisfactorily met via statutory or private funding

To raise awareness

To achieve increased awareness of the Crossroads Care 'brand' amongst carers, the people they support, potential supporters, commissioners, funders and the general public

To increase Crossroads Care's ability to attract and retain a committed and highly competent workforce comprising paid staff and volunteers, including trustees

To develop and publicise an organisation wide 'employer brand' with a view to being recognised as the social care sector 'employer of choice'

Crossroads Association

Trustees' report for the year ended 31 March 2011 (Continued)

Summary of the main activities undertaken for the public benefit in relation to these objectives

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Association's aims and objectives and in planning future support activities

The Association carries out the above objectives by offering affiliated schemes a wide range of support services in order to enable them to deliver quality services to carers and to expand the range of those services in both volume and scope. These services include

- creating and co-ordinating a network of charities which will operate under a common 'Crossroads Care' brand,
- providing a forum for exchange of information between member charities,
- providing advice and information relevant to the attainment of such charities' objectives,
- providing policies and guidelines relevant to such charities operations, reflecting the legislative environment in which such charities operate,
- providing direct support to the network to enable it to expand its services to carers
- representing the range of views of such charities and their ultimate beneficiaries to policy makers,
- working for the continuity and increase of Crossroads service provision throughout England and Wales

In addition to the above Crossroads Association directly operates a number of projects, which provide a direct service to carers

How these activities have delivered public benefit

We have impacted the lives of many carers across England and Wales. Statistical information for the previous year is gathered on an annual basis from the network and an analysis of activities for April 2009 – March 2010 shows that we provided direct support to over 41,000 carers an increase of 4,000 from the previous year. A Crossroads Care 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 41,000 carers a similar number of people supported by those carers – people with a range of different disabilities and conditions – also benefit from the services provided by Crossroads.

Income for the network grew to £78.3 million an increase of 11% from £70.4 million in 2009/10. Statistics for the period April 2010 to March 2011 are being collated and should be completed by October 2011.

In addition to our strategic objectives, we have agreed with the network of Crossroads Care schemes that by the end of 2012, all Crossroads Care organisations should provide, or ensure the provision of, a service which, as a minimum

- is responsive to local need
- supports carers and the people they care for of all ages (including children and young people)
- provides both a break and emotional support for the carer
- offers a breaks service which is available 24 hours a day, seven days a week, 52 weeks a year
- supports people with a range of needs from the simple to the complex
- supports people with a range of disabilities or health conditions (no disability or health condition will be excluded per se)
- provides some element of continuing support after caring ends, and
- signposts carers and the people they support to other Crossroads Care organisations when appropriate and to other organisations where Crossroads Care is unable to assist

This will ensure that more carers obtain the support they need to maintain their own health and well being

Crossroads Association

Trustees' report for the year ended 31 March 2011 (*Continued*)

Achievements and performance

The Board set five key operational objectives for the year 2010/11 and we set out below the performance against those objectives

To take forward the change agenda in order to ensure a sustainable network with effective governance at all levels, able to support, develop and deliver services to carers

The Association has retained a strong focus on the Strategic Review during the year. A national working group, made up of trustees and staff from network organisations and from the Association, worked together to develop a proposition for the future structure of the Crossroads Care network. All 96 organisations in the Crossroads Care network were invited to participate in discussions about how, in a changing external environment, Crossroads Care could ensure the growth and development of services for carers and the delivery of the agreed minimum level of service provision by 2012.

70% of network members have been actively participating in steering groups, supported by the Association. The steering groups are now formulating their plans for a reduction in the number of network organisations. The national working group has reconvened to consider what support a central organisations should provide for the network members in future.

To deliver effective support to the Crossroads Care network in order to stimulate service development and delivery for carers

The policy framework developed and reviewed by The Association enables all network members to deliver flexible and responsive services to carers and the people they care for and to meet internal and external standards. In accordance with the annual review programme all existing policies were reviewed during 2010/11. We have continued to work closely with the regulators in England and Wales, and The Association is a founder member of the National Academy for Social Care.

We have provided HR support to the network to assist them deal with issues as they have arisen.

Our business development team have played a key role in the change programme identified above developing a range of tools to support decision making with regard to mergers – these include a financial modelling tool, a merger toolkit with detailed guidance on issues such as due diligence and TUPE and advice on organisational design and change management. In February we appointed a Director of Marketing to enhance the support The Association can provide to enable local organisations to market their services to a wider range of carers.

To develop national partnerships that will benefit carers and the network

We have continued to forge partnerships with organisations supporting people with dementia, stroke, learning disabilities and young carers. In particular we have strengthened our collaboration with The Princess Royal Trust for Carers working closely on a number of shared projects and this has led to detailed exploration by the Boards of both organisations into the case for creating a new UK-wide organisation. In January an in principle decision to merge was taken. Both Boards believe the new organisation will offer a stronger and more united voice, an improved fundraising proposition and by combining resources more effective support for both Crossroads Care organisations and The Princess Royal Trust for Carers local centres.

To influence the legislative and policy framework across government in order to strengthen support for carers and their families

Through policy posts shared with The Princess Royal Trust for Carers in England and Wales we have continued to influence the policy framework that impacts both on carers and on local organisations providing services. We have been active in wide ranging consultations and have input into the reform of health and social care.

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Trustees' report for the year ended 31 March 2011 (*Continued*)

To raise awareness of carers' needs and the profile of Crossroads Care

Through the website, social media and the quarterly newsletter – New Directions – we have continued to raise awareness of carers' needs and the work of Crossroads Care. The Director of Marketing will support this work in future, and will also focus on new models of service delivery.

Direct services to carers

The Association has continued to operate a number of projects including the following

Norfolk Helpline/Short Breaks at Short Notice

This project provides a helpline which provides information and emotional support over the telephone to carers of people who live in Norfolk. It also brokers the Short Breaks at Short Notice service to provide carers with a short break when that is needed.

Norfolk Young Carers Project

Crossroads Young Carers project started in 2000 and is funded by the Carers' Grant. The aim of the project 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.

National Garden Scheme

The National Gardens Scheme (NGS) is a longstanding major funder of the core work of the Association. In 2009, they generously agreed to significantly increase their support and this additional funding has enabled The Association to establish an NGS Development Fund to support the delivery of local services in the wider Crossroads Care network. This year their annual donation of £350,000 will be made to The Association in May 2011 instead of March. We look forward to developing our on-going relationship with the NGS – to raise greater awareness both of our work and their role as a substantial charitable organisation and supporter of charities such as Crossroads Care that works in the health and social care sector.

Department of health - joint project with PRTC

This three-year project is in its final year and has harnessed the expertise and experience of Crossroads Care Association and the Princess Royal Trust for Carers to develop greater understanding of the types of services needed by carers. A key achievement was the launch in 2010 of the Carers Hub website – a tailored site which includes commissioning guidance, tools for auditing local carers' services against the outcomes of the Carers Strategy and a collection of examples of innovation and good practice in services for carers.

Department of health - supporting sustainability

In 2010/11 The Department of Health also provided funding to support Crossroads Care Association's wide ranging change programme to build the capacity and effectiveness of the local organisations within the Crossroads Care network. This work has long term implications for the sustainability of high quality, carers services across England tailored to the needs of individual carers and their families.

The Department's investment has supported three key strategies

- Reconfiguring the Crossroads Care network of 96 local organisations to create larger, more sustainable carers organisations
- Creating a new national marketing function to support local activity and drive a new commercial, customer-led culture across the Network

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Trustees' report for the year ended 31 March 2011 (Continued)

- Developing a national service framework based on evidence from widespread innovative service delivery on a local level which will articulate the health, social and economic outcomes for carers for specific services

Financial review

Summary

The Crossroads Association generated a surplus of £570,000 in the year ended 31 March 2011 as compared to a surplus of £306,000 in the year ended 31 March 2010

	2011 £'000	As restated 2010 £'000
General unrestricted fund surplus	535	206
Designated unrestricted fund deficit	(80)	(130)
Total unrestricted surplus	455	76
Restricted surplus	115	230
Total surplus	570	306

The Association prepared a deficit budget for its unrestricted activities for the year ended 31 March 2011 but achieved a good surplus primarily due to receiving a refund of VAT from HMRC related to VAT previously charged on membership fees amounting to £320,000, becoming entitled to legacy income of £187,000 during the year and tightly controlling our unrestricted cost base where we have incurred £150,000 less costs than budgeted. The Board has decided to distribute the VAT refund (net of costs associated with the refund and the distribution) to the member schemes and consequently has designated the net surplus arising from the reclaim. Legacies cannot be budgeted with any certainty but to have achieved the level of income that was achieved in the year ended March 2011 is a sign that the Crossroads Care brand is receiving greater recognition with the public for the charitable work it does to help carers.

After achieving a surplus on its unrestricted charitable activities last year the Association designated a significant amount of its reserves to promote the long term sustainability of the network through activities which were funnelled through the strategic review process. £80,000 of the Association's unrestricted reserves were invested in developing the long term future of charitable help for carers alongside further funds provided by the Department of Health for building that sustainable future.

The restricted fund activities delivered a surplus of £115,000 in 2011 as compared to a surplus of £230,000 in 2010. Last year's surplus was driven largely by the timing of £225,000 of grant income received from the National Garden Scheme just prior to the year end. £120,000 of that grant was distributed to member schemes to fund the further development of local services for dementia carers. The remaining £105,000 will be distributed to member schemes during 2011/12. The major drivers of this year's surplus on restricted funds relates to monies received from the Department of Health to drive the network sustainability project forward, drive service development and improve the marketing skills of the Association. We were fortunate to receive £500,000 of funding from the Department and had utilised £236,000 of that funding during the year.

During the year we undertook a review of the precise nature of our activities which have previously been classified as restricted fund activities and concluded that a number of the activities which are funded by local authorities in particular were not restricted fund activities but rather were contracts for service delivery. Consequently we have made a prior year adjustment to the split of our activities as between restricted and unrestricted activities. Note 19 to the accounts sets out the adjustment in detail but in summary it has resulted in the unrestricted surplus reported last year of £213,000 being reduced to £206,000 and the restricted surplus increasing by £7,000 to £230,000.

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Trustees' report for the year ended 31 March 2011 (*Continued*)

General unrestricted activities

A summary of the financial results of our unrestricted activities is set out below

	2011	2010	Movement
	Unrestricted	Unrestricted	Unrestricted
	£'000	£'000	£'000
Donations and grants	406	578	(172)
Income from service contracts	630	459	171
Membership fees	563	548	15
VAT refund re membership fees	320	-	320
Investment income	27	24	3
Other income	531	509	22
<i>Total income</i>	<u>2,477</u>	<u>2,118</u>	<u>359</u>
Costs of delivery	(1,865)	(1,839)	(26)
Governance costs	(77)	(73)	(4)
<i>Total costs</i>	<u>(1,942)</u>	<u>(1,912)</u>	<u>(30)</u>
Surplus/deficit	<u>535</u>	<u>206</u>	<u>329</u>

The decrease in donations has arisen primarily as a result of less income being received from trusts. The National Garden Scheme, a core supporter of Crossroads Care has changed the timing of making donations which resulted in a fall in recorded income of £100,000 when compared to last year.

The income from service contracts was significantly higher than last year mainly as a result of us obtaining the contract to run the Think Family Project in Norfolk as well as increased income from the other Norfolk projects.

The VAT refund in respect of VAT on membership fees being incorrectly accounted for in the past was paid by HMRC after we were successful in putting our case to the VAT tribunal in August 2010.

The cost base only increased by £26,000 despite carrying out £133,000 of additional services for carers. The cost savings arose across a broad spectrum of cost centres and reflects the good work of all departmental managers in looking for savings wherever they can.

Unrestricted designated activities

The association continued to use its surplus funds to develop the network so that more carers can be helped in the future. During 2010/11 £80,000 was spent on activities focussed on achieving sustainability of the network and developing awareness of our services. This was less than the investment in 2009/10 (£130,000) as we had secured significant funding from the Department of Health to help drive the sustainability agenda forward and spent £226,000 of the funds received during the year.

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Trustees' report for the year ended 31 March 2011 (Continued)

Restricted activities

A summary of the financial results of our restricted activities is set out below

	2011 Restricted £'000	2010 Restricted £'000	Movement Restricted £'000
Membership fees	57	64	(7)
Grants, donations and other income	1,230	1,008	222
	<u>1,287</u>	<u>1,072</u>	<u>215</u>
Costs of delivery	(1,172)	(842)	(330)
	<u>115</u>	<u>230</u>	<u>(115)</u>

Our grants were significantly higher primarily due to the £500,000 funding received from the Department of Health to drive the network sustainability project forward, drive service development and improve the marketing skills of the Association. Due to a change in the timing of donation giving by the National Garden Scheme we did not record any income during 2010/11 whereas we recorded a £225,000 donation in 2009/10. The costs of delivery were significantly higher due to the sustainability project expenditure of £226,000 and the distribution of £120,000 of last years grant from the national Garden Scheme.

Balance sheet

The net funds of the Association increased by £582,000 during the year as a result of the £570,000 surplus referred to above being enhanced by a £12,000 increase in the market value of our investments. Last year the net funds increased by £434,000 as a result of the surplus of £306,000 and a £128,000 unrealised gain on our investments.

Both our debtors and creditors were lower than last year due to the Association sending out the membership fee billing before the year end last year.

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. Our total investments/cash holdings were split as follows:

	2011 £'000		2010 £'000	
Investments - quoted markets	646	27%	636	30%
Short term deposits	1,396	58%	890	42%
Cash at bank and in hand	355	15%	582	28%
	<u>2,397</u>		<u>2,108</u>	

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Trustees' report for the year ended 31 March 2011 (*Continued*)

The investment 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

Our investments increased in value by 2% during the year (2010 - 25% increase)

Investment income was £20,000 (2010 - £17,000) providing a 3% return on the average capital invested which is in line with last year

We earned £7,000 of interest income - the same as last year. The dividend yield on our investments exceeded the return on our cash deposits as it did last year due to very low interest rates

Reserves

The reserves of the Group increased by £582,000 over the financial year and totalled £2,658,000 at 31 March 2011 as described in notes 12 and 17 to the Accounts

The Board has considered its policy on the General Reserve Fund in light of the current economic climate and the strategic imperatives faced by the Association and has concluded that it will continue with its policy of targeting a General Reserve Fund equal to approximately six months of the Association's forecasted unrestricted expenditure. We will aim to reduce any surplus to our target level within 18 months of any significant surplus arising

Transfers between the reserve categories are shown in note 12 to the Accounts and include

- The Board has designated £260,000 for distribution to the network as a result of winning the VAT claim in respect of the past treatment of membership fees. The Association incurred fairly significant costs in fighting the case with HMRC over a period of two years and these costs have been netted off the refund
- The Board has designated a further £100,000 of the unrestricted reserves in order to continue the funding of the strategic review. These funds will be used to enable the Crossroads network to secure a more sustainable future to allow more carers to benefit from our charitable service and to explore closer co-operation with other charities with similar objects, in particular in exploring a possible merger with the Princess Royal Trust for Carers who we have undertaken a number of joint projects with and who have the same beneficiary group as Crossroads Care. The designated reserve for driving forward strategic change to ensure the sustainability of charitable services for carers therefore stands at £261,000 and is expected to be expended in the next 12 months

Crossroads Enterprises Limited

A summary of the trading results for Crossroads Enterprises Limited is shown in Note 8 to the accounts which shows the surplus of £42,000 which was transferred by deed of covenant to the Association (2010 - £43,000)

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Trustees' report for the year ended 31 March 2011 (Continued)

Plans for the future

The Crossroads Association will continue to work to secure services for carers throughout England and Wales both now and in the future by working with the network schemes to provide services that respond to the needs of carers and the people they support, offering them peace of mind and understanding. We will continue to work with carers, organisations that represent the people they support and the Crossroads Care network to influence service innovation and growth.

In light of the challenges the new government face from a fiscal perspective, it will become increasingly important that charitable organisations are there to help those in need when their need is greatest. We will continue to invest in securing that future for carers, for the people they care for and for the staff of the network through pushing for the changes that are needed to create a sustainable caring organisation with a true charitable ethos.

We will use the surplus unrestricted funds we have accumulated to invest in that future through the strategic review process and will continue to develop direct services for carers.

Our budget for 2011/12 shows a deficit of £250,000 for the year as we recognise the challenging fundraising environment but are willing to deploy our unrestricted reserves to support the operations to ensure that both carers and our network get the support they need. We will move forward to fully explore the benefits of a more formal collaboration with the Princess Royal Trust for Carers.

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to

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

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Crossroads Association

Trustees' report
for the year ended 31 March 2011 (*Continued*)

Auditors

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

By order of the board



Mark Currie
Treasurer

27 July 2011

Crossroads Association

Report of the independent auditors on the audited financial statements

We have audited the financial statements of Crossroads Association for the year ended 31 March 2011 which comprise the consolidated and charity Statement of Financial Activities, the consolidated and charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement (set out on page 14), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

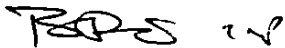
Crossroads Association

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report



Don Bawtree Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

4 August 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Crossroads Association

Consolidated statement of financial activities for the year ended 31 March 2011

	Note	Un- restricted funds £	Un- Restricted Designated Funds £	Restricted funds £	Total funds	
					2011 £	2010 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Donations		406,207	-	40,000	446,207	581,287
Activities for generating funds						
Income from training and publications		8,259		1,184	9,443	40,390
Merchandising		37,659	-	-	37,659	41,680
Insurance		480,355	-	-	480,355	437,269
		<u>526,273</u>	<u>-</u>	<u>1,184</u>	<u>527,457</u>	<u>519,339</u>
Investment income	5	<u>26,505</u>	<u>-</u>	<u>-</u>	<u>26,505</u>	<u>24,397</u>
Total incoming resources from generated funds		<u>958,985</u>	<u>-</u>	<u>41,184</u>	<u>1,000,169</u>	<u>1,125,023</u>
Incoming resources from charitable activities						
Income to support the network	14	568,041	-	1,136,066	1,704,107	968,274
Income to support carers	15	630,101	-	109,326	739,427	1,098,290
Total incoming resources from charitable activities		<u>1,198,142</u>	<u>-</u>	<u>1,245,392</u>	<u>2,443,534</u>	<u>2,066,564</u>
Other incoming resources	16	<u>319,883</u>	<u>-</u>	<u>-</u>	<u>319,883</u>	<u>-</u>
Total incoming resources		<u>2,477,010</u>	<u>-</u>	<u>1,286,576</u>	<u>3,763,586</u>	<u>3,191,587</u>

Crossroads Association

Consolidated statement of financial activities for the year ended 31 March 2011 (Continued)

	Note	Un- Restricted Funds £	Un- restricted designated Funds £	Restricted funds £	Total funds	
					2011 £	2010 £
Resources expended						
Costs of generating funds	6	636,971	-	-	636,971	478,529
Charitable activities						
Costs to support the network	6	628,423	79,878	947,280	1,655,581	1,449,810
Costs to support carers	6	598,934	-	224,955	823,889	883,550
Governance costs	6	77,375	-	-	77,375	73,331
		<u>1,304,732</u>	<u>79,878</u>	<u>1,172,235</u>	<u>2,556,845</u>	<u>2,406,691</u>
Total resources expended	6	<u>1,941,703</u>	<u>79,878</u>	<u>1,172,235</u>	<u>3,193,816</u>	<u>2,885,220</u>
Net incoming/(outgoing)						
resources before transfers	2	535,307	(79,878)	114,341	569,770	306,367
Gross transfers between funds	12	(364,400)	360,818	3,582	-	-
		<u>170,907</u>	<u>280,940</u>	<u>117,923</u>	<u>569,770</u>	<u>306,367</u>
Net incoming/(outgoing)						
resources before other						
recognised gains and losses		<u>170,907</u>	<u>280,940</u>	<u>117,923</u>	<u>569,770</u>	<u>306,367</u>
Other recognised gains/(losses)						
Gains/(losses) on investments	9	12,583	-	-	12,583	128,413
		<u>183,490</u>	<u>280,940</u>	<u>117,923</u>	<u>582,353</u>	<u>434,780</u>
Net movement in funds		<u>183,490</u>	<u>280,940</u>	<u>117,923</u>	<u>582,353</u>	<u>434,780</u>
Total funds brought forward (as restated)	12	<u>1,104,297</u>	<u>246,943</u>	<u>724,323</u>	<u>2,075,563</u>	<u>1,640,783</u>
Total funds carried forward		<u>1,287,787</u>	<u>527,883</u>	<u>842,246</u>	<u>2,657,916</u>	<u>2,075,563</u>

The notes on pages 24 to 37 form part of these financial statements

Crossroads Association

Consolidated balance sheet 31 March 2011

	Note	2011 £	2011 £	As restated 2010 £	As restated 2010 £
Fixed assets					
Tangible assets	8		200,570		208,868
Investments					
Investments	9		645,975		635,572
Total fixed assets			846,545		844,440
Current assets					
Stock and work in progress		9,596		9,110	
Debtors	10	250,527		588,188	
Short term deposits		1,396,062		890,151	
Cash at bank and in hand		354,681		582,494	
		2,010,866		2,069,943	
Creditors – amounts falling due within one year	11	199,495		838,820	
Net current assets			1,811,371		1,231,123
Net assets			2,657,916		2,075,563
Funds					
Restricted income funds	12 & 13		842,246		724,323
Unrestricted income funds					
General reserve	12		1,174,799		999,357
Designated reserve	12		527,883		246,943
Revaluation reserve	12		112,988		104,940
Total unrestricted income funds			1,815,670		1,351,240
			2,657,916		2,075,563

Approved by the board of Trustees on 27 July 2011
and signed on its behalf by

P HEALY
Chair

The notes on pages 24 to 37 form part of these financial statements

Crossroads Association

Association statement of financial activities for the year ended 31 March 2011

	Note	Un- restricted funds £	Un- restricted designated funds £	Restricted funds £	Total funds	
					2011 £	2010 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Donations		406,200	-	40,000	446,200	581,187
Activities for generating funds						
Income from training and Publications		8,259	-	1,184	9,443	40,390
Investment income	5	68,575	-	-	68,575	67,779
Total incoming resources from generated funds		483,034	-	41,184	524,218	689,356
Incoming resources from charitable activities						
Income to support the network		598,092	-	1,136,066	1,734,158	968,274
Income to support carers		630,101	-	109,326	739,427	1,098,290
Total incoming resources from charitable activities		1,228,193	-	1,245,392	2,473,585	2,066,564
Other incoming resources	16	319,883	-	-	319,883	-
Total incoming resources		2,031,110	-	1,286,576	3,317,686	2,755,920

Crossroads Association

Association statement of financial activities (continued) for the year ended 31 March 2011

	Note	Un- restricted funds £	Un- restricted designated funds £	Restricted funds £	Total funds	
					2011 £	2010 £
Resources expended						
Costs of generating funds	6	130,680	-	-	130,680	23,626
Charitable activities						-
Costs to support the network	6	690,874	79,878	947,280	1,718,032	1,471,046
Costs to support carers	6	598,934	-	224,955	823,889	883,550
Governance costs	6	75,315	-	-	75,315	71,331
		<u>1,365,123</u>	<u>79,878</u>	<u>1,172,235</u>	<u>2,617,236</u>	<u>2,425,927</u>
Total resources expended	6	<u>1,495,803</u>	<u>79,878</u>	<u>1,172,235</u>	<u>2,747,916</u>	<u>2,449,553</u>
Net incoming/(outgoing) resources before transfers	2	535,307	(79,878)	114,341	569,770	306,367
Gross transfers between funds	12	(364,400)	360,818	3,582	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		<u>170,907</u>	<u>280,940</u>	<u>117,923</u>	<u>569,770</u>	<u>306,367</u>
Other recognised gains/losses (Gains/(losses) on investments)	9	<u>12,583</u>	<u>-</u>	<u>-</u>	<u>12,583</u>	<u>128,413</u>
Net movement in funds		<u>183,490</u>	<u>280,940</u>	<u>117,923</u>	<u>582,353</u>	<u>434,780</u>
Total funds brought forward (as restated)	12	<u>1,097,161</u>	<u>246,943</u>	<u>724,323</u>	<u>2,068,427</u>	<u>1,633,647</u>
Total funds carried forward		<u>1,280,651</u>	<u>527,883</u>	<u>842,246</u>	<u>2,650,780</u>	<u>2,068,427</u>

The notes on pages 24 to 37 form part of these financial statements

Crossroads Association

Balance sheet 31 March 2011

	Note	2011 £	2011 £	As restated 2010 £	As restated 2010 £
Fixed assets					
Tangible assets	8		200,570		208,868
Investments					
Investments	9		645,975		635,572
Total fixed assets			846,545		844,440
Current assets					
Debtors	10	293,837		633,638	
Short term deposits		1,396,062		890,151	
Cash at bank and in hand		299,666		522,179	
		1,989,565		2,045,968	
Creditors – amounts falling due within one year	11	185,330		821,981	
Net current assets			1,804,235		1,223,987
Net assets			2,650,780		2,068,427
Funds					
Restricted income funds	12 & 13		842,246		724,323
Unrestricted income funds					
General reserve	12		1,167,663		992,221
Designated reserve	12		527,883		246,943
Revaluation reserve	12		112,988		104,940
Total unrestricted income funds			1,808,534		1,344,104
			2,650,780		2,068,427

Approved by the board of Trustees on 27 July 2011
and signed on its behalf by

P HEALY
Chair

The notes on pages 24 to 37 form part of these financial statements

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011

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 (2nd Edition), applicable accounting standards and the Companies Act 2006. The consolidated financial statements incorporate the full results of the charity's trading subsidiary.

Cashflow statement

The company has taken advantage of exemption provided by financial reporting standard 1 and has not prepared a cash flow statement for the year on the grounds that it is small under the Companies Act 2006.

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:

Freehold land and buildings	- 2.5% (excluding land)
Motor vehicles	- 25%
Fixtures and fittings	- 10 – 33.3%

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.

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 2011 (*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 Member Schemes relieve the stresses experienced by carers and that which provides support to carers directly, through specific projects
- Direct costs include costs paid to third parties for the delivery of services to achieve our charitable objectives
- Support costs include central functions which have been allocated to activities on the basis of the use of resources
- 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

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 to achieve specific objectives |

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 2011 (Continued)

2 Operating results

	2011 Group £	2011 Company £	2010 Group £	2010 Company £
The results are stated after charging				
Depreciation of tangible fixed assets	11,607	11,607	13,993	13,993
Auditors' remuneration				
- Audit fees	14,415	12,615	12,750	11,000
- Other services	6,939	5,925	30,200	29,950
Operating lease rentals				
- Land and buildings	14,367	14,637	31,938	31,938
- Other	1,765	1,765	1,848	1,848
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3 Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2010 - £nil)

Expenses incurred and reimbursed to the Trustees are as follows

	2011 Number	2010 Number	2011 £	2010 £
	11	11	9,973	5,716
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Staff costs

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Wages, salaries and redundancy costs	1,214,047	1,193,808	1,232,892	1,220,761
Social security costs	120,040	118,911	121,349	120,632
Pension costs	37,595	36,178	39,414	38,565
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,371,682	1,348,897	1,393,655	1,379,958
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Note redundancy costs included in the above amount to £2,400 (2010 - £3,990)

One employee earned between £60,000 and £70,000 No pension contribution were paid in respect of this employee

The average number of employees during the year was

	Group 2011	Company 2011	Group 2010	Company 2010
Central structure (central office, appeals and area staff)	23	21	22	21
In-house projects and schemes	24	24	28	28
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	47	45	50	49
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

5	Investment Income	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	Dividends	19,752	19,752	17,100	17,100
	Interest	6,753	6,753	7,297	7,297
	Subsidiary income	-	42,070	-	43,382
		<u>26,505</u>	<u>68,575</u>	<u>24,397</u>	<u>67,779</u>
6	Analysis of resources expended				
		Staff costs £	Direct costs £	Group Support costs £	Total 2011 £
	Costs of generating funds	88,084	465,296	83,591	636,971
	Charitable Activities				
	Support to Network	831,142	369,771	454,668	1,655,581
	Support to carers	424,359	324,932	74,598	823,889
	Total charitable Activities	1,255,501	694,703	529,266	2,479,470
	Governance costs	28,097	-	49,278	77,375
	Total resources Expended	1,371,682	1,159,999	662,135	3,193,816
		<u>1,371,682</u>	<u>1,159,999</u>	<u>662,135</u>	<u>3,193,816</u>
		Staff costs £	Direct costs £	Company Support costs £	Total 2011 £
	Costs of generating funds	35,248	34,840	60,592	130,680
	Charitable Activities				
	Support to Network	861,193	369,771	487,068	1,718,032
	Support to carers	424,359	324,932	74,598	823,889
	Total charitable Activities	1,285,552	694,703	561,666	2,541,921
	Governance costs	28,097	-	47,218	75,315
	Total resources Expended	1,348,897	729,543	669,476	2,747,916
		<u>1,348,897</u>	<u>729,543</u>	<u>669,476</u>	<u>2,747,916</u>

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

6 Analysis of resources expended (continued)

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Support costs consist of the following				
Facilities and support costs	279,087	299,098	432,394	
PR and media costs	122,206	112,417	112,071	
Other costs	260,842	257,961	304,202	
	<u>662,135</u>	<u>669,476</u>	<u>848,667</u>	

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

7 Net income from subsidiary undertakings

The Charity has one wholly owned trading subsidiary, Crossroads Enterprises Limited, which operates as general trading commercial company providing insurance brokerage services, selling merchandise and providing commercial services to Member Schemes and third parties. A summary of its trading results is shown below. Audited financial statements are available from Companies House

	2011 £	2010 £
Turnover	550,421	500,211
Cost of sales	430,456	392,312
	<u>119,965</u>	<u>107,899</u>
Gross profit	(77,895)	(64,592)
Administrative costs		
	<u>42,070</u>	<u>43,307</u>
Profit before deed of covenant	(42,070)	(43,382)
Deed of covenant		
	-	(75)
Operating loss	-	75
Interest receivable and similar income		
	<u>-</u>	<u>-</u>
Net profit before taxation	-	-
Taxation		
	<u>-</u>	<u>-</u>
Retained in subsidiary		
	<u>-</u>	<u>-</u>

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

8	Tangible fixed assets	Freehold	Fixtures	Total
		land and	and	
	Group and company	buildings	fittings	
		£	£	£
	Cost			
	At 1 April 2010	190,000	89,487	279,487
	Additions	-	4,305	4,305
	Disposals/retirements	-	(8,407)	(8,407)
	At 31 March 2011	190,000	85,385	275,385
	Depreciation			
	At 1 April 2010	3,324	67,295	70,619
	Disposals/retirements	-	(7,411)	(7,411)
	Charge for the year	3,325	8,282	11,607
	At 31 March 2011	6,649	68,166	74,815
	Net book value			
	At 31 March 2010	186,676	22,192	208,868
	At 31 March 2011	183,351	17,219	200,570

The freehold land and buildings were revalued on 18 May 2009 at £190,000, by the external surveyors Hawkins Chartered Surveyors, members of RICS. The basis of the valuation is at market value with vacant possession. The property had previously been valued at £170,000 by the same surveyors on the same basis on 1 June 2005. The historical cost of this asset is £85,060.

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

9 Investments

	2011 £	2010 £
Group and company		
Market value at 1 April 2010	635,572	507,159
Add Net gain (loss) on revaluations at 31 March 2011	10,403	128,413
	<u>645,975</u>	<u>635,572</u>
Market value at 31 March 2011	645,975	635,572
	<u>637,927</u>	<u>637,927</u>
Historical cost at 31 March 2011	637,927	637,927
Total gains and losses on investments		
Realised gains (losses)	2,180	-
Unrealised gains (losses) as above	10,403	128,413
	<u>12,583</u>	<u>128,413</u>

The valuation shown above on 31 March 2011 consists of the following

	2011 £	2010 £
Barclays UK Balanced Portfolio	570,531	560,765
Barclays Income Portfolio	59,444	58,557
Eurovestech	16,000	16,250
	<u>645,975</u>	<u>635,572</u>

Company

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 (2010 - £7,137). Total investments of the charitable company at 31 March 2011 amounted to £645,748 (2010 - £635,573).

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

10 Debtors

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Trade debtors	21,811	15,838	555,936	548,929
Other debtors	193,972	192,466	1,928	150
Prepayments	34,744	34,420	30,324	30,324
Amounts due from group undertakings	-	51,113	-	54,235
	<u>250,527</u>	<u>293,837</u>	<u>588,188</u>	<u>633,638</u>

11 Creditors

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Trade creditors	128,435	116,271	73,011	58,344
Social security and other taxation	34,140	34,140	44,218	44,218
Accruals and deferred income	36,920	34,919	716,488	714,316
Other creditors	-	-	5,103	5,103
	<u>199,495</u>	<u>185,330</u>	<u>838,820</u>	<u>821,981</u>

Included in other creditors is an amount of £Nil (2010 - £4,665) (Company) and £Nil (2010 - £4,665) (Group) due in respect of pension contributions

12 Reserves

	General fund £	Unrestricted Designated funds £	Group Revaluation reserve £	Restricted funds £	Total £
At 1 April 2010	752,377	246,943	104,940	971,303	2,075,563
Prior year adjustment	246,980	-	-	(246,980)	-
As restated	999,357	246,943	104,940	724,323	2,075,563
Incoming/(Outgoing) resources for the year	535,307	(79,878)	-	114,341	569,770
Revaluation gains/(losses) on investments	4,535	-	8,048	-	12,583
Transfers	(364,400)	360,818	-	3,582	-
At 31 March 2011	1,174,799	527,883	112,988	842,246	2,657,916

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

12 Reserves (continued)

	Company				
	General fund £	Unrestricted Designated funds £	Revaluation reserve £	Restricted funds £	Total £
At 1 April 2010	745,241	246,943	104,940	971,303	2,068,427
Prior year adjustment (note 19)	246,980	-	-	(246,980)	-
As restated at 1 April 2010	992,221	246,943	104,940	724,323	2,068,427
Incoming/(Outgoing) resources for the year	535,307	(79,878)	-	114,341	569,770
Revaluation gains/(losses) on investments	4,535	-	8,048	-	12,583
Transfers	(364,400)	360,818	-	3,582	-
At 31 March 2011	1,167,663	527,883	112,988	842,246	2,650,780

Transfers between unrestricted and designated funds represent a transfer of funds of £100,000 which the Trustees have designated to be used to further the Strategic Review process which is focussed on improving the sustainability of the Crossroads Care network for the benefit of carers over the long term and £260,000 for distributing to the network as a result of winning the VAT claim in respect of the past treatment of membership fees

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

13 Restricted funds

	As restated Balance 31 3 2010 £	Incoming resources (grants) £	Income resources (Other income) £	Outgoing Resources £	Transfer (to)/from un-restricted funds £	Balance 31 3 2011 £
Wales (including Wales committee)	258,902	203,000	82,878	231,624	-	313,156
National Garden Scheme	225,000	-	-	120,000	-	105,000
Dept of Health-joint project with PRTC	109,783	175,532	-	216,113	-	69,202
Dept of health – consolidation	-	300,000	-	226,134	-	73,866
Dept of health – marketing post	-	100,000	-	10,047	-	89,953
Dept of health – service development	-	100,000	-	-	-	100,000
Dept of Health Strategic grant		65,000		65,000		
The Big Lottery Funded Norfolk Young Carers' Forum ref, YPL/1/010310123	21,570	80,642	-	51,593	-	50,619
Leicester Mental Health Outreach	20,905	-	-	20,905	-	-
Wales policy post	18,161	-	5,369	23,530	-	-
Dulverton Trust	17,800	-	-	15,000	-	2,800
North East Project	17,283	-	-	17,283	-	-
City Bridge Trust – Business Development London	12,117	47,750	969	52,418	3,582	12,000
Wales Carers and employment project	7,708	28,997	12,468	26,208	-	22,965
Mercer Trust	7,500	-	-	6,820	-	680
The Big Lottery Funded Research Project for Carers of People with Mental Health Problems ref, RG/1/010086137	5,772	28,684	-	34,456	-	-
Macmillan project	1,822	55,287	-	55,104	-	2,005
	724,323	1,184,892	101,684	1,172,235	3,582	842,246

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

13 Restricted funds (Continued)

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

Wales Carers and Employment Project supported by Welsh Assembly Government Department for Children, Education and Life Long Learning

Wales Assembly and Policy Post is a Princess Royal Trust for Carers joint part time post and is key to ensuring both networks are fully informed about legislation, policy and strategy in Wales

The Wales office is supported by Welsh Assembly Government Department for Older People and Long Term Care

The Big Lottery Funded Research Project for Carers of People with Mental Health Problems ref, RG/1/010086137 the results from this important research will be available in the spring 2011

National Gardens Schemes

The National Gardens Scheme (NGS) is a longstanding major funder of the core work of the Association. In 2009, they generously agreed to significantly increase their support and this additional funding has enabled The Association to establish an NGS Development Fund to support the delivery of local services in the wider Crossroads Care network. This year their annual donation of £350,000 will be made to The Association in May 2011 instead of March. We look forward to developing our on-going relationship with the NGS – to raise greater awareness both of our work and their role as a substantial charitable organisation and supporter of charities such as Crossroads Care that works in the health and social care sector.

Crossroads Norfolk Young Carers Forum

Hosted by the Norfolk Young Carers Project, and working with young carers' service providers from a range of agencies, the Big Lottery funded Norfolk Young Carers Forum (YPL/1/010310123), gives young carers a voice in the design and development of services. This is achieved through a range of training, confidence-boosting activities and involvement opportunities facilitated by a dedicated Participation Worker.

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (*Continued*)

13 Restricted funds (*Continued*)

Department of health-joint project with PRTC

This three-year project is in its final year and has harnessed the expertise and experience of Crossroads Care Association and the Princess Royal Trust for Carers to develop greater understanding of the types of services needed by carers. A key achievement was the launch in 2010 of the Carers Hub website – a tailored site which includes commissioning guidance, tools for auditing local carers' services against the outcomes of the Carers Strategy and a collection of examples of innovation and good practice in services for carers.

Department of Health – Supporting Sustainability

In 2010/11 The Department of Health also provided funding to support Crossroads Care Association's wide ranging work to build the capacity and effectiveness of the local organisations within the Crossroads Care network. This work has long term implications for the sustainability of high quality, carers services across England tailored to the needs of individual carers and their families.

The Department's investment has supported three key strategies:

- Reconfiguring the Crossroads Care network of 96 local organisations to create larger, more sustainable carers organisations
- Creating a new national marketing function to support local activity and drive a new commercial, customer-led culture across the Network
- Developing a national service framework based on evidence from widespread innovative service delivery on a local level which will articulate the health, social and economic outcomes for carers for specific services

Dulverton Trust and Mercer Trust

Crossroads Care Association received one-off funding to support the development of services for working carers and carers wishing to return to work. These projects will focus on supporting schemes in two parts of the network, London (Mercers Trust) and Kent (Dulverton Trust).

City Bridge Trusts

The City Bridge Trust is providing Crossroads Care with a three year grant from October 2008, to provide business advice and support to the Crossroads Care schemes in Greater London. This includes,

- assisting them to achieve greater sustainability,
- increase services for carers,
- greater collaboration and networking,
- increasing skills within the schemes to prepare for and deliver social care services under personalization

A full-time Business Development Manager has been employed since October 2008 to deliver this service. Activities include, 1:1 support for individual organizations, quarterly meetings for CEOs and Trustees, workshops on specialist areas e.g. tendering, marketing, liaising with statutory partners e.g. Greater London Authority and implementing the Association's consolidation programme from the Your Invitation to Shape the Future document 2010.

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

13 Restricted funds (Continued)

Macmillan Partnership Manager

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. The Partnership Manager also oversees Macmillan-funded carer services out with Crossroads Care and is helping Macmillan Cancer Support develop volunteer services to support carers.

14	Income to support the network	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
	Statutory grants	-	1,020,280	1,020,280	228,291
	Other support grants	4,895	58,787	63,682	128,475
	Membership fees	563,146	56,999	620,145	611,508
		<u>568,041</u>	<u>1,136,066</u>	<u>1,704,107</u>	<u>968,274</u>
15	Income to support carers	Unrestricted funds 2011 £	Restricted funds 2011 £	Total funds 2011 £	Restricted Funds 2010 £
	Statutory grants	-	-	-	231,756
	Grants for direct care and support	630,101	109,326	739,427	866,534
		<u>630,101</u>	<u>109,326</u>	<u>739,427</u>	<u>1,098,290</u>

16 Other incoming resources

Other income relates to the VAT refund received from HMRC in respect of VAT on membership fees being incorrectly accounted for in previous years.

17 Analysis of net assets between funds

	Unrestricted funds inc revaluation reserves £	Group		Total £
		Designated funds £	Restricted funds £	
Fixed assets	200,570	-	-	200,570
Investments	645,975	-	-	645,975
Net current assets	441,242	527,883	842,246	1,811,371
	<u>1,287,787</u>	<u>527,883</u>	<u>842,246</u>	<u>2,657,916</u>

Crossroads Association

Notes to the financial statements for the year ended 31 March 2011 (Continued)

17 Analysis of net assets between funds (continued)

	Company			
	Unrestricted funds inc revaluation reserves £	Designated funds £	Restricted funds £	Total £
Fixed assets	200,570	-	-	200,570
Investments	645,975	-	-	645,975
Net current assets	434,106	527,883	842,246	1,804,235
	<u>1,280,651</u>	<u>527,883</u>	<u>842,246</u>	<u>2,650,780</u>

18 Operating lease commitments

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

	Land and buildings 2011 £	Other 2011 £	Land and buildings 2010 £	Other 2010 £
Expiring				
Within one year	6,000	-	-	-
In two to five years	8,367	1,877	-	-
Over five years	-	-	8,367	3,434
	<u>14,367</u>	<u>1,877</u>	<u>8,367</u>	<u>3,434</u>

19 Prior year adjustment

During the year the charity undertook a review of the precise nature of their activities which had previously been classified as restricted fund activities and concluded that a number of the activities which were funded by local authorities in particular were not restricted fund activities but rather were contracts for service delivery. Consequently, a prior year adjustment has been made to the split of the company's activities between restricted and unrestricted funds.

This has resulted in the unrestricted surplus reported last year of £213,000 being reduced to £206,000 and the restricted surplus increasing by £7,000 to £230,000. The effect on the balance sheet is to increase general unrestricted funds by £246,980 and reduce restricted funds by the same amount.