

# **Trustees' annual report and accounts**

For the year ended 30 June 2010

**CRISIS**

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## About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

## Our five-year strategic plan goals

1. To do more for more homeless people in more places across the UK
2. To transform the lives of individuals permanently through education, employment, housing, health and well-being
3. To influence the external agenda so homelessness is eliminated and homeless people are integrated into communities

# Trustees, senior management and advisers

## Patron

HRH Princess Alexandra, the Hon Lady Ogilvy, GCVO

## Vice Presidents

Lord Alton of Liverpool

Jonathan Dimbleby

The Rt Hon the Lord Morris of Manchester AO QSO

The Most Rev and the Rt Hon the Lord Archbishop of Canterbury

His Eminence the Cardinal Archbishop of Westminster

David Gilmour CBE

## Chair of Trustees

Sir David Bell ^ ~

## Trustees

Hugh Biddell \*

Harish Bhayani (appointed 20 May 2010)

Nigel Carrington \* ~

Tim Child

Liz Cleaver

Jane Furniss ~

Philip Graf CBE ^ Vice Chair of Trustees

Heather Lamont \*

Hannah Lownsborough

Andrew Newell (appointed 29 July 2010)

John Samuel

Canon Bruce Saunders

Murray Shanks

Paula Sussex \* (resigned 20 May 2010)

\* Trustee members of the Finance Committee

^ Trustee members of the Nomination Committee

~ Trustee members of the Remuneration Committee

## Senior Management Team

Leslie Morphy

Chief Executive

Tim Morris

Director of Corporate Services  
(resigned 19 October 2009)

Keith Felton

Director of Corporate Services  
(appointed 19 October 2009)

Andrew Page

Director of Fundraising

Duncan Shrubsole

Director of Policy &  
External Affairs

Micky Walsh

Director of Client Services

## Company Secretary

Tim Morris

(resigned 19 October 2009)

Keith Felton

(appointed 19 October 2009)

## Bankers

The Royal Bank of Scotland

28 Cavendish Square

London W1M 0DB

## Auditors

Grant Thornton UK LLP

Chartered Accountants

Grant Thornton House

Melton Street

Euston Square,

London NW1 2EP

## Address of charity and registered office

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Website: [www.crisis.org.uk](http://www.crisis.org.uk)

# Highlights of the year

## July

An evaluation showed that Crisis' 10,000 volunteers contribute 266,860 hours of their time, estimated to be worth over £3.7 million.

## September

Crisis won a Third Sector Excellence Award for partnership development to deliver the Skills for Jobs contract to help homeless people prepare for and move into work.

## October

Crisis launches its Urban Investors share prospectus estimating the impact of our work in terms of savings to the public purse. The Crisis Changing Lives Champions Awards were held with Barclays CEO John Varley, Shadow Secretary of State Caroline Spelman MP and ITN economics editor Daisy McAndrew celebrating clients' achievements in education, employment and business.

## November

Crisis launched a new directory of volunteering opportunities across the homelessness sector with Mayor of London Boris Johnson, joined by volunteers and representatives from many different homelessness organisations.

## December

Crisis At Christmas centres opened across London delivering services for over 2,500 homeless people over eight days. 120 guests were also welcomed to Crisis Skylight Newcastle. Crisis held its annual carol services with Skylight members singing, performing and reading.

## January

Phileas Fogg sponsored an art exhibition in Crisis Skylight Newcastle showcasing the talents of members in print, drawing, painting, collage and photography to the art and corporate sector.

## February

Crisis enters a strategic alliance with St Mungo's with the objective of together providing greater impact in campaigning and service delivery.

## March

A Positive View photography exhibition is seen by over 14,000 visitors at Somerset House in London, including pictures by clients of Crisis' own services and the diptych produced of Prince William and Crisis client, Jeff Hubbard.

## April

Off the Streets and into Work (OSW) completes its formal merger with Crisis. Crisis and partners achieve campaign success by securing the passage of the Mortgage Repossessions (Tenant Protection) Act (2009) which guarantees private tenants time to find alternative accommodation if their landlord is repossessed.

## May

Members of Crisis Skylight London are part of the Silver medal winning 'Places of Change' garden at the Chelsea Flower Show in partnership with the Eden Project and other homelessness organisations.

## June

Crisis Skylight London members exhibited paintings at the Tate Modern, with one of the artists getting his work chosen to be exhibited in Italy. 18th Crisis Square Mile Run successfully held, incorporating a new event, the Crisis Square Mile Relay.

# Chairman's and chief executive's statement and annual review

This report covers the second year of our five-year strategy and coincides with a turbulent world and home economy and a changing political landscape. We could conclude from a cool hard look at the external environment that things do not look good either for homeless people or for our organisation. But, perhaps against expectations and against the experience of many in the voluntary sector, this report tells a different story. We have made big strides in our objective to reach more people in more places across the UK.

We go into the new financial year with new services in Birmingham, a significantly enhanced employment service in London and with advanced plans for bringing Crisis Skylight services to Edinburgh. At the same time the plans to develop a new Crisis Skylight in Oxford have been approved and the process of transforming the Old Fire Station in Oxford to a vibrant place of change is underway.

Our service delivery in London and Newcastle has expanded to include a greater emphasis on employment as part of the progression route from engagement through education and skills development. The expansion of our employment team in London has been enhanced following the merger with Off the Streets and into Work (OSW).

This merger took place in the spring, with OSW's business being formally transferred to Crisis on 1 April. Although it would be a mistake to judge the success of a merger so soon after it has happened, it has enabled us to add an individual coaching service to training delivered through workshops and in small group settings. We now have a team of people who are able to support homeless people from a range of different backgrounds including women, ex-offenders, migrants

from Eastern Europe, ex-service personnel and those with mental health problems. This gives us a formidable offering in supporting people into work. OSW also has a successful history of gaining public sector contracts and this will be critical in an environment of reduced public sector expenditure.

Another highlight of the year was A Positive View, an exhibition and auction of works by leading photographers. Raising funds was just one part of this project. It gave some of our clients a chance to exhibit their photographs alongside world-renowned artists and to be seen by thousands of members of the general public. We were able to demonstrate the central importance to Crisis of giving people the opportunity to fulfil their potential. We are immensely grateful to HRH Prince William for his personal support of this project.

Crisis has been developing solutions for housing homeless people over the years. Given that they are not a priority for social housing one of those solutions is to find ways of supporting people into the private rented sector (PRS). This year, with the support of the Department of Communities and Local Government we have enhanced our national advisory service to local authorities in England, helping them develop PRS access schemes of their own, to add to the service we provide in Scotland. Having a roof is of course a necessity but our Smart Skills project showed the value of layering an education programme onto a new tenancy. We are building on this with new services in Newcastle and Birmingham. We have added to the knowledge in this area by conducting research with York University examining various housing models outside the UK – in the US, Australia and other parts of Europe.

For some years we have explored how we might deliver a model for housing significant numbers of homeless people in a mixed community offering routes to education and employment. A knowledge exchange with the organisation Common Ground in New York led to us developing a detailed blueprint for a £60 million scheme in Shoreditch – the Urban Village scheme – which failed to get planning permission in 2007. We looked at a number of other sites, including one near the Elephant & Castle this year. However, the development costs have proved too high, particularly in

an uncertain economic climate. We had received a very generous donation from David Gilmour in 2002 which was to be earmarked for our housing development. We have now agreed that we will return part of this donation which is reflected in the accounts. However, we remain incredibly indebted to David for supporting us with significant funds to be used to deliver against our current and future plans.

This has increased our confidence in being able to deliver our expansion plans as has the fact that we have raised more money this year than in any previous year and across each of our separate funding streams. The cost of our fundraising is considerable but we are pleased that our return on investment is higher this year than last despite making the decision to invest more in our attempts to reach and capture future donors.

This is an upbeat statement. It should not mask our concern about proposed public expenditure cuts and in particular cuts in housing benefit. This will be bad news for homelessness and for individual homeless people. We have no doubt that our many volunteers and donors will continue to support Crisis; together we must try and ensure that Government looks after its most vulnerable citizens.

**Sir David Bell**, chairman

**Leslie Morphy OBE**, chief executive

# Structure, governance and management

## Structure

Crisis UK is a registered charity and a company limited by guarantee and is governed by its memorandum and articles. The charity has two fully owned subsidiary undertakings, Crisis at Christmas, a trading company, and Off the Streets and into Work, a charity which merged with Crisis UK during the year and is now dormant. The principal activities of the trading company are sponsorship activities and the sale of merchandise, including donated gifts and services.

## Trustees

The Board of Trustees of Crisis UK currently comprises 14 members who meet at least five times a year to review strategy, business plans and operations. At least one of those meetings is one and a half days in duration which allows an in depth review of the charity's past performance and future direction.

Trustees are appointed on a three year term and are eligible for re-election for a second term. A trustee holds office for a maximum of six years unless the Nominations Committee recommends otherwise and a majority of the Board of Trustees agree. Terms of office may be extended for a further three years and the Nominations Committee may recommend extending the term of office for further periods of three years if appropriate.

Trustees are recruited through national advertisements, although personal recommendations are also used where specific skill sets are required. All successful candidates are selected through a rigorous interview process involving both the chairman and the chief executive.

All new trustees take part in an induction programme which is designed to ensure that they fully understand their roles and responsibilities, as well as the objects, activities and ethos of the charity.

## Trustee sub-committees

The trustees delegate authority for the review of financial information and audit issues to the Finance Committee, who in turn make recommendations to the Board on related issues. The Finance Committee currently comprises five trustees. Two members of the charity's senior management team also attend all meetings.

The Remuneration Committee comprises a minimum of three trustees to whom the trustees have delegated responsibility for:

- Setting the remuneration of the chief executive
- Receiving recommendations on the remuneration of the senior management team and authorising as appropriate
- Scrutinising and authorising changes to the organisation's remuneration structure

The Nominations Committee comprises the chair, the deputy chair and the chief executive and has delegated responsibility for:

- Making recommendations to the Board on the extension of a trustee's term of office
- Recruitment of and recommendation to the Board of new trustees

Further committees are set up as and when required to review specific issues, to which additional specialists are co-opted if appropriate, in addition to selected trustees.

## Senior management team

The trustees delegate the day to day operations of the charity to the senior management team (SMT). The SMT comprises five members with clear lines of responsibility for specific areas of the organisation.

The trustees work with the SMT to develop the longer term strategic plan and delegate the responsibility for the implementation of the plan via agreed one year business plans.

## Staff and volunteers

The commitment of our staff and volunteers is vital for the ongoing success of our organisation, in terms of both the time and the passion that they dedicate to delivering the best possible service.

Our average the number of full time equivalent staff in the year increased this year to 125 from 117 people. We are committed to developing a strong and diverse staff team to support our current operations and our ambitious plans for the future, both through the development of existing staff and the recruitment of the best people to new posts. We believe that our pay structure remains transparent and competitive in the sector.

Crisis is extremely fortunate that it can call on the support of more than 8,000 volunteers. Every one of them is invaluable to us and is worth far more than any financial cost we could attach to their time.

### **Risk management**

No system of internal control is able to give absolute assurance against material misstatement or loss. However, we believe we have taken sufficient action to adequately mitigate against risks.

Systems include:

- a long-term strategic plan, annual business plan and annual budget, all of which are approved by the trustees;
- regular consideration by the trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- in depth review of financial performance and risk by the Finance Committee, including review of growth planning;
- scaled authority levels and segregation of duties; and
- identification and management of risks.

Risks are identified and managed using an organisational risk register. A matrix format is used which allows identified risks to be rated according to the likelihood and impact of the risk occurring. All identified risks are reviewed and mitigating strategies are put in place to reduce them as far as practicable. Those activities with higher risk ratings are prioritised.

The register is reviewed regularly by both the senior management team and the Finance Committee and by the Board of Trustees on an annual basis.

# Making an impact: Education

*Our Crisis Skylight Centres in London and Newcastle enable homeless people to access a wide range of classes and learning activities to learn new skills or build on existing ones, explore their creativity, increase their self-confidence and achieve nationally recognised qualifications.*

We exceeded our target for participation, with nearly 2,000 people participating in a class or activity at Crisis Skylight. Popular accredited classes delivered in the year included literacy, numeracy, IT, ESOL and even car maintenance.

We narrowly missed our target for the number of individuals who gained an accredited qualification, but exceeded our target for the total number of qualifications achieved. The number of people who have taken part in a Crisis service and then moved into further education and training was also above target.

## Engagement and creativity

Our Crisis Skylight centres provide a wide range of creative and performing arts classes that are integral to our learning offer. Over 750 people participated in Crisis Skylight arts activities this year and research from University College London evaluated the benefits of participation. 86% of clients reported increased confidence, 67% that they are more likely to engage in formal learning and 55% are more likely to look for work.

Our arts provision also provides opportunities for clients to attend external events and engage with the wider community. These opportunities saw clients making films, exhibiting at the Tate, the Baltic and the Royal Academy, producing CDs, performing Shakespeare and building a garden for the Chelsea Flower Show.

## How did we do?

### Targets for 2009/10

- 1,730 people participate in a Crisis learning activity
- 560 people to gain accreditation in a Crisis service
- 770 certificates to be awarded across Crisis' services
- 256 people to move into further education/training having engaged with a Crisis service
- Provide funding for 170 people to complete further education/training through Crisis Changing Lives

### Outcomes for 2009/10

- 1,926 people participated in a Crisis learning activity
- 543 people gained an accreditation in a Crisis service
- 789 certificates were awarded across Crisis' services
- 292 people moved into further education/training having engaged with a Crisis service
- Provided funding for 152 people to complete further education/training through Crisis Changing Lives

# Making an impact: Employment

*The majority of homeless people have been out of work for several years and need specialist help. Across all of our employment services we achieved our 'into work' target and with our merger partner Off the Streets and Into Work (OSW) in total 248 people were helped to find work.*

## Skills for Jobs

Crisis led a consortium of seven homelessness organisations providing clients with training, coaching and ongoing support leading to permanent employment. Across the consortium, from November 2008 to July 2010, the target of engagements was met, with 731 people engaging, but whilst 107 did move into jobs and 46 sustained that employment (13 weeks) these outcomes were below target both for the consortium and Crisis.

## Vocational training

Alongside our employment offer we have developed a vocational training programme including courses in Build a Bike, GOALS (motivational and life skills), the Construction Skills Certification Scheme and First Aid at Work, with over 280 individuals participating.

The Crisis Skylight Cafés have continued to develop, helping homeless people and, with our partner Switchback, ex-offenders develop skills and on the job-experience. 26 trainees progressed into jobs.

Two Opportunities Fairs were held to help our clients find out about potential opportunities and to meet employers. 30 new organisations/employers attended.

## Working with Eastern European people

People from the 10 countries of Eastern Europe that joined the European Union since 2004 have unfortunately formed a growing proportion of the homeless population when their employment has ended or work did not materialise in the first place. The majority of them still want to work and with funding from the Oak Foundation Crisis established a specialist programme. We have met with 128 clients and supported 58 of these into employment.

## Crisis Changing Lives

Now in its ninth year, the Crisis Changing Lives programme continued to grow, with 233 grants of up to £2,500 awarded to homeless people across the UK. We awarded 18 more Crisis Changing Lives grants than our target and average awards were higher than anticipated. The number of people we know of who progressed into paid employment was significantly below our target as unfortunately limited resources didn't allow us to chase up the outcomes of all previous grant recipients. We were delighted, however, to learn that a previous award recipient – Brian Chamberlin – has now won contracts to supply his wheatgrass to major high street chain Lush.

We are very grateful for the support of Barclays for the programme and celebrated the achievements of recipients at the 2009 Champions Awards in October at Barclay's HQ in Canary Wharf with their CEO, John Varley.

## How did we do?

### Targets for 2009/10

- 195 people moving into work
- Award 215 Crisis Changing Lives grants totalling £220,000
- 75 Crisis Changing Lives recipients to gain paid employment or become self-employed
- Achieve all the targets in the Skills For Jobs (S4J) and Working Neighbourhood Fund (WNF) contracts
- Deliver three Opportunities Fairs for homeless people

### Outcomes for 2009/10

- 248 people moved into work
- Awarded 233 grants totalling £230,000
- 47 Crisis Changing Lives recipients gained paid employment or became self-employed
- Did not achieve the targets in the S4J contract but achieved most targets in our WNF contracts in London and Newcastle
- We delivered two Opportunities Fairs supported by some 60 partners
- We delivered two Opportunities Fairs supported by some 60 partners

# Making an impact: Housing

*Homeless people, whether sleeping rough, moving from friend's floor to friend's floor, or stuck in a hostel waiting to move on, need good quality accommodation. With long housing waiting lists and legal priority for social housing being given only to certain groups, finding a flat in the private rented sector is the solution for many single homeless people. But they face many barriers.*

This year we expanded our national advisory service in partnership with the Department of Communities and Local Government and the Scottish Government, assisting local authorities and voluntary sector agencies to develop new services to help homeless people find and keep a home in the private rented sector (PRS). We provided intensive advice to 31 agencies in England following which 27 developed new or improved services. We have also provided over 150 different agencies with training to improve access and create more successful tenancies.

Our dedicated website – [www.privatedsector.org.uk](http://www.privatedsector.org.uk) – hosts a database of services around the UK. Local authorities and voluntary sector agencies benefit from good practice, guidance and research collated on the site from across the homelessness sector. Usage of the website has doubled this year to almost 4,000 hits per month.

## Matching clients to homes

Crisis, in partnership with the Dolphin Square Foundation, also directly funds and supports Westminster SmartMove. This helped 60 homeless people to move into their own accommodation. It is part of a Crisis-supported network of SmartMove projects run by local agencies in 24 locations across the UK. They helped nearly 1,500 people into accommodation and provided advice to over 6,000 more.

The merger with OSW brought into Crisis the Transitional Spaces Programme which this year helped 43 people move into their own home with a private landlord and 31 people into social housing. We were slightly below target in the number of Crisis Skylight members we helped improve their housing situation due to some difficulties in recording on the database.

## Crisis SmartSkills: combining housing with personalised learning support

SmartSkills, a three year pilot learning and skills programme funded by Crisis and delivered by local partners in seven locations around the UK (Barnet, Bridgend, Calderdale (Halifax), Canterbury, Edinburgh, Swansea and Teesside) concluded in September 2009. 220 people who had been assisted into accommodation through their local Crisis SmartMove service participated in this final year, achieving a total of 367 qualifications.

An independent evaluation of Crisis SmartSkills found that participants improved their independent living skills and a considerable number progressed onto further education or adult learning. Those with complex needs, including drug and alcohol misuse, a history of abuse or violence, and mental ill health benefited in particular.

## How did we do?

### Targets for 2009/10

- SmartMove network to provide housing advice to 7,000 people
- SmartMove network to help 1,000 people into accommodation
- Advise 50 local authorities across England and Scotland on how to improve access to the PRS for single homeless people
- Develop Crisis' PRS website as the gateway to information on using the PRS to prevent and resolve homelessness
- Help 195 clients of Crisis Skylight to achieve stability in their housing situation

### Outcomes for 2009/10

- Local SmartMoves provided housing advice to 6,050 people
- Local SmartMoves helped 1,426 people into accommodation
- Crisis worked intensively with 36 local authorities across England and Scotland and trained over 150 different agencies on improving access to the PRS for single homeless people. This was in addition to responding to requests for advice from over 200 agencies and 300 individuals.
- Developed Crisis' PRS website as the gateway to information on using the PRS to prevent and resolve homelessness, with almost 4,000 visits per month.
- 138 clients of Crisis Skylight were helped to achieve stability in their housing situation

# Making an impact: Health and well-being

*Many homeless people suffer a range of physical and mental health issues and face significant barriers to getting the right healthcare. At Crisis we help people get connected to the services they need and actively promote health and well-being.*

Building on the pilot service we established the previous year in London, the mental health service (funded by the London Borough of Tower Hamlets Primary Care Trust) met its target and saw over 100 clients during the year, providing support, advocacy, advice, information and referral on to appropriate external service providers. Our mental health coordinator also managed a small team of volunteer counsellors who delivered one-to-one counselling to 25 clients. The total number of sessions fell below target due to the time taken to start up and recruit a sufficient number of counsellors, but by year-end we hit our final quarterly target for sessions delivered. Based on the demand for a mental health service in London, we have secured new funding to expand the service in London and to establish it in Newcastle.

We have developed the healthcare services we deliver with volunteers and partners at our Christmas centres to deliver two health fairs during the year in London. The most recent of these, in June, was delivered with 11 partner organisations and addressed physical, mental and sexual health. The day was attended by 103 people of whom 43 had a general health check, 37 saw a podiatrist, 60 had a chest x-ray and 10 had their eyes tested.

In London, through our partnership with Vision Care, Crisis Skylight members and other homeless people in the area continue to be able to access year-round the services of fully trained opticians and to get prescription glasses, making a real difference to their quality of life.

Health is not just about treatment and support but also about promoting well-being. In both our London and Newcastle Skylight centres we run a number of health and well-being classes; these include tai-chi, yoga, football, dance, gardening, cooking and healthy eating. We hit our target for participation in well-being classes, giving people a chance to develop physically and mentally, and to re-engage with the community around them.

## How did we do?

### Targets for 2009/10

- 100 people to access the mental health service; 75% to report a reduction in isolation
- 75% of mental health clients to be registered with a GP
- 384 counselling sessions help to improve mental health
- 100 people to attend a Crisis Health Day, getting access to vital services
- 300 people to attend a well-being session in Crisis Skylight

### Outcomes for 2009/10

- 102 people accessed the mental health service and 48% reported a reduction in their feelings of social isolation
- 94% of mental health clients are registered with a GP
- 253 counselling sessions were provided by volunteer counsellors
- 103 people attended the Health Day in June
- 327 people attended a well-being session in Crisis Skylight
- 327 people attended a wellbeing session in Crisis Skylight

# Making an impact: Crisis At Christmas

*Christmas can be very hard for homeless people with the rest of the population enjoying time with friends and family. It is also a time when many other services close down. For Crisis, providing companionship and services at Christmas has been central to what we do for nearly 40 years – but not just for its own sake: our aim is that the support, advice, health check-ups, referrals and opportunities we provide will set up our guests for a better year ahead.*

2009 was perhaps our best Christmas yet. We met or exceeded virtually all our targets and reached the conclusion of our strategy to ensure Crisis At Christmas was fully responsive to the changing nature of our clients' needs and other homelessness services today.

We provided a series of large day centres across London in high-quality environments and facilities, packed with services and inspiring activities for everyone to access, especially those living in hostels and vulnerable accommodation. Most of our centres were hosted by colleges and schools, with the Islington School of Arts and Media and Newham College being joined this year by the City Of London Academy and Hammersmith and West London College to create day centres on a north-south-east-west axis.

For those sleeping rough or without a bed and for people with dependency issues and vulnerable women, our specialist residential centres provided a more intensive service, getting people off the street and into a safe and welcoming environment. Outreach and specialist teams from across the homelessness/housing sectors were able to work intensively with clients over the Christmas period and achieve positive outcomes – ensuring that Crisis At Christmas is right at the heart of efforts to achieve the goal of ending rough sleeping in the capital by 2012.

The number of guests sleeping at our centres was similar to last year – with about 550 being referred. There was, however, a large increase in people using our day centres – with around 2,000 people visiting them during the week, but happy to return to their hostels or other accommodation each evening.

As with every year we worked with thousands of volunteers and other partners to deliver all of our services from healthcare, advice and podiatry to internet cafés, arts and crafts and entertainments. Delivering them in high-quality environments and in buildings at the heart of communities meant we could also offer new activities such as sports and fitness, as well as instilling a new sense of belonging and enhanced self-esteem in our homeless guests – too many of whom have lived outside of mainstream society for too long.

The developments we have made to Crisis At Christmas over the last five years mean that we provide better services in better environments closer to where people need them.

## Christmas in Newcastle

For the second year Crisis delivered services over Christmas for homeless people in Newcastle out of our Skylight centre in the city. We opened Crisis Skylight on Christmas Day and Boxing Day from 8am to 8pm with the support of 110 volunteers specifically recruited to support the event. We saw 120 guests coming on both days, enjoying food, fun-filled activities, podiatry, hairdressing, films and much more. As we establish Crisis' new Skylight services in other cities we will also look at how best we might offer appropriate services over Christmas in these areas too.

## How did we do?

### Targets for 2009/10

- Provide shelter and support for 2,000 guests (homeless people)
- Deliver at least 20 vital services across the centres
- 450 guests to receive advice on housing, benefits and employment
- Delivery on day centre model with overnight sleeping prioritised for rough sleepers

### Outcomes for 2009/10

- Over 2,500 guests visited Crisis At Christmas in 2009
- 23 services delivered along with sporting activities
- 430 guests received advice on housing, benefits and employment

Five day centres opened, all of which we can return to in 2010, with focused services and accommodation provided for rough sleepers and the most vulnerable

# Making an impact: influencing

*To fulfil our mission to end homelessness Crisis seeks to ensure that Government, politicians and policy makers understand the issues and make the changes that matter. In an election year this has been more important than ever.*

## Campaign successes

MPs and peers passed the Mortgage Repossessions (Tenant Protection) Act (2009) just before the general election following a strong campaign run with our partners. The new law guarantees private tenants rights to two months' space to find alternative accommodation and avoid homelessness, bringing protection for 324,000 households who were at risk. Effective lobbying, working with MPs and through the media and the involvement of our e-campaigners ensured that parliamentary time was allotted and support gained for this to become law.

We kept the pressure on politicians to keep the promise to end rough sleeping by 2012. Our "mystery shopping" research of local councils' housing departments resulted in the Government encouraging councils to review the assistance they give to single homeless people. In London, where rough sleeping and homelessness is highest, we have been active in the Mayor's Delivery Board focused on the 2012 target. With the private rented sector playing an ever-more important role in meeting housing need, we have argued for reforms in England and Scotland to reflect the needs of single homeless people, including hosting a conference with central and local government, landlords' associations and other agencies.

## Influencing the new Government

Crisis held fringe events at the Labour and Conservative Party Conferences, making the case for policy changes to end rough sleeping and homelessness, to help homeless people develop skills and move into work and to reform the private rented sector. Speakers included the then Minister for Housing Benefit and Shadow Ministers for Homelessness and Welfare Reform. Theresa May, now Home Secretary, visited Crisis services. Following the election, we met with Grant Shapps MP, now Minister for Housing and Local

Government, and have been working with MPs of all parties to ensure that single homelessness is a priority for the new Parliament and Government.

The establishment of a new cross-ministerial homelessness committee is a response to our insistence that homelessness is not a single department issue but needs a concerted attack across departments. The new Government has also responded to our long-standing concerns by reviewing the methodology as to how rough sleepers are counted and publishing more realistic figures.

## Preparing for challenges ahead

There are some serious challenges ahead. The system of housing benefit has long created real problems for homeless people. It needs to be changed both to better protect the most vulnerable and to support people into work. However, the severe cuts to housing benefit announced in June's Emergency Budget will affect some of the most vulnerable in society. We will be lobbying hard to try to prevent the cuts going ahead and to minimise the impact on homeless people.

We use research to give weight to our arguments. This year a survey of clients and agencies on housing benefit gave us the data to challenge proposed cuts. Big Lottery Funding for new longitudinal research into the private rented sector will give us more insight into practices which sustain tenancies.

At Christmas the media publicised the results of a survey highlighting public concern about the effect of the spending cuts on poor households. And we are reaching more people through our revamped website and making greater use of social media. The new services that have joined us from OSW – focused on gathering and spreading best practice around welfare to work and social enterprise – strengthen our position to influence Government policy to help homeless people get back to work.

## How did we do?

### Targets 2009/10

- Achieve policy change for single homeless people through focused policy work and campaigning activity, particularly in the run-up to the general election

- Take 20 opportunities to present our case and provide evidence to statutory bodies who influence policy change
- Deliver two research and external evaluations
- Gain high level of media coverage to support our influencing work
- Embed new brand and website to raise public knowledge and awareness of homelessness and our work
- 20% increase in new web traffic

### **Outcomes 2009/10**

- Following campaigning by Crisis and partners, new legislation was introduced to protect private tenants at risk of homelessness when their landlords are repossessed
- Presented to policy makers on 29 occasions including before the Scottish Parliament and in meetings with Ministers responsible for Housing Benefit and Homelessness
- Delivered the evaluation of SmartSkills and research projects into housing benefit and housing models.
- Achieved media coverage with an AVE of £4.5m including around the A Positive View exhibition and made a strong case through media and politicians that in an economic downturn it is more important than ever to ensure the most vulnerable are protected
- Launched a new website for Crisis with a 22% increase in traffic

# New developments and future impacts

## Expanding Crisis services across the UK

In accordance with our Strategic Plan we have continued to make major progress towards the development of Crisis Skylight education, training and employment services in new areas across the UK. We started the year with ambitious plans for a new Crisis Skylight centre in Birmingham and substantial funding towards a new project in Oxford.

### Birmingham

We decided we could make a quicker impact by organising our delivery in a different way following difficulties in obtaining a building. Crisis has teamed up with a number of local organisations to launch Crisis Skylight Birmingham – a new arts, education, employment and training service for homeless and vulnerable adults.

Operating in south central Birmingham, Crisis offers a range of floating services delivering workshops, courses and one-to-one advice sessions in local community settings. Our partners include Be Birmingham, SIFA Fireside, Trident Group, St. Anne's Hostel, Allison Hostel, Anawim, DanceXchange and ACE dance and music.

A team of seven staff has been recruited and began work in July 2010 preparing for the first full term which is due to commence in October 2010.

### Oxford

With significant grants from the Homes and Communities Agency, additional financial support from Oxford City Council and Crisis, and following extensive consultation with the local community, work on redeveloping the Old Fire Station has commenced. Working with Oxford City Council, the overall vision is for the refurbished building to become a unique, dynamic, learning and creative hub in the centre of Oxford that encourages skills development, integration and progression. It will accommodate a new Crisis Skylight centre and café alongside a charitable arts company offering flexible and inspirational spaces for artistic professional development and training.

Community groups will be able to use the space to offer performance and visual arts events, regular classes and courses for the public. This is a unique venture and the opportunity for Crisis Skylight Oxford and the arts company to work together for the benefit of homeless people is very exciting. The centre is due to open in summer 2011.

### Other locations

We continue to seek suitable locations to enable us to expand our services to more places where they are most needed. We will be commencing service provision on a small scale in Edinburgh, in conjunction with the Grassmarket Mission and Greyfriars Community Project. In Liverpool, we are continuing to investigate the most appropriate services to provide and will be seeking suitable premises.

### How did we do?

#### Targets for 2009/10

- Ensure we stay on target to operate Crisis Skylight services in Birmingham from spring 2011
- Ensure plans for Crisis Skylight Oxford remain on target to open in spring 2011
- Decide on new locations for Crisis Skylight services and obtain local authority support

#### Outcomes for 2009/10

- Birmingham services ahead of time with office opened and staff recruited in July 2010 and service delivery commencing in October 2010 (in partners' premises)
- Plans are on course to open in Oxford in summer 2011; slight slippage due to scale and complexity of project
- Services scheduled to commence in Edinburgh in November 2010; Liverpool identified as next location for Crisis Skylight centre, subject to full feasibility study

# Making it happen: Fundraising

*This has been a good year for fundraising to support our plans. We have substantially increased our voluntary income to £9.9 million. This has been achieved with the substantial support of our individual donors, accounting for 57% of our total fundraised income. In addition, many companies, trusts and other organisations have supported us with financial donations, gifts in kind and grants and through fundraising events and activities.*

We have raised money through both tried and tested and new means. The Crisis Square Mile Run and Crisis Christmas Card are established tools but still proving effective. A Positive View and Urban Investors are new.

## **Crisis Urban Investors**

We introduced an innovative 'share' offering, Urban Investors, inviting individuals to buy 'shares', with the return being the social return on that investment. The social return calculation was developed with Oxford Economics and represents the benefit to the individual, society and the public purse that results from a homeless person having improved their education, employment and housing prospects as a result of participating in the services offered by Crisis Skylight.

## **Crisis Sports Team and Crisis Square Mile Run**

This year we launched the Crisis Sports Team – bringing together all our established and new running and challenge events.

June saw the 18th Crisis Square Mile Run take place and over 1,600 people ran the 6km race to end homelessness. The route started in Paternoster Square by St Paul's Cathedral, looped around both sides of the Embankment and finished on Millenium Bridge. A new event was introduced – the Crisis Square Mile Relay – which took place the evening before the main race. Teams of four raced against the clock, each team member running a lap of 2 km.

Over the last 18 years the Crisis Square Mile Run has raised over £2.5m and this year the series of events was supported by our Crisis Sports Team sponsor Rabobank.

## **Crisis Christmas Card**

For over 15 years the Crisis Christmas Card campaign has encouraged companies to donate their Christmas card budget to Crisis. In return they receive a unique e-card and as part of a partnership with the Financial Times, acknowledgement through the paper's pages.

Approximately 83 companies supported the campaign this year. Over the last 15 years the campaign has raised in excess of £7.5m.

## A Positive View

*During March and April 2010 Crisis staged a high-profile fundraising event, A Positive View. 18 months' work saw a photography exhibition and auction take place in London with some of the most influential figures from the arts world in attendance. The event raised over £580,000 net to support our vital work for homeless people.*

A Positive View featured signed photographic images produced since 1809, and donated by the world's most highly regarded and influential photographers or representatives. Exhibited at Somerset House, London the exhibition ran for one month and attracted over 14,000 visitors.

The exhibition was followed by a gala auction at Christie's when HRH Prince William was our guest of honour as Patron of the event

The Prince had already shown his personal support by becoming photographer for the day. The result was 'The Crisis Royal Diptych' (above right) which comprises a new portrait of Prince William by Jeff Hubbard – a Crisis client – together with an image of Jeff, taken by Prince William. Specially commissioned for A Positive View, the photographs were taken under the creative guidance of international photographer Rankin, and marked the first time that a Royal portrait has been taken by an ordinary member of the public. The diptych sold at Christie's for £24,000.

The creation of the diptych in particular generated extensive coverage across TV news broadcasts and through features in the national press, such as The Daily Telegraph, The Daily Mail, Express, Sun, Mirror and Guardian as well as a 12-page cover story in Hello magazine.

At the heart of the event were photographs from Crisis clients Jeff Hubbard, Stella Lado Joseph, Grant David Read, Joseph De-Haan and Paul Kelly. Their photographs hung alongside the world's most highly regarded professionals, fully incorporating them into the event and showcasing their considerable talents.

A Positive View was fully supported by our sponsors: Barclays Wealth, our lead sponsor; GlaxoSmithKline, gallery supporter; Samsung, book supporter; and Fedex our international courier, all ensuring the majority of the money raised went directly to our charitable work.

# Making it happen: Volunteering

*Volunteering continued to go from strength to strength in 2009/10. We met our targets with over 10,000 volunteers involved over the course of the year and 8,500 in the delivery of Crisis At Christmas – thousands of new faces joined our senior volunteers, some of whom have enabled us to run the project for over 30 years.*

In Newcastle we currently have over 60 active volunteers involved in a variety of different areas of the work of Crisis Skylight. Volunteers' feedback across the organisation has been excellent and staff have seen increasing benefit from the dedication, commitment and quality of work that volunteers offer.

We re-launched our client volunteer programme with the aim of providing learning and development opportunities for our members. We had nine member volunteers in Newcastle and in London 15 ambassadors were trained to promote the work of our Skylight centres, allowing them to develop skills and confidence whilst supporting Crisis to reach out to more people. In Newcastle our pilot of using an ASDAN-accredited level 2 course for member volunteers proved successful with three member volunteers gaining the full qualification. Our aim for the future is to get as many clients involved as possible whilst ensuring volunteers are involved in meaningful and well-structured roles.

Due to staff changes and other issues we have not been able to facilitate as many mentoring relationships as we would like but 29 homeless people benefitted from having a volunteer mentor this year – 14 in Newcastle, 15 in London. We have adapted the scheme to generate a more flexible working relationship between our membership and our volunteer mentors and will be looking to recruit more mentors in both London and Newcastle.

Crisis is incredibly fortunate to be able to attract high numbers of talented volunteers. In November we worked with Housing Justice to publish a new booklet of volunteer opportunities available across the homelessness sector and launched it at an event with the Mayor of London, Boris Johnson. This booklet helps us to support smaller organisations by sign-posting potential volunteers to their opportunities. Crisis Skylight Newcastle and our volunteers have also become a leading example in the city of the impact a well managed and structured volunteering programme can have and this year Crisis led on city-wide celebrations for Volunteers Week to celebrate their hugely positive force.

## How did we do?

### Targets for 2009/10

- 10,000 volunteers to help Crisis across the year (including 8,000 at Christmas)
- Recruit and train volunteers for all suitable roles at Crisis Skylight Newcastle
- Recruit and support 20 Crisis Skylight members as volunteers
- Recruit 60 mentors in London and Newcastle.

### Outcomes for 2009/10

- 10,000 volunteers across the organisation with 8,500 volunteers recruited for Crisis At Christmas
- 60 volunteers trained and active across Crisis Skylight Newcastle with 110 volunteers supporting services over Christmas in Newcastle
- Recruited 24 Skylight members as volunteers and ambassadors with 17 members completing placements
- Recruited and matched 29 new mentors in London and Newcastle

# Next year: our targets for 2010/11

## Education

- 2,040 people participate in a Crisis learning activity (across London, Newcastle, Birmingham and Liverpool)
- 665 people gain accreditation in a Crisis service
- 880 certificates to be awarded across Crisis' services
- 70 people move into volunteering
- 350 people move into further education/training having engaged with a Crisis service

## Employment

- 250 people move into work
- Award Changing Lives Grants totalling £215k
- 60 Changing Lives recipients to gain paid employment or become self-employed
- 200 people participate in a vocational training programme

## Housing

- 30 local authorities assisted and advised to develop/expand PRS services
- Complete audit of PRS access provision across the nine regions of England, using it as a basis to deliver targeted support and to update the database of schemes
- 65 individuals directly assisted into PRS accommodation
- Establish new PRS housing coaching service model in London, bringing together former OSW services and new provision for Crisis Skylight members

## Health and well-being

- 100 people to access the mental health service
- 75% reporting an increased ability to manage their mental health
- 75% reporting an improvement in their social networks/relationships
- 75% reporting an improvement in their motivation
- Up to 320 counselling sessions provided
- Deliver four mental health awareness events

## Christmas

- Provide shelter and support for up to 2,700 guests
- Involve 30 Skylight members as volunteers in support services in the run up to and over Christmas (warehouse, centres, Skylight Ambassadors)
- Work in partnership with 15 external organisations

## Influencing

- Campaign to protect homeless people from the worst impacts of cuts to housing benefits, other benefits and public spending
- Secure 25 opportunities to present our case to statutory bodies who influence policy change
- Ensure homelessness remains a priority for the new Government
- Influence the new Work Programme to ensure it supports homeless people and meet the targets of the WILLOW and 3 x E programme
- Deliver and disseminate three research projects increasing our knowledge of the causes of and solutions to homelessness
- Gain high level of media coverage in support of our influencing objectives

## New developments

- Achieve all Oxford Old Fire Station project plan milestones and achieve opening in summer 2011
- Commence service provision in Birmingham and Edinburgh
- Develop plans for Crisis Skylight centre in Liverpool, to open in second half of 2011

## Volunteering

- 10,000 volunteers to help Crisis across the year (including 8,000 at Christmas)
- Recruit and support 30 members as volunteers with five receiving the full ASDAN qualification
- Recruit 35 mentors
- Recruit and support 30 interns

## Financial review

Crisis recorded an operating surplus of £1.0 million for the year ended June 2010 (before an exceptional repayment of restricted funds of £2.0 million), in comparison with a break-even position last year. This strong performance, which exceeded our initial expectations, has enabled us not only to continue to deliver a range of life-changing services to homeless people but also to prepare for the planned expansion of these services to more cities in the UK.

During the year, as referred to in the chief executive's review, Crisis repaid £2 million to David Gilmour's charitable foundation following the strategic decision not to proceed with a major housing project. This came from the restricted New Developments fund, which stood at £4.6 million at June 2009. The balance of this fund has become unrestricted funds to be used as Crisis deems appropriate. The comments and ratios discussed below exclude this repayment from expenditure.

The merger with Off the Streets and into Work ('OSW') on 1 April 2010 resulted in an increase in income and expenses of £204,000 and £174,000 respectively. In addition, as a result of the merger there was a negative goodwill credit of £77,000 in the year.

Total income for the year ended 30 June 2010 was £13.6 million. Excluding gifts in kind and donated services, there was an increase of 22% on last year. Despite the challenging economic background, all voluntary income streams increased from the levels of the previous year. We continued to increase our investment in direct marketing, primarily to secure income in subsequent years, but achieved an increase of £1.1 million from individuals and legacies over last year. This reflected, in part, previous years' investment. Our income from events included a significant contribution from A Positive View, the international photography exhibition and auction for which HRH Prince William agreed to be patron. We continue to work with a number of companies whose commitment to our work, both financial and non-financial, has been greatly valued. In October 2009 we launched our Urban Investor product. This is an innovative fundraising initiative, incorporating socially responsible investment principles, which will be developed in the next year.

Total expenditure (excluding the repayment of restricted funds) increased to £12.7 million from £12.4 million last year. In addition to three months' expenditure in respect of former-OSW services, the other main factor behind the increased expenditure was the above-mentioned increased investment in direct marketing, offset by a reduction in gifts in kind and donated services of £0.5 million. The majority of this latter reduction related to Crisis Christmas and reflects the increasing quality of the buildings we use for our Christmas centres. Underlying expenditure on Christmas was largely unchanged.

Analysis of our expenditure shows that we spent 57% on charitable activities, 42% on fundraising and 1% on governance. Note that this ratio is skewed by the impact of gifts in kind and donated goods and services which are valued at market cost for the purposes of these financial statements but which have nil cost to the charity. Excluding these notional costs, charitable activities represents 64% of total expenditure.

The Cost of Generating Funds, our fundraising investment, increased from £5.1 million last year to £5.3 million. Of this, £1.9 million is the imputed value of gifts in kind and donated services, a value we are required to include in our costs under SORP 2005. It is questionable whether we would have used the goods and services had they not been free. It cost us 29 pence to raise each pound of income through fundraising activities (excluding donated gifts in kind, services and facilities). This compares to 33 pence last year.

Support costs were £1.5 million, or 11% of total revenue (2009 - £1.3 million, 11%).

The current economic environment is one of the most difficult for decades. In early 2009, management took action to reduce headcount and contain costs. We continue to monitor the financial position of the organisation to ensure that we can take advantage of the significant surplus generated this year to support our strategic aims to do more for more people in more places. We continue to focus on securing future income streams, in part by the maintenance of a diverse spread of revenue sources.

### **Crisis reserves policy**

Crisis aims to hold sufficient free reserves to cover 30% of budgeted annual expenditure (excluding non-cash items, gifts in kind and expenditure for which restricted funding has already been secured) in order to ensure that the charity can continue to run efficiently and meet the needs of its beneficiaries.

This measure is calculated as an average over the year and the trustees recognise that due to the seasonal nature of our income, we might hold as little as 15% in reserves in some months. This is because the majority of our income is received over the winter and Christmas period, yet we work, and therefore spend, throughout the year.

The treatment of the restricted New Developments fund held at 30 June 2009 is discussed above. In addition, at June 2009 Crisis held a designated New Developments fund of £850,000, established because of the anticipated major capital expenditure required by the 2008 – 2013 Strategic Plan. In July 2010, Crisis commenced operations in Birmingham but the new approach adopted did not involve significant capital expenditure. The budget for the current financial year assumes that two new Skylight centres will open in 2011, including the major new development in Oxford. Whilst we will be seeking funding specifically for these new ventures, it has been decided to create a New Developments designated reserve to cover the first 36 months planned expenditure, estimated at £2.6 million. This will enable us to be confident about opening new centres with a stable foundation and is considered appropriate against the current economic and social policy background.

A further designated fund is held at the total net book value of tangible fixed assets since these assets, although recognised as part of unrestricted reserves, are not easily converted into cash should the need arise and so are not deemed to be 'free'.

Reserves levels are reviewed quarterly by the Finance Committee and by the Board of Trustees. The reserves policy is reviewed annually by the Finance Committee on behalf of the Board.

The free reserves of the charity at 30 June 2010 (calculated as total unrestricted funds less the

designated tangible fixed asset reserve, but including the New Developments designated reserve) were £6.9 million (2009 - £3.5 million) which equates to 71% (2009 - 37%) of the full year's expenditure, excluding gifts in kind and donated services. However, when free reserves, excluding the designated reserve established to support our planned expansion, are compared with budgeted expenditure for the year ending June 2011, excluding gifts in kind and donated services and expenses, the ratio is 45%.

### **Investment management**

The majority of our funds continue to be held in cash or cash equivalents and the investment portfolio and its performance is scrutinised four times a year by the Finance Committee.

The investment policy of the charity allows the organisation to hold a balanced portfolio of investments, including cash and cash deposits whilst funds equivalent to 10% of budgeted annual expenditure (excluding non cash items, gifts in kind and expenditure for which restricted funding has already been secured) are held in Common Investment Funds.

Following the net losses on investment holdings for the year ended June 2009 of £103,000, a recovery in world securities markets resulted in an unrealised gain of £57,000 during the year. It is anticipated that the total return from the investment portfolio will prove satisfactory over a ten year timescale.

### **Socially responsible investment**

The trustees have considered the implications of using ethical and socially responsible criteria alongside financial criteria in decisions relating to our fixed asset investments. For example, we have discussed whether we should explicitly exclude certain business activities from our investment portfolio.

On balance we have concluded that the charity's interests are best served by investing in well diversified pooled funds, seeking the maximum expected financial returns within an acceptable level of risk. We will be mindful of the non-financial considerations of selecting any fund but financial criteria will take priority in our decision making.

This policy is reviewed regularly by the trustees.

# Statement of trustees' responsibilities

The trustees (who are also directors of Crisis UK Ltd. for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements 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 charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Approval

This report was approved by the Board of Trustees on 7 October 2010 and signed on its behalf by:

Sir David Bell  
Chair of Trustees

# Independent auditor's report to the members of Crisis UK

We have audited the group and parent charitable company financial statements (the 'financial statements') of Crisis UK for the year ended 30 June 2010 which comprise the group statement of financial activities, the group and charitable company balance sheets, the group cash flow statement, the principal accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors  
The trustees' (who are also the directors of Crisis UK for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether

the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's and Chief Executive's Statement and annual review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

## 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 group's and charitable company's circumstances, consistently applied and adequately disclosed.

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

## **Opinion**

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 30 June 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements for the year ended 30 June 2010.

Judith Newton  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

1 November 2010

# Consolidated statement of financial activities

For the year ended 30 June 2010

Income and expenditure account	Notes	2010 Unrestricted £'000	2010 Restricted £'000	2010 Total £'000	2009 Total £'000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Donations, legacies and similar income	2a	7,151	1,157	8,308	7,114
Grants	2b	-	1,095	1,095	752
Gifts in kind	2c	-	405	405	442
Donated services and facilities	2d	-	2,444	2,444	2,898
<i>Activities for generating funds</i>					
Events	2e	479	4	483	437
Commercial trading operations	3	419	-	419	130
Incoming resources from charitable activities	2f	229	-	229	211
Investment income	2g	43	17	60	260
Goodwill		77	-	77	-
Other income		118	-	118	153
<b>Total incoming resources</b>		<b>8,516</b>	<b>5,122</b>	<b>13,638</b>	<b>12,397</b>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
<i>Costs of generating voluntary income</i>					
Cash expended	4	3,352	13	3,365	3,017
Gifts in kind and donated services and facilities	4	-	1,893	1,893	2,061
Trading subsidiary expenditure	3,4	50	-	50	1
<b>Total cost of generating funds</b>		<b>3,402</b>	<b>1,906</b>	<b>5,308</b>	<b>5,079</b>
<b>Net incoming resources available for charitable application</b>		<b>5,114</b>	<b>3,216</b>	<b>8,330</b>	<b>7,319</b>
<b>Charitable expenditure</b>					
Christmas	4	441	1,041	1,482	1,803
Campaigning and influencing		558	150	708	734
Education		1,434	902	2,336	2,248
Housing		123	243	366	434
New developments		163	72	235	249
Health and wellbeing		345	147	492	453
Employment		883	600	1,483	1,122
Volunteering		59	117	176	184
<b>Total charitable expenditure excluding repayment of restricted funds</b>		<b>4,006</b>	<b>3,272</b>	<b>7,278</b>	<b>7,227</b>
Repayment of restricted funds	4	-	2,000	2,000	-
Total charitable expenditure		4,006	5,272	9,278	7,227
Governance costs	4	44	45	89	78
<b>Total resources expended</b>		<b>7,452</b>	<b>7,223</b>	<b>14,675</b>	<b>12,384</b>
<b>Net incoming/(outgoing) resources</b>					
<b>Surplus from continuing activities</b>		<b>1,064</b>	<b>(101)</b>	<b>963</b>	<b>13</b>
Repayment of restricted funds		-	(2,000)	(2,000)	-
<b>Net incoming/(outgoing) resources</b>		<b>1,064</b>	<b>(2,101)</b>	<b>(1,037)</b>	<b>13</b>

## Consolidated statement of financial activities continued

For the year ended 30 June 2010

Notes	2010 Unrestricted £'000	2010 Restricted £'000	2010 Total £'000	2009 Total £'000
<b>Net incoming resources</b>	<b>1,064</b>	<b>(2,101)</b>	<b>(1,037)</b>	<b>13</b>
Net gains/(losses) on investment assets	<u>57</u>	<u>-</u>	<u>57</u>	<u>(103)</u>
<b>Net movement in funds</b>	<b>1,121</b>	<b>(2,101)</b>	<b>(980)</b>	<b>(90)</b>
Funds brought forward at 1 July	3,966	6,293	10,259	10,349
Transfer between funds	2,598	(2,598)	-	-
<b>Funds carried forward at 30 June</b>	<b><u>7,685</u></b>	<b><u>1,594</u></b>	<b><u>9,279</u></b>	<b><u>10,259</u></b>

No other gains or losses were recognised in the year other than those shown above. The surplus for the year for Companies Act purposes including realised losses and gains on investments but excluding unrealised gains and losses on investments would be £963,000 (2009: £13,000).

# Balance sheets

at 30 June 2010

	Notes	Consolidated 2010 Total £'000	Crisis UK 2010 Total £'000	Consolidated 2009 Total £'000	Crisis UK 2009 Total £'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	2,275	2,275	2,345	2,345
Investments	11	496	496	439	439
		<b>2,771</b>	<b>2,771</b>	<b>2,784</b>	<b>2,784</b>
<b>Current assets</b>					
Investments	12	6,069	6,069	6,736	6,736
Debtors	13	559	1,022	708	714
Cash at bank and in hand		1,082	627	445	407
		<b>7,710</b>	<b>7,718</b>	<b>7,889</b>	<b>7,858</b>
<b>Creditors:</b> Amounts falling due within one year	14	(1,142)	(1,137)	(331)	(285)
<b>Net current assets</b>		<b>6,568</b>	<b>6,581</b>	<b>7,558</b>	<b>7,573</b>
<b>Total assets less current liabilities</b>		<b>9,339</b>	<b>9,352</b>	<b>10,342</b>	<b>10,357</b>
<b>Creditors:</b> Amounts falling due after more than one year	14	(60)	(60)	(83)	(83)
<b>Net assets</b>		<b>9,279</b>	<b>9,292</b>	<b>10,259</b>	<b>10,274</b>
<b>Represented by:</b>					
<b>Unrestricted income funds</b>					
General fund	16	4,348	4,361	2,452	2,467
<b>Designated funds</b>					
New developments	17	2,600	2,600	850	850
Tangible fixed asset reserve		737	737	664	664
<b>Total designated funds</b>		<b>3,337</b>	<b>3,337</b>	<b>1,514</b>	<b>1,514</b>
<b>Total unrestricted funds</b>	17	<b>7,685</b>	<b>7,698</b>	<b>3,966</b>	<b>3,981</b>
Restricted income funds	17	1,594	1,594	6,293	6,293
<b>Total funds</b>	17	<b>9,279</b>	<b>9,292</b>	<b>10,259</b>	<b>10,274</b>

The financial statements on pages 27 to 44 were approved by the Board of Trustees on 7 October 2010 and signed on their behalf by:

Sir David Bell

)

)

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Trustees

Heather Lamont

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The notes on pages 31 to 44 form an integral part of these financial statements

## Consolidated cash flow statement

For the year ended 30 June 2010

	Notes	2010 Total £'000	2009 Total £'000
<b>Inflow/(outflow) from operating activities</b>	21	(1)	(36)
<b>Returns on investments</b>			
Investment income	2g	60	260
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	10	(304)	(297)
<b>Cash Flow from Investment Activities</b>			
Acquisition of subsidiary - cash		247	-
- cost		(32)	-
		<u>215</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
<b>Management of liquid resources</b>			
Decrease in short term deposits	12	667	147
<b>Increase in cash</b>	22	<u>637</u>	<u>74</u>

# Notes to the financial statements

For the year ended 30 June 2010

## 1 Accounting policies

### a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified for the revaluation of current asset investments and in accordance with applicable UK law and accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities, published in 2005 and on a going concern basis.

The comparative figures in the Statement of Financial Activities, Balance Sheet and Cash Flow Statement have been revised to comply with the Statement of Recommended Practice 2005.

### b) Consolidated accounts

Consolidated accounts have been prepared for the charity and its trading subsidiary, Crisis at Christmas. The results of the subsidiary have been consolidated on a line by line basis. The unconsolidated result for the charity would have been a net surplus of £1,019,000 (2009 - net loss £92,000). The charity has taken advantage of S230 Companies Act 2006 and has not prepared a separate statement of financial activities for the charity.

### c) Incoming resources

All incoming resources are accounted for in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income, bank interest and grant income is recognised on a receivable basis. Legacies are recognised at the earlier of the date that the notification of distribution is received or that the legacy is received. Income tax on covenants and gift aid declarations is accounted for on an accruals basis.

Gifts in kind are recognised as income when brought into use by the charity. Gifts in kind and donated services and facilities have been included in income at an amount equivalent to that which the charity would have had to pay to purchase the donated items.

No amount has been included in the financial statements for services donated by volunteers.

### d) Resources expended

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts.

Costs of generating funds comprise costs incurred in raising voluntary contributions (and do not include the cost of disseminating information in support of the charitable activities), the cost of sales from our trading company and investment management costs.

Grant commitments are recognised when contractual conditions are met by our partners and a constructive obligation exists.

Governance costs are associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include internal and external audit and costs associated with constitutional and statutory requirements such as the cost of trustees meetings and preparing statutory accounts. Included within this category are any costs associated with the strategic as opposed to day to day management of the charity's activities.

Support costs are general and overhead costs which are not specific to governance, costs of generating funds or direct charitable activities but which enable these activities to be undertaken. These costs include management, finance, IT, facilities, human resources, communications and volunteering support costs and are allocated across the expenditure cost captions. The basis of the allocation is based upon an analysis of the resources utilised by each of these activities and is disclosed in note 7. The principal underlying the basis of this allocation is consistent between the prior and the current year.

Irrecoverable VAT is charged as a cost in the Statement of Financial Activities.

### e) Tangible fixed assets

Tangible fixed assets are stated at cost.

Office equipment, plant and machinery and vehicles are depreciated over four years on a straight line basis.

Leasehold improvements are depreciated over the period of the lease.

Freehold land and buildings are depreciated over fifty years from the date when they are ready for use.

Improvements to freehold land and buildings are depreciated over ten years from the date when they are ready for use.

Individual assets costing the organisation less than £500 are not capitalised but are written off to the Statement of Financial Activities.

**f) Pension costs**

Crisis UK operates a defined contribution group personal pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable by the charity are charged to the Statement of Financial Activities.

**g) Fund accounting**

**i) Restricted**

Restricted funds comprise amounts donated for specific objectives. They are expendable in furtherance of certain particular aspects of the objects of the charity.

**ii) Unrestricted**

Unrestricted funds comprise amounts donated to the charity for general use. They are expendable at the discretion of the trustees, in furtherance of any aspects of the objects of the charity. There are two categories of unrestricted funds:

*a) Designated*

Designated funds comprise funds set aside out of unrestricted income by the trustees for the furtherance of particular aspects of the charity's objects. The trustees may at their discretion, reallocate these funds back to the general fund (see below). Discretionary reallocations between designated and general funds are treated as transfers in the notes to the accounts.

*b) General*

General funds represent the accumulated unrestricted and undesignated surpluses. The general funds are available at any time for use at the discretion of the trustees for furtherance of the charity's activities and objectives.

**h) Current asset investments**

Current asset investments are shown in the balance sheet at market value. All equity investments are listed on a recognised stock exchange. Realised and unrealised gains and losses are included in the Statement of Financial Activities. All cash balances that cannot be withdrawn at any time, within twenty four hours notice and without penalty are treated as current investments.

**i) Operating leases**

Expenditure under operating leases is accounted for as incurred.

**j) Foreign currencies**

Transactions have been translated at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date.

Any differences on translation are written off to the Statement of Financial Activities.

## 2 Incoming Resources

	<b>2010 Unrestricted £'000</b>	<b>2010 Restricted £'000</b>	<b>2010 Total £'000</b>	<b>2009 Total £'000</b>
<b>a) Donations, legacies and similar income</b>				
Individuals & legacies	5,451	139	5,590	4,456
Trusts	330	377	707	693
Corporates	1,088	632	1,720	1,704
Community groups	282	9	291	261
	<b><u>7,151</u></b>	<b><u>1,157</u></b>	<b><u>8,308</u></b>	<b><u>7,114</u></b>
<b>b) Grants from statutory bodies</b>				
Department of Communities and Local Government	-	182	182	78
Newcastle City Council	-	185	185	104
The Scottish Government	-	33	33	44
Department of Health - Opportunities for Volunteering	-	107	107	179
We are V	-	10	10	-
London Borough of Tower Hamlets	-	310	310	48
Learning Skills Council	-	30	30	175
London Development Agency	-	18	18	-
Work Directions	-	7	7	48
Oxford City Council	-	9	9	17
Birmingham City Council	-	9	9	45
Big Lottery Fund	-	78	78	-
London Councils European Social Fund	-	47	47	-
3SC	-	16	16	-
Groundwork	-	27	27	-
Action for Employment	-	8	8	11
Other	-	19	19	3
	<b><u>-</u></b>	<b><u>1,095</u></b>	<b><u>1,095</u></b>	<b><u>752</u></b>
<b>c) Gifts in kind</b>				
Gifts in kind for charitable purposes	-	386	386	441
Gifts in kind for fundraising purposes	-	19	19	1
	<b><u>-</u></b>	<b><u>405</u></b>	<b><u>405</u></b>	<b><u>442</u></b>

	2010 Unrestricted £'000	2010 Restricted £'000	2010 Total £'000	2009 Total £'000
<b>d) Donated services and facilities</b>				
Analysis of major items				
Publicity and advertising	-	1,761	1,761	1,743
Legal costs	-	89	89	128
Buildings and facilities	-	594	594	808
Music event and record production	-	-	-	219
	<u>-</u>	<u>2,444</u>	<u>2,444</u>	<u>2,898</u>
<b>e) Events</b>				
Fundraising events	479	4	483	437
	<u>479</u>	<u>4</u>	<u>483</u>	<u>437</u>
<b>f) Incoming resources from charitable activities</b>				
Café income	217	-	217	198
Conference and training income	12	-	12	13
	<u>229</u>	<u>-</u>	<u>229</u>	<u>211</u>
<b>g) Investment income</b>				
Deposit interest	43	17	60	260
Investment income from quoted investments	-	-	-	-
	<u>43</u>	<u>17</u>	<u>60</u>	<u>260</u>

### 3 Commercial trading operations

The following income and expenditure is included within the trading activities of Crisis at Christmas:

	2010 Total £'000	2009 Total £'000
<b>Income</b>		
Sponsorship income	417	127
Other income	2	3
	<u>419</u>	<u>130</u>
<b>Expenditure</b>		
Cost of sales	<u>50</u>	<u>1</u>

## 4 Resources expended

	Grants payable (Note 5) £'000	Staff costs (Note 6) £'000	Other direct costs £'000	Gifts in kind and donated services £'000	Allocation of support costs (Note 7) £'000	2010 Total £'000	2009 Total £'000
<b>Costs of generating funds</b>							
Costs of generating voluntary income	-	805	2,224	1,893	336	5,258	5,078
Trading subsidiary expenditure	-	-	50	-	-	50	1
Investment management costs	-	-	-	-	-	-	-
	-	805	2,274	1,893	336	5,308	5,079
<b>Charitable activities</b>							
Christmas	-	224	205	956	97	1,482	1,803
Campaigning and influencing	-	394	195	-	119	708	734
Education	-	1,089	761	-	486	2,336	2,248
Housing	158	104	62	-	42	366	434
New developments	-	129	65	-	41	235	249
Health and wellbeing	-	226	167	-	99	492	453
Employment	203	675	339	-	266	1,483	1,122
Volunteering	136	-	-	-	40	176	184
	497	2,841	1,794	956	1,190	7,278	7,227
<b>Governance</b>	-	18	58	-	13	89	78
<b>Repayment of restricted funds</b>	-	-	2,000	-	-	2,000	-
<b>Total</b>	<b>497</b>	<b>3,664</b>	<b>6,126</b>	<b>2,849</b>	<b>1,539</b>	<b>14,675</b>	<b>12,384</b>

Total resources expended include the following amounts:

	2010 Total £'000	2009 Total £'000
Audit fees - year end accounts	13	7
Depreciation	374	326
Operating leases - land and buildings	488	491
Operating leases - other	7	6
Finance lease charge	4	4

The repayment of restricted funds was to the DG Charitable Settlement following the strategic decision not to proceed with a major housing project

## 5 Grants payable

	<b>Grants to Institutions £'000</b>	<b>Grants to individuals £'000</b>	<b>2010 Total £'000</b>	<b>2009 Total £'000</b>
Crisis SmartMove	158	-	158	225
Changing Lives	-	203	203	152
Volunteering projects	136	-	136	137
	<b>294</b>	<b>203</b>	<b>497</b>	<b>514</b>

Crisis SmartMove is a UK-wide scheme which assists homeless and vulnerably housed people with housing advice, access to accommodation in the private rented sector, and support in tenancy sustainment and re-integration with mainstream society. SmartMove is delivered by regional partner agencies, and grants enable them to deliver the SmartMove service, grow their infrastructure and develop new services to help their clients build lifeskills and access employment and education opportunities. The main focus of these grants for the coming year is the accredited life skills programme, SmartSkills, and further innovations that will empower SmartMove tenants to move away from homelessness permanently.

Changing Lives provides financial awards to people who are or have been homeless so that they may achieve their vocational goals, fulfil their potential and become independent.

Under the Opportunities for Volunteering scheme Crisis UK receives funding from the Department of Health which it distributes as grants to homelessness organisations working with volunteers.

**Breakdown of grants to Institutions**

	<b>2010 Total £'000</b>	<b>2009 Total £'000</b>
<b>Crisis SmartMove</b>		
Barnet	-	38
Calderdale Bond Scheme	12	25
Canterbury Housing Advice Centre	12	25
Threshold Centre Limited	13	(13)
Teesside Homeless Action Group	30	60
Wallich Clifford Community	29	4
Edinburgh Cyrenians	15	30
Westminster	47	42
Wales	-	15
	<b>158</b>	<b>226</b>
<b>Volunteering projects</b>		
NOMAD	-	21
Teesside Homeless Action Group	22	27
Worcester Housing Benefit Advice	-	16
Calderdale Bond Scheme	-	30
Great Yarmouth	-	22
The Threshold Centre	28	7
The Purfleet Trust	28	7
North Devon Community Projects	28	7
Derbyshire Housing Aid	30	-
	<b>136</b>	<b>137</b>

## 6 Staff costs

	<b>2010 Total £'000</b>	<b>2009 Total £'000</b>
Wages and salaries	3,897	3,786
Social security costs	357	414
Pension costs	195	128
	<b><u>4,449</u></b>	<b><u>4,328</u></b>
Average number of staff in the year:	<u>125</u>	<u>117</u>
Employees receiving remuneration in excess of £60,000 in the year: £70,000 - £79,999	<u>1</u>	<u>1</u>

All employees earning more than £60,000 participated in the pension scheme.

Total staff costs of £4,449,000 are split in note 4 between costs directly attributable to activities and costs related to support costs which have been allocated accordingly.

## 7 Allocation of support costs

The support costs have been allocated on the following bases:

	<b>Cost £'000</b>	<b>Basis of allocation</b>
Management	147	Time spent and project expenditure
Finance	277	Project expenditure
IT	289	Headcount
Facilities	355	Floor space
Human Resources	250	Headcount
Communications	110	Headcount
Volunteering support	110	Time spent
	<b><u>1,538</u></b>	

## 8 Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £167,000 (2009: £128,000).

Contributions totalling £21,000 (2009: £19,000) were payable to the fund at the year end.

## 9 Trustee remuneration

Members of the Board of Trustees do not receive remuneration for their time and services. During the year, trustees expenses in the sum of £437 were reimbursed (2009: £3,436).

Trustees' liability insurance of £588 was paid in the year (2009: £1,176).

## 10 Tangible fixed assets

## Consolidated and charity

	Freehold land and buildings £'000	Leasehold improvements £'000	Office equipment £'000	Plant and machinery £'000	Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 July 2009	2,064	802	818	12	4	3,700
Additions	-	-	-	304	-	-
102	202	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At 30 June 2010</b>	<b>2,064</b>	<b>904</b>	<b>1,020</b>	<b>12</b>	<b>4</b>	<b>4,004</b>
<b>Depreciation</b>						
At 1 July 2009	315	459	567	12	2	1,355
Charge for year	109	106	158	-	1	374
Disposals	-	-	-	-	-	-
<b>At 30 June 2010</b>	<b>424</b>	<b>565</b>	<b>725</b>	<b>12</b>	<b>3</b>	<b>1,729</b>
<b>Net book value at 30 June 2010</b>	<b>1,640</b>	<b>339</b>	<b>295</b>	<b>-</b>	<b>1</b>	<b>2,275</b>
Net book value at 1 July 2009	1,749	343	251	-	2	2,345

## Included in office equipment above are assets held under finance lease:

Cost	113
Less depreciation brought forward	(28)
Less depreciation charge for year	(28)
Net book value	57

## 11 Fixed asset investment (group and charity)

	2010 Total £'000	2009 Total £'000
Common investment fund		
Market Value at 1 July 2009	439	542
Add: additions to investments at cost	-	-
Less: disposals at market value	-	-
Net gain/(loss) on revaluation at 30 June 2010	57	(103)
<b>Market value at 30 June 2010</b>	<b>496</b>	<b>439</b>

## Details of investment held

At the year end, the value of the investment amounted to £495,000 (2009 : £438,000). The fund at 30 June 2010 was weighted in UK and foreign equities (80%), infrastructure and property (17%) and the balance in cash and fixed interest securities. The historical cost of this investment was £569,000.

## 12 Current asset investments (group and charity)

	<b>2010 Total £'000</b>	<b>2009 Total £'000</b>
Market value at 1 July 2009	6,736	6,883
Add: additions to investments at cost	-	-
Less: disposals at market value	(667)	(147)
Net loss on revaluation at 30 June 2010		
<b>Market value at 30 June 2010</b>	<b><u>6,069</u></b>	<b><u>6,736</u></b>

All shares held were received as donations and accordingly, the historical cost of these investments in shares is £nil (2008: £nil)

**Detail of investments held**

Deposit balances of £3,000,000 were held with Barclays (2009: £4,000,000) and £3,000,000 with Alliance and Leicester (2009: Nil). Investments in equities and bonds are valued and recorded at £2,775 (2009: £2,775) are quoted on the London Stock Exchange.

## 13 Debtors

	<b>Consolidated 2010 £'000</b>	<b>Crisis UK 2010 £'000</b>	<b>Consolidated 2009 £'000</b>	<b>Crisis UK 2009 £'000</b>
Income tax recoverable	85	85	162	162
Amounts due from subsidiary undertakings	-	469	-	33
Sundry debtors	94	88	155	129
Prepayments and accrued income	380	380	391	391
	<b><u>559</u></b>	<b><u>1,022</u></b>	<b><u>708</u></b>	<b><u>715</u></b>

## 14 Creditors

**Amounts falling due within one year**

	<b>Consolidated 2010 £'000</b>	<b>Crisis UK 2010 £'000</b>	<b>Consolidated 2009 £'000</b>	<b>Crisis UK 2009 £'000</b>
Trade creditors	174	174	20	20
Tax and social security	131	126	116	105
Other creditors	347	347	68	68
Deferred income	323	323	58	23
Accruals	168	168	69	69
	<b><u>1,142</u></b>	<b><u>1,137</u></b>	<b><u>331</u></b>	<b><u>285</u></b>

**Amounts falling due after one year**

In one to two years	28	28	28	28
In two to five years	32	32	55	55
	<b><u>60</u></b>	<b><u>60</u></b>	<b><u>83</u></b>	<b><u>83</u></b>

## 15 Obligations under operating leases

	Consolidated 2010 £'000	Crisis UK 2010 £'000	Consolidated 2009 £'000	Crisis UK 2009 £'000
<b>Amount payable in the next 12 months under non-cancellable operating leases for leases expiring</b>				
<i>Land and buildings:</i>				
In six to nine years	488	488	491	491
<i>Office equipment</i>				
In one to two years	2	2	-	-
In two to five years	5	5	6	6

## 16 Consolidated accumulated general fund

	2010 Total £'000	2009 Total £'000
<b>Fund brought forward</b>		
Charity	2,467	2,662
Subsidiary undertaking	(15)	(17)
	<b>2,452</b>	<b>2,645</b>
<b>Surplus/(deficit) for the year</b>		
Charity	(881)	(62)
Subsidiary undertaking	2	2
	<b>(879)</b>	<b>(60)</b>
Transfer to designated funds	(1,823)	(133)
Transfer from restricted funds	4,598	-
<b>Fund carried forward</b>		
Charity	4,361	2,467
Subsidiary undertaking	(13)	(15)
	<b>4,348</b>	<b>2,452</b>

## 17 Unrestricted and restricted funds

	Brought forward £'000	Utilised in year £'000	Income/ gains in year £'000	Transfers £'000	Carried forward £'000
<b>Designated funds</b>					
New Developments	850	-	-	1,750	2,600
Tangible fixed asset reserve	664	-	-	73	737
	1,514	-	-	1,823	3,337
<b>General funds</b>	2,452	(9,452)	8,573	2,775	4,348
<b>Total unrestricted funds</b>	3,966	(9,452)	8,573	4,598	7,685
<b>Restricted funds</b>					
Costs of generating funds	-	(1,906)	1,906	-	-
Crisis at Christmas	-	(1,041)	1,070	-	29
New Developments	4,598	(72)	72	(4,598)	-
Crisis Skylight (capital)	1,512	(116)	-	-	1,396
Crisis Skylight (revenue)	-	(527)	527	-	-
Skylight Café (capital)	170	(27)	-	-	143
Skylight Café (revenue)	-	(44)	44	-	-
Crisis SmartMove	13	(243)	230	-	-
Learning Zone (including capital)	-	(406)	406	-	-
Changing Lives	-	(40)	40	-	-
Influencing	-	(150)	150	-	-
Volunteering projects	-	(117)	117	-	-
Employment opportunities	-	(527)	527	-	-
Birmingham	-	-	16	-	16
Oxford	-	-	10	-	10
Other	-	(7)	7	-	-
	6,293	(5,223)	5,122	(2,598)	1,594
<b>Total funds</b>	<b>10,259</b>	<b>(12,675)</b>	<b>13,695</b>	<b>(0)</b>	<b>9,279</b>

**Designated funds****(a) New Developments**

This reserve has been designated by the trustees to be used for new developments and represents the estimated capital and operating costs for planned new centres for the next 36 months, net of projected income relating specifically to these projects.

**(b) Tangible fixed asset reserve**

This reserve represents the net book value of tangible fixed assets in continuing use by the charity, excluding those items which are included within restricted reserves.

**Restricted funds****(a) New Developments**

During the year, the trustees in consultation with Mr David Gilmour agreed to return £2,000,000 of the charitable donation to the New Developments (previously Urban Village) project. It was also agreed to transfer the balance of this donation to Crisis's general funds.

**(b) Crisis Skylight**

During the current and previous years the Department for Communities and Local Government (via Newcastle City Council) agreed to fund the capital costs of the development of a Skylight Centre in Newcastle to provide further activities and facilities for homeless people. Costs are now being depreciated in accordance with the depreciation policy.

**(c) Skylight Café**

In 2004 the ODPM (Office of the Deputy Prime Minister) agreed to fund the capital costs of the construction of the Skylight Café in London. In 2008 the Department for Communities and Local Government agreed to fund the capital costs of the construction of the Skylight Café in Newcastle. Costs are now being depreciated in accordance with the depreciation policy.

## 17 Unrestricted and restricted funds continued...

Consolidated fund balances at 30 June 2010 are represented by :

	<b>Unrestricted £'000</b>	<b>Designated £'000</b>	<b>Restricted £'000</b>	<b>Total 2010 £'000</b>	<b>Total 2009 £'000</b>
Tangible fixed assets	-	737	1,538	2,275	2,345
Fixed asset investments	496	-	-	496	439
Current assets	5,054	2,600	56	7,710	7,889
Current liabilities	(1,142)	-	-	(1,142)	(331)
Creditors amounts falling due after one year	(60)	-	-	(60)	(83)
<b>Net assets</b>	<b><u>4,348</u></b>	<b><u>3,337</u></b>	<b><u>1,594</u></b>	<b><u>9,279</u></b>	<b><u>10,259</u></b>

Restricted funds relating to the Skylight Centres and the Skylight Cafés are held in the form of tangible fixed assets. £737,000 of designated funds are held in the form of tangible fixed assets. All other restricted and designated funds are held in cash or cash equivalents.

## 18 Capital commitments

At the year end Crisis UK had capital commitments of £200,000 (2009: £nil).

## 19 Related parties

Sir David Bell (Chair of Trustees) was a director of The Financial Times Limited until the 31st of December 2009, a company which has provided publicity and advertising in the sum of £1,235,000 (2009: £920,000) to Crisis UK.

This has been included within donated services and facilities and the cost of generating funds in the accounts of Crisis UK.

Hugh Biddell (trustee) is an employee of The Royal Bank of Scotland which provides banking services to Crisis UK. He is neither a director of, nor a controlling shareholder in, The Royal Bank of Scotland.

Heather Lamont (trustee) is an employee of CCLA which provides investment management services to Crisis UK. She is neither a director of, nor a controlling shareholder in, CCLA.

## 20 Subsidiary companies

At 30 June 2010, Crisis UK had two wholly owned subsidiaries, Crisis At Christmas and Off the Streets and into Work, both of which are companies limited by guarantee and incorporated in England and Wales.

Off the Streets and into Work was acquired on 1 April 2010 and has subsequently been dormant.

Crisis at Christmas manages the trading activities associated with the charity. The company gift aids any surplus net to Crisis UK.

A summary of the results of Crisis at Christmas is shown below:

<b>Profit and loss account</b>		<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
Turnover	*1	419	130
Cost of sales		<u>(50)</u>	<u>(1)</u>
Gross profit		369	129
Administration costs	*2	<u>(17)</u>	<u>(10)</u>
Profit on ordinary activities		352	119
Gift aid payment to Crisis UK		<u>(351)</u>	<u>(117)</u>
Retained in subsidiary		<u>1</u>	<u>2</u>

\*1 Turnover includes £161,000 sponsorship.

\*2 Administration costs include a management charge from Crisis UK in the sum of £10,000.

<b>Balance sheet</b>		<b>2010</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
Fixed assets			
Current assets:			
Debtors		2	26
Cash		60	38
		<u>62</u>	<u>64</u>
Current liabilities:			
Intercompany creditors		(75)	(33)
Other creditors		(1)	(46)
		<u>(76)</u>	<u>(79)</u>
Net current liabilities		<u>(14)</u>	<u>(15)</u>
Net assets		<u>(14)</u>	<u>(15)</u>
Represented by:			
Reserves		<u>(14)</u>	<u>(15)</u>

Crisis UK is prepared to provide continuing support to the trading subsidiary.

## 21 Reconciliation of changes in resources to net cash flow from operating activities

	<b>2010 Total £'000</b>	<b>2009 Total £'000</b>
Net (outcoming)/incoming resources	(1,037)	13
Investment income	(60)	(260)
Depreciation	374	326
Increase/(decrease) in creditors	788	(35)
Decrease/(increase) in debtors	149	(80)
Debtors of subsidiary at acquisition	60	-
Creditors of subsidiary at acquisition	(198)	-
Goodwill on acquisition	(77)	-
<b>Net cash flow from operating activities</b>	<b>(1)</b>	<b>(36)</b>

## 22 Reconciliation of net cash flow to movement in net funds

	<b>2010 Total £'000</b>	<b>2009 Total £'000</b>
Increase/(decrease) in cash in the period	637	74
Increase/(decrease) in short term deposits	(667)	(147)
	(30)	(73)
Net funds at 1 July 2009	7,178	7,251
<b>Net funds at 30 June 2010</b>	<b>7,148</b>	<b>7,178</b>

## 23 Analysis of changes in cash during the year

	<b>At 1 July 2009 Total £'000</b>	<b>At 30 June Cash Flows £'000</b>	<b>2010 Total £'000</b>
Cash at bank and in hand	445	637	1,082
Amounts held on short term deposit	6,733	(667)	6,066
<b>Net funds</b>	<b>7,178</b>	<b>(30)</b>	<b>7,148</b>

## 24 Acquisitions

On 1 April 2010 Crisis acquired "Off the Streets and into Work" (OSW). The purchase consideration comprised legal fees of £32,000. On that date the assets and liabilities of OSW were transferred to Crisis as follows:

	<b>£'000</b>
Current assets	307
Less current liabilities	(198)
Net assets acquired	109
Negative goodwill	(77)
Total cost of acquisition	32
Satisfied by:	
Legal fees paid	32





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