



# Trustees' annual report and accounts

For the year ended 30 June 2009

# Contents

3	Trustees, staff and advisers
5	Chairman's statement
6	Chief Executive's review
9	Structure, governance and management
12	Review of services
30	Financial review
36	Independent auditor's report to the members of Crisis UK for the year ended 30 June 2009
39	Consolidated statement of financial activities
41	Consolidated balance sheet
42	Consolidated cash flow statement
43	Notes to the financial statements

## Trustees, staff and advisers (for the year ended 30 June 2009)

### 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 \* #

Tom Bolger (resigned 12 February 2009)

Nigel Carrington \* ~ #

Tim Child (appointed 12 February 2009)

Liz Cleaver

Jane Furniss ~

Philip Graf CBE ^ Vice Chair of Trustees

Heather Lamont \* Treasurer

Hannah Lownsbrough

John Samuel (appointed 13 March 2009)

Canon Bruce Saunders

Murray Shanks

Paula Sussex \*

\* Trustee member of the Finance Committee

^ Trustee member of the Nominations Committee

~ Trustee member of the Remuneration Committee

# Director of trading subsidiary, Crisis at Christmas Ltd

### Company Secretary

Lucy Penna (resigned 29 May 2009)  
Tim Morris (appointed 29 May 2009)

### Senior Management Team

Leslie Morphy	Chief Executive
Patrick Lewis	Director of New & Inspirational Spaces (resigned 04 December 2008)
Tim Morris	Interim Director of Corporate Services (appointed 29 May 2009)
Andrew Page	Director of Fundraising
Lucy Penna	Director of Corporate Services (resigned 30 June 2009)
Philippa Power	Director of Communications (until 05 May 2009, now Head of Communications)
Duncan Shrubsole	Director of Policy & External Affairs
Micky Walsh	Director of Client Services

### 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

66 Commercial Street  
London E1 6LT  
Telephone 0844 251 0111  
Fax 0844 251 0110  
Email [enquiries@crisis.org.uk](mailto:enquiries@crisis.org.uk)  
Website [www.crisis.org.uk](http://www.crisis.org.uk)

## Chairman's statement

Last year we set out our ambitious plans for the next five years (2008 – 2013). Put simply, we want to do more for more homeless people in more places across the UK. We want to transform their lives through education, employment, housing, health and well-being and, at the same time, influence the external agenda so homelessness is eliminated and homeless people are integrated into communities.

We are now one year into delivering our plans and are making good progress. We have increased the scope of what we do by introducing new services. We are well advanced in our plans to expand our Crisis Skylight services across the UK and our campaigning work has affected some significant changes in both policy and legislation.

Like other organisations, we have been operating in a tough economic climate. The recession continues to have a devastating impact, dragging more and more people into financial difficulty and the risk of the homelessness.

Against this backdrop, the work of Crisis is more vital than ever. We need to be prepared for an increase in homelessness. We also need to have sufficient resources to help those in danger of being forgotten. These are the long-term homeless and unemployed, many of whom are victims of the past recession. They did not benefit from the boom times and continue to live on the margins, on our streets or with a temporary roof over their heads. We see these people at our Crisis Skylight centres every day. We have also witnessed their many achievements as, with renewed confidence, they have gained skills and qualifications, and some have found homes of their own and moved back into work.

In this time of recession, the response from our supporters has been mixed. Like other charities, we experienced an immediate fall in corporate donations last autumn. However, some companies were still generous in supporting our Crisis Christmas Card Challenge; some lost their corporate and social responsibility budgets. Individual donors, who are the bedrock of our funding, continue to be very loyal. We were also overwhelmed by the record number of volunteers who came on board at Christmas. Many of them continue to help us in a whole range of activities throughout the year. We can't thank them and our donors enough.

Recently the BBC broadcast a Lifeline television appeal on behalf of Crisis. Presented by Alastair Stewart OBE, the short film told the stories of a number of people helped by Crisis. One of them was Samuel, who is now training to become a psychotherapist. Samuel said, "I owe Crisis my life". We need all of your help to save more lives.

Sir David Bell  
Chair of Trustees

## Chief Executive's review

### A year of progress

This year we concentrated on making our Crisis Skylight education, training and employment centres 'best in class'. We have continued to take the lead in encouraging new and improved schemes to help single homeless people into tenancies in the private rented sector across the UK. We also achieved some significant milestones. We rebranded the organisation and won two significant campaign victories, securing a commitment from Government to end rough sleeping by 2012, and a change in legislation to give greater protection to private tenants.

We have added new services, including a mental health service, offering face-to-face counselling, and a mentoring initiative, as a first step to providing long-term support for individuals using the skills and expertise of our volunteers. Having bid for and won new funding, we have been leading the *Skills for Jobs for Homeless People* consortium of eight homelessness organisations delivering employment-related skills and jobs. The focus on employment is deliberate. Not only is employment the final step to independence for many, but there is also much evidence of the link between work and well-being.

At the beginning of the year we set ourselves some ambitious targets. Some we exceeded, such as the number of people participating in a learning activity and the number of people helped into independent accommodation through Crisis SmartMove. But we fell short of some – particularly getting people into work. Funder bureaucracy meant *Skills for Jobs* started late, but we also underestimated the amount of time it would take to get people into work. We remain absolutely committed to this area of work.

We have always believed in what we do and its effectiveness in helping homeless people transform their lives. But the ability to track and measure our impact is central. We can now demonstrate our impact through a new internal monitoring and evaluation system, which tracks individuals' progress much more accurately than before. We are also helped by external evaluations. The Charities Evaluation Service assessed Crisis Skylight Newcastle after a year in operation. It showed that not only is the centre fulfilling a need in its own right, but also that it has changed the way services for homeless people are offered in the city. This endorsement is important as we extend our Crisis Skylight services to other cities.

A further evaluation supported the effectiveness of our volunteers and showed that the time they give is worth over £3 million. Not only is this significant added value, but their support also helps increase the scale of the organisation and our ability to help more people. We are very grateful to them.

It has been a very difficult year for the many people who have lost their homes and jobs, making our work even more vital. The collapse of parts of the financial and banking sector has not helped our fundraising effort. Our corporate donations have been significantly lower this year than last, and sponsorship was pulled with little notice. Like many charities, we are trying to find new and better ways of working. We are going to have to be more innovative and more persistent, work better with others and potentially be prepared to invest more to get the returns that will enable us to help more individual homeless people.

Crisis depends on the goodwill of those who give their time and resources. It depends on the professionalism of its staff and its volunteers. However, the spirit of the organisation is ultimately found in the stories of the people whose lives are transformed – some of which you can read here.

Leslie Morphy  
Chief Executive

## Crisis strategic objectives and actions 2008 – 2013

- 1 To extend and expand our services to people who are homeless across the UK
- 2 To transform the lives of individual homeless people by providing clear progression routes built upon engagement, education, employment and empowerment
- 3 To eliminate the barriers to transformation and enable homeless people to move to a position of stability, enjoy rewarding lives and integrate into mainstream society
- 4 To develop a portfolio of housing solutions which sustain and maintain homeless people in homes they can call their own
- 5 To increase Crisis' reputation, profile and expertise with the aim of ending homelessness and promoting the integration of people who have been homeless
- 6 To raise the amount of money needed to support our plans for growth
- 7 To maximize our efficiency and develop our capabilities and capacity to achieve growth and deliver

## Trustees' report

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 people to transform their lives.

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 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.

### 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 articles were reviewed during the year and were updated on 19 November 2008. The charity has one fully owned subsidiary undertaking, Crisis at Christmas Ltd. The principal activities of this trading company are the sale of merchandise, including donated gifts and services and sponsorship activities.

#### Trustees

The Board of Trustees of Crisis UK currently comprises 13 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 makes recommendations to the Board on related issues. The Finance Committee comprises four members who are trustees and one member who is not a trustee but is a qualified accountant who has significant experience of the sector. 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 CEO
- 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 CEO 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). As part of the restructuring of the organisation, the SMT was reduced to five members at the year end, 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 number of full time equivalent staff in the year increased this year to 117 from 103 people. This includes a full year of Crisis Skylight Newcastle, and these numbers are identified separately. Towards the end of the financial year, we have had to review our staff costs, in line with the challenges in the overall economic climate, and as a result have cut a number of posts from our original budget. However, we remain as committed as ever to developing a strong and diverse staff team 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 10,000 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 ever 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 the Board of Trustees reviews the register on an annual basis.

## Review of services

### Education

#### **Giving people a second chance Our progress in education**

Building a new life after homelessness begins with developing new confidence, skills and self-esteem. Our education work, focused in Crisis Skylight, helps people rediscover their potential and sense of purpose and gives them the skills to break the cycle of homelessness.

3,000 people came to our centres in London and Newcastle this year, many of them attracted by our new accredited classes during weekends and evenings. We also reached out to people in hostels who wouldn't normally come to Crisis by offering 'taster' sessions. Once they were here, we encouraged them to get fully involved.

Participation was well above target, proving once again the commitment of homeless people to getting the skills they need.

Many of our clients on accredited courses wanted to stay on for another term. This meant the number of people going onto further education and training was lower than planned. We're determined to improve on these figures. But we're also pleased that so many people want to carry on learning with us.

We continually measure our impact to see what's working and what's not. Crisis Skylight Newcastle was independently evaluated by the Charities Evaluation Services between December 2008 and April 2009 and we were delighted with the findings. Members were 'overwhelmingly positive' about our services and other external agencies, also greatly appreciate what we're doing there.

As well as classes, our clients have been involved in a range of successful events including three 'Skylighter' evenings in London, showcasing the work of our performance and creative classes. People from our music classes supported major acts at the Crisis Hidden Gigs, while others exhibited artworks at GlaxoSmithKlein and The Royal Commonwealth Society. We also held three Crisis Skylight 'graduations', recognising members' achievements and new ways of helping break down barriers including Living Libraries where people relate their stories.

In Newcastle members took part in two performances at Newcastle University, and in a production by respected local stage director Alan Lydiard.

Crisis SmartSkills, now in its third year, helps people improve their lives, re-engage in training and sustain private tenancies. This year, working with local partners, the programme has been delivered in seven areas and proved a great success, with participation almost 50% above our target. We are now evaluating its impact.

#### Targets for 2008/9

1. 1430 people participating in a Crisis Skylight learning activity
2. 450 people to gain accredited qualifications through Crisis Skylight London and Newcastle
3. 265 people into further education or training through Crisis Skylight London and Newcastle
4. 68 people to participate in training in our Crisis Skylight Cafés in London and Newcastle out of which 25 to achieve accredited qualifications
5. 150 people to participate in Crisis SmartSkills; 90 to gain qualifications
6. Provide funding for 160 people to complete further education or training through Crisis Changing Lives

#### Outcomes for 2008/9

1. 1651 people participated in a Crisis Skylight learning activity
2. 409 people gained accredited qualifications with 629 certificates awarded within Crisis Skylight London and Newcastle
3. 100 people went into further education and training with help from Crisis Skylight
4. 67 people took part in training and 16 achieved accredited qualifications in the Crisis Skylight Cafés
5. 220 people participated in Crisis SmartSkills, out of which 79 people gained 367 qualifications
6. 150 people moved into further education or training through Crisis Changing Lives

#### Targets for 2009/10

1. 1730 people participating in a Crisis learning activity
2. 560 people to gain accredited qualifications in a Crisis service
3. 770 certificates to be awarded in total across Crisis' services
4. 256 people to move into further education and training having engaged with a Crisis service
5. To complete and evaluate SmartSkills programme and disseminate key lessons across the sector
6. Provide funding for 170 people to complete further education or training through Crisis Changing Lives

## Education: case study

### David

David spent most of his childhood in care and was a young runaway. He left care without any qualifications and little support. He regularly used drugs and alcohol from the age of 13 and spent three months in prison for attacking a police officer. By the age of 38 he hit rock bottom and was months away from death due to his substance misuse.

Helped by Acorn House, a high support hostel, David recently underwent a rehabilitation programme. Having been sober for 10 months, David was also referred to Crisis Skylight London. He hesitated before coming but plucked up courage and has recently completed a Digital Literacy course at Crisis. David has now completed his rehabilitation training. He is determined to continue to improve his education and hopes to help other people with drug and alcohol problems by becoming a counsellor.

## Employment

### **Working towards independence Our progress in employment**

Being out of work is both a major cause and a major consequence, of homelessness. Having a job brings self-respect and independence; losing it can be soul destroying. Many of the people we help have been out of work for years and need specialist help. Meanwhile, the recession is only adding to the numbers of those at risk.

During the year we helped 192 people into paid work, many for the first time. Although this was below our target it was a real achievement given the difficult job market due to the recession.

#### **Crisis Employment Services**

We established a new dedicated employment team within Crisis Skylight London which, since its launch in November 2008, has assigned Work and Learning Advisers to more than 400 people. We also helped 190 people achieve certificates or qualifications in work-related activities such as Build a Bike, Red Cross First Aid and the Construction Skills Certification Scheme.

March saw the launch of *Skills for Jobs for Homeless People*, a pan-London programme being delivered by a consortium of homelessness organisations, led by Crisis. This vital programme provides support and training for homeless and vulnerably housed people and matches them up with suitable job opportunities.

The launch, at Crisis Skylight London, by David Lammy, Minister for Higher Education and a London MP, was followed by an Opportunities Fair that attracted over 150 people. Building on its success, our two-day fair in September attracted over 200 people, keen to learn about training, education and employment opportunities.

#### **Crisis Skylight Cafés**

Next door to our Crisis Skylight centres, our Cafés have become thriving social enterprises, offering accredited catering and hospitality training and the chance to get real, practical experience.

This year we set up Level 2 NVQ opportunities for trainees in Customer Service, multi-skilled hospitality services and food preparation and cookery. This has given trainees a real sense of achievement, as well as boosting our own standards and structures. It has also made the Café more attractive to external organisations, notably young offenders' charity Switchback, which has provided a growing number of trainees for our Café in London. Their trainees have already

earned NVQ Level 1 in prison and are determined to build on their skills, helping to motivate other trainees. It works for them too, as moving straight from release into training reduces their chances of reoffending or becoming homeless.

While we were disappointed by the number of Café trainees who moved into employment, we've learnt that it often takes longer than we thought to get people ready for work. But we're still ambitious and, if our trainees remain committed, we'll support them for as long as it takes.

### Crisis Changing Lives

The support of a Crisis Changing Lives grant, which helps people get into training and work, is especially critical in this economic climate. This year we gave grants of up to £2,500 to 218 people across the UK.

Of course, money's not enough on its own. Our mentoring scheme also matches grant recipients with professionals who can offer structure and guidance.

To gain a grant you have to plan a realistic route into your chosen job, with the help of a support worker. You have to show passion, consideration and focus. And our latest recipients have done just that, making exciting progress in everything from security to tree surgery; gardening to photography; IT to millinery. We celebrated their remarkable achievements at the 2008 Champions Awards, hosted by Barclays and presented by Daisy McAndrew, Economics Editor for ITV News.

### Targets for 2008/9

1. 130 people into paid employment across Crisis Skylight London and Newcastle
2. 30 trainees to secure paid employment across our Cafés in London and Newcastle
3. Make 215 Crisis Changing Lives grants, totalling £195,000
4. 75 Crisis Changing Lives recipients to gain paid employment or become self-employed

### Outcomes for 2008/9

1. 101 people into paid employment
2. 16 people secured paid employment through our Crisis Skylight Cafés
3. 218 grants, totalling £210,000
4. 75 recipients found work or became self-employed with 150 moving into further education or training

### Targets for 2009/10

1. 195 people moving into work
2. 60 people are supported by a mentor
3. 215 grants, totalling £220,000
4. 75 Crisis Changing Lives recipients to gain paid employment or become self-employed
5. Achieve all the targets in the Skills for Jobs and Working Neighbourhood Fund contracts
6. Deliver three Opportunities Fairs for homeless people in partnership with potential employers and support agencies

## Case study Aaron

Aaron had a difficult upbringing and was placed in care at the age of 7. He spent much of his childhood between foster families, his mother's house and care homes. With such an unsettled upbringing and few qualifications, Aaron soon became homeless and sank into a deep depression. Recognising that he needed support Aaron began to turn his life around, securing accommodation and preparing himself for the future. He applied for a Crisis Changing Lives grant, successfully receiving funds for tools and equipment to become a carpenter. He remembers the day he received the award, "I jumped around all over the place – I was so chuffed to bits." Aaron continues to go from strength to strength and is now a carpenter with his own business. He is in a far better place than he could ever have imagined thanks to Crisis Changing Lives.

## Housing

### **A place to call a home Our progress in housing**

It's not just rough sleepers who need to find a home. For many, the roof over their heads is little more than that: their accommodation is precarious and often unhealthy. To move forward with their lives, people need a real home they can call their own.

#### **Crisis SmartMove**

The Crisis SmartMove network is invaluable for homeless and vulnerably housed people in 28 locations nationwide. This year our local partners have helped almost 1,500 people find accommodation – 50% above target. We also gave advice to over 7,000 thousand people on their housing options.

Preventing homelessness is critical. In April we entered into partnership with the department of Communities and Local Government (CLG) to establish a national advisory service for local authorities and the voluntary sector on the best use of the private rented sector (PRS). Since then we've re-launched a dedicated website, [www.privaterentedsector.org.uk](http://www.privaterentedsector.org.uk), formed a stakeholder group to develop key principles and set up a training programme for front-line workers. We've also met with local authorities to advise them on the development of new and existing services.

Our partnership with the Scottish Government is well established. We continue to provide information, advice and guidance to new and existing PRS schemes. We also publish research on the cost effectiveness of private rental access schemes, helping to reinforce the case for their continued investment.

At our Crisis Skylight centres, we refer people to hostels and housing agencies and help them find and sustain homes.

#### **Supportive housing**

The lack of homes for those ready to move on is a huge barrier to independence. We have developed a move-on option that offers stability and support, as well as challenging and motivating people to change their lives for good.

Our first attempt to develop the model in Shoreditch, London, taught us a great deal. We remain committed to finding solutions that enable people to live in a place they can call their own.

### Targets for 2008/9

1. Working with local partners through the Crisis SmartMove network provide housing advice to 6000 people
2. Help 1000 people into private rented accommodation
3. Provide advice and guidance to over 200 agencies and 300 individuals on housing people in the private rented sector

### Outcomes for 2008/9

1. Provided housing advice to 7171 people
2. Helped 1436 people into private rented accommodation
3. Provided advice and guidance to 236 agencies and 293 individuals on housing people in the private rented sector
4. Produced research in Scotland setting out the case for investing in Deposit Guarantee Schemes and launched it in the Scottish Parliament with the Housing Minister

### Targets for 2009/10

1. Help 1000 people into independent accommodation and give 7000 people advice and assistance through the UK-wide network of 28 Crisis SmartMove schemes
2. Advise 50 local authorities across England and Scotland on how to improve access to the PRS for single homeless people
3. Develop Crisis' PRS website as the gateway to information on using the PRS to prevent and resolve homelessness
4. Help 95 clients of Crisis Skylight to achieve stability in their housing situation

## Health and well-being

### **Keeping body and soul together Our progress in 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. This year we launched new research highlighting how common mental health problems are twice as prevalent, and rates of psychosis many times higher, in the homeless population than the general population. Homeless people are also up to five times more likely to die than the equivalent age group in the general population.

To address this, our main objective this year was to establish a mental health service at Crisis Skylight London. We've now piloted that service, providing information on the support available and offering our own counselling services, including informal one-to-one support for those with mental health problems. Our new Mental Health Co-ordinator met with 110 members, of whom almost half were met five times. We also established a Brain Gym and Reading Group.

In addition to this specialist help, our Crisis Skylight centres run a wide range of workshops to help improve well-being. These include Meditation and Yoga, Karate, Tai Chi and Pilates. They're all very popular, helping people develop both mentally and physically. They are also a chance to re-engage with a community: critical for people often cut off from mainstream society.

This year, building on the healthcare services at our Christmas centres, we held our first Health Day in Crisis Skylight London. Helped by a team of specialist volunteers, we offered a free health 'MOT', eye tests, First Aid training and TB screening. Other organisations, including the British Red Cross, the Drug and Alcohol Service for London and MIND, were also there to provide invaluable help and advice to 75 people.

### Targets for 2008/9

1. Establish a mental health service in London

### Outcomes for 2008/9

1. Mental Health service established Crisis Skylight London and accessed by 110 people
2. 75 people attended First Crisis Health Day in London of which 47 had a health check
3. Established relationship with MIND enabling one of their counsellors to deliver four sessions per week at Crisis Skylight London
4. 33 clients were registered with a GP

### Targets for 2009/10

1. 100 people to access the mental health service; 75% to report a reduction in isolation
2. 100 people attend a Crisis health day getting access to vital services
3. 300 people to attend a well-being session in Crisis Skylight
4. 75% of mental health clients to be registered with a GP
5. 384 counselling sessions held to improve mental health

## Christmas

### **First steps out of homelessness Our progress at Christmas**

At Christmas we provide companionship to alleviate loneliness, and vital services to help people take the first steps out of homelessness.

2008 saw the latest phase in our strategy to make Crisis Christmas more responsive to our clients' needs at a local level. We provided more day centres for people living in hostels and vulnerable accommodation, while referring those most in need (rough sleepers, women and those with dependency issues) to our residential centres and other services.

For the first time we opened day centres in major educational institutions: one at Newham College and the other at Islington School of Arts and Media. Using buildings like these is typical of our approach to future services, which we aim to provide in inspirational spaces. Having access to the superb facilities and resources of the colleges, and the bright, welcoming spaces, brings real inspiration, confidence and self-respect for many guests. It brings them into the mainstream, treating them as part of the community, rather than isolating them in marginal and often run-down locations. We are very grateful for the support we received for this approach.

Our residential centres allowed us to work more intensively with people whose needs are more acute. Our Rough Sleepers' Centre, for example, worked with outreach services across London to connect – and reconnect – guests with support that could help them find a home.

Providing different types of centres for different needs has proved a positive change. More guests got involved with services and activities at our day centres, while we were able to focus primary services like healthcare and dentistry on those most in need through our residential centres.

Delivering Crisis Christmas over seven days in nine temporary centres is a significant challenge. Without the support of thousands of donors and loyal volunteers, it simply couldn't be done.

### Targets for 2008/9

1. Provide shelter and support for up to 2000 homeless people
2. Deliver at least 20 vital services at each centre
3. Help 200 guests improve their housing situation
4. Provide learning opportunities at Crisis Skylight and partner organisations

### Outcomes for 2008/9

1. Provided shelter and support to 2000 homeless people
2. Delivered 23 services across the centres
3. 450 guests used the advice services; 173 guests directly helped to improve their housing situation
4. Provided learning opportunities across the day centres (including one college) but didn't work at Crisis Skylight for logistical reasons

### Targets for 2009/10

1. Provide shelter and support for 2000 guests
2. Deliver at least 20 vital services across the centres
3. 450 guests to receive advice on housing, benefits and employment
4. Delivery on day centre model, with overnight sleeping prioritised for rough sleepers

## Case study

### Rob

Struggling to cope with the tragic loss of his father and two siblings in quick succession, Rob developed drink and drug problems. His life soon spiralled out of control and he lost his wife, contact with his daughter and his job in the building industry. Rob successfully got himself sober. But with little support he soon found himself homeless. It was after spending several months sleeping rough in London that Rob came into contact with Crisis and he's never looked back. Rob now lives in his own flat and has interviews set up through Crisis Employment Services. He also volunteers at Crisis Christmas. He says: "I'll bend over backwards to help these people because Crisis pushed me in the right direction – forwards."

## New developments

### **Doing more for more people across the UK Our progress in expanding our Crisis Skylight services**

Crisis Skylight has become central to our work. What began in east London has been proven to work in Newcastle, providing a template for development in other cities. And our research has shown that for homeless people in many UK cities, there is no other way to access to the sort of opportunities we offer.

This year we made major progress towards a new programme of Crisis Skylight services in Birmingham and a new Crisis Skylight centre in Oxford, using £2.18 million of capital funding from the Communities and Local Government's Places of Change programme. However, we still have a challenge to raise further capital.

#### Oxford

We now have an exciting business model for developing the Old Fire Station in Oxford, incorporating both the new Crisis Skylight centre and arts-focused space for the whole community. Architects are currently drawing up plans for the building to house partners from the homelessness and arts sectors and we plan to open in 2011.

#### Birmingham

Working in partnership with Birmingham City Council, SIFA Fireside and other local organisations we're looking to locate in the arts, culture and media quarter. Here amongst a growing community of artists, creative enterprises and like-minded charities, we'll bring life-changing services to Birmingham's most marginalised adults.

#### Looking forward

In 2009/10, we'll continue to seek out the locations, buildings and partnerships that will help us deliver support to more people in more places across the country.

### Targets for 2008/9

1. Secure a building in Birmingham for the new Crisis Skylight Centre
2. Establish key partnerships in Oxford and Birmingham
3. Develop action plans for opportunities in other UK cities
4. Benchmark good practice at Crisis Skylight Newcastle

### Outcomes for 2008/9

1. Identified preferred location in arts, culture and media quarter in Birmingham
2. Strong relationship with SIFA Fireside in Birmingham. Crisis helped set up and now chairs the Training, Recreation, Education & Employment Strategy group for homelessness organisations in Oxford
3. Plan to pursue feasibility studies in three new cities approved
4. Independent evaluation of Crisis Skylight Newcastle conducted

### Targets for 2009/10

1. Ensure we stay on target to operate Crisis Skylight services in Birmingham from Spring 2011
2. Ensure plans for Crisis Skylight Oxford remain on target to open in Spring 2011
3. Decide on a new location for Crisis Skylight services and obtain local authority support

## Campaigning and influencing

### **Making the case, winning the argument Our progress in influencing**

This year we won a major campaigning victory by securing a commitment from the Government – announced at Crisis' Conference – to end rough sleeping by 2012.

We're now closely involved in realising this ambition. As well as our services in London, we're on the Mayor's new board tasked with ending rough sleeping in the capital. Nationally, we're working with the Government to promote the private rented sector as a positive option for homeless and vulnerably housed people.

But we're not about to let up. This year we also carried out an undercover investigation into local councils' attitudes to single homeless people. We showed that councils are failing in their legal duty to help these people, often leaving them with little choice but to sleep rough. We're campaigning for a change in the law. We want councils to provide advice and assistance to all single homeless people and to give anyone made homeless at least short-term accommodation while they get the support they need.

### **Dragged down**

The recession has had a devastating impact, dragging more and more people into financial difficulty and the risk of homelessness. This makes our campaigning and influencing work especially vital. In *Homes & Jobs for All*, we set out the steps required both to prevent people becoming homeless and to help those who already are.

Repossessions soar in a downturn and when landlords' properties are repossessed, private tenants can currently be thrown out of their homes with little or no notice. We led a coalition campaigning for new protection for private tenants, guaranteeing them at least time to find alternative accommodation. We were delighted when, with the support of MPs and media coverage, the Government announced it will introduce legislation to do just that.

In our own work, and in response to Government consultations, we've continued to campaign for reforms to Housing Benefit and for welfare and housing reform to support single homeless people.

### **Research**

Research is instrumental in making our case and this year saw the launch of a wide-ranging programme of Crisis research. We've looked at housing benefit, the capabilities and resilience of homeless people and the links between mental health and homelessness. We also launched new monitoring and evaluation systems and carried out some important evaluations of our own work to demonstrate the lasting difference we make to people.

### Targets for 2008/9

1. Present the case for preventing and solving homelessness. Lobby for positive change in welfare, employment and particularly housing benefit policy
2. Complete and disseminate two research projects and commission one further piece of work
3. Roll-out and embed a new monitoring and evaluation system, analysing information and disseminating the evidence of good practice and positive outcomes
4. Run two high profile campaigns to support our calls for change, involving our supporters and engaging relevant personalities

### Outcomes for 2008/9

1. Secured the commitment of the Government and Mayor of London to end rough sleeping by 2012. Now closely involved in realising this ambition
2. Led the debate on the need to reform Housing Benefit with research and through a series of meetings with civil servants, Ministers and MPs
3. Made strong case through media and politicians for preventing homelessness and helping those affected by the recession, while not forgetting those who are already homeless
4. Campaigned for new legislation for private tenants whose homes are repossessed from landlords. Secured a Government commitment to introduce new legislative protections
5. Delivered a wide-ranging programme of seven influential research projects including "mystery shopping" into local authorities' treatment of single homeless people. Also evaluated our own Crisis Skylight Newcastle and volunteering services

### Targets for 2009/10

1. Achieve policy change for single homeless people through focused policy work and campaigning activity, particularly in the run up to the general election
2. Take 20 opportunities to present our case and provide evidence to statutory bodies who influence policy change
3. Deliver two research and external evaluations
4. Gain high level of media coverage achieved to support of our influencing work
5. Embed new brand and website to raise public knowledge and awareness of homelessness and our work. 40% increase in new web traffic

## Volunteering

### **Harnessing support Our progress in volunteering**

Volunteers are the backbone of Crisis and now make up part of every team. In June 2009, to mark Volunteers' Week, we published a full evaluation of our Volunteering Programme. This showed that record numbers of volunteers had given us over a quarter of a million hours of time in 2008 and 2009, worth £3.7 million in total.

The volunteers themselves told us the most important thing for them was the difference volunteering made to their understanding of, and interest in, homelessness issues. 83% said their understanding had improved. The report also highlighted the positive effect volunteers have on many homeless people, who are often inspired to think positively about what they could achieve. Indeed, we also have a client volunteering programme, which has increased the self-esteem and well-being of many of those involved.

In Newcastle, volunteering really took off with the recruitment of our new Volunteer Coordinator. 45 volunteers came from all over the North East to help out on Christmas Day, providing food, entertainment, activities and companionship at the Crisis Skylight centre. In London, too, there were more volunteers for Crisis Christmas than ever: we had over 9,000 applications, and took on 8,400 people providing more evidence that people want to help others, particularly in a time of recession.

In July 2008 we also launched the Crisis Mentoring Scheme, which we've been successfully piloting for the last two years. This new scheme recruits mentors to offer one-to-one support to our homeless and formerly homeless clients over a 12 month period in London or Newcastle.

We've recruited and trained 35 volunteer mentors, who are now working with clients to provide support, guidance and motivation to help them get out of homelessness for good.

We celebrated all these achievements at the Summer volunteer party in August, on the Thames riverboat, the Dixie Queen, where we also named our Volunteer of the Year: Isabelle Mazzitelli, our millinery tutor at Crisis Skylight London.

### Targets for 2008/9

1. Recruit 6500 volunteers for Crisis Christmas 2008
2. Recruit and train 50 volunteers in Newcastle
3. Recruit and train 20 member volunteers in London and Newcastle
4. Recruit and support 30 mentors in London and Newcastle for pilot

### Outcomes for 2008/9

1. Recruited over 8400 volunteers
2. Recruited and trained 104 people
3. Recruited and trained 35 members in London and Newcastle
4. Recruited and placed 35 mentors

### Targets for 2009/10

1. 10,000 volunteers to help Crisis across the year (including 8,000 at Christmas)
2. Recruit and train volunteers for all suitable roles at Crisis Skylight Newcastle
3. Recruit and support 20 Crisis Skylight members as volunteers
4. Recruit 60 mentors in London and Newcastle

## Case study

### Isabelle

For the past five years Isabelle has been volunteering at Crisis Skylight London using her expertise in millinery to run the hat making class. Members get the opportunity to learn traditional millinery skills such as blocking hats, felting, trimming and measuring heads accurately.

Isabelle has created a positive learning environment. She has unlocked the creative potential in learners of all abilities with activities such as trips to the V&A museum, where members viewed the Stephen Jones millinery exhibition. Members come out of her classes equipped with sound knowledge and skills. With Isabelle's encouragement some have even gone on to study millinery at further education colleges.

Her dedication as a volunteer has transformed the lives of many members at Crisis and she was recently awarded Volunteer of the Year for her outstanding efforts.

## Financial review

In the year ended 30 June 2009, Crisis has raised £12.4 million which has enabled us to continue to deliver a range of life-changing services to homeless people. Income increased 8% on last year, due almost entirely to donated services and gifts in kind.

Voluntary income increased £292k on prior year, whilst grants fell £124k, the latter because the prior year figure included a significant capital grant for the set up of Crisis Skylight Newcastle.

The figures quoted were less than the internal targets we had set ourselves in our budget, but given the general economic climate the eventual outcome represents a satisfactory if not superior performance.

Total expenditure increased by £1.5 million on last year to £12.4 million. Note that we have slightly amended the activity headings in the Statement of Financial Activities (SOFA) this year, to better reflect the nature of our work.

Of our income we invested £7.2 million into charitable activities, £5.1 million into fundraising and £0.1 million into governance. This gives a ratio of 58% charitable activities, 41% fundraising and 1% governance. Note that the 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 accounts, but which have nil cost to the charity.

The Cost of Generating Funds, our fundraising investment, increased from £4.4 million last year to £5.1 million this year. Of this, £2.1 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 as to whether we would have used the goods and services had they not been free.

Unfortunately during the year, as a result of a challenging economic climate and like many other organisations across the country, we were obliged to review our cost base to deal with the new circumstances. Management prepared and actioned a plan to reduce planned and actual headcount. Such a review is never easy; nonetheless it was the right thing to do. The outcome is that Crisis is a fitter and leaner organisation to take on the challenges of delivering a strategic plan which looks more necessary and ambitious than ever.

It cost us 33 pence to raise each pound of income through fundraising activities (excluding donated gifts in kind, services and facilities).

Support costs were £1.3 million, or 10.8% of total revenue.

Crisis, like everyone else, must cope with the current global financial crisis as difficult and challenging as any in living memory. Management took certain actions in terms of managing cost levels in 2008/9 and is continually monitoring the financial position of the organisation. We are doing all we can to try to secure future income streams, in particular by maintaining a diverse spread of revenue sources. We will continue to manage our expenditure levels in line with our incomes.

### 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.

In February 2008 the trustees decided to temporarily increase the level of reserves held by 10% (or £850,000) until June 2009 in recognition of the fact that significant funds will be required in the 2009/10 financial year to fund major capital projects including Oxford, in line with the new 2008-13 Strategic Plan. A designated fund for this amount was therefore created. This matter is currently under review, as we are urgently reassessing methodologies by which we might be able to have greater impact in new cities without the heavy capital investment dictated by the current model.

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'.

Significantly higher investment of between one and two million pounds is expected in future years to allow the organisation to grow in line with its five year Strategic Plan. No specific designated fund has been created, however, since decisions as to the level of investment will be made based on the income requirements and predictions at the start of each year.

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 2009 (calculated as total unrestricted funds less the designated tangible fixed asset reserve, but including the New Developments designated reserve) were £3.3 million (2008: £3.5 million), which equates to 27% of the 2008/09 full year's expenditure, including gifts in kind.

Excluding gifts in kind and donated services from the annual expenditure figure, net reserves are 37% of annual expenditure. This is slightly below the revised organisational policy of 40% authorised by the trustees.

### 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.

In line with many other investors in a difficult market place in 2009, Crisis suffered losses on its equity holdings. Net losses on investment holdings for the year to 30 June 2009 were £103k. However it is anticipated that annual investment income will yield a higher absolute return 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.

### Grant making policy

Opportunities for Volunteering and Crisis SmartMove grants made during the year are the third year payments of three year arrangements. Crisis Changing Lives issue new grants on an annual basis. Successful grants are issued on the basis of a rigorous application process with decisions being made by independent panels with specialists in the area of education and training and self-employment.

### Acknowledgements

The impact of our work is made possible thanks to the support of thousands of individuals and many companies, trusts and other organisations who have funded our work through donations and grants over the past year. Much of our support comes from committed donors who support us with regular donations. The stability that this brings is a big help in allowing us, in return, to plan and commit resources to support homeless people.

## Statement of trustees' responsibilities

The trustees (who are also directors of Crisis UK 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.

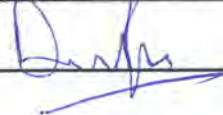
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

### Approval

This report was approved by the Board of Trustees on

01 October 2009

and signed on its behalf by:



Sir David Bell  
Chair of Trustees

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

We have audited the financial statements of Crisis UK for the year ended 30 June 2009 which comprise the principal accounting policies, the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement 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 Sections 495 and 496 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 its 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, including the Chairman's Statement and consider whether it is consistent with the audited financial statements.

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 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 charitable company's affairs as at 30 June 2009 and of its 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.



11 November 2009

Judith Newton  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Grant Thornton House  
Melton Street  
Euston Square  
London NW1 2EP

# Financial statements

For the year ended 30 June 2009

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2009

## Income and Expenditure Account

	Notes	2009 Unrestricted £	2009 Restricted £	2009 Total £	2008 Total £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income					
Donations, legacies and similar income	2a	5,990,044	1,123,616	7,113,660	6,821,468
Grants	2b	-	751,730	751,730	876,178
Gifts in kind	2c	-	441,748	441,748	175,771
Donated services and facilities	2d	-	2,897,559	2,897,559	2,113,276
Activities for generating funds:					
Events	2e	428,882	8,820	437,702	549,277
Commercial Trading Operations	3	130,217	-	130,217	176,619
Incoming Resources from charitable activities	2f	211,757	-	211,757	156,522
Investment income	2g	128,554	131,248	259,802	440,866
Other income		153,315	-	153,315	195,378
<b>Total incoming resources</b>		<b>7,042,769</b>	<b>5,354,721</b>	<b>12,397,490</b>	<b>11,505,355</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
<i>Costs of generating voluntary income</i>					
Cash expended	4	3,017,132	-	3,017,132	2,861,485
Gifts in Kind & Donated services & facilities	4	-	2,061,106	2,061,106	1,537,696
Trading subsidiary expenditure	3,4	713	-	713	514
Investment management costs	4	-	-	-	-
<b>Total cost of generating funds</b>		<b>3,017,845</b>	<b>2,061,106</b>	<b>5,078,951</b>	<b>4,399,695</b>
<b>Net incoming resources available for charitable application</b>		<b>4,024,924</b>	<b>3,293,615</b>	<b>7,318,539</b>	<b>7,105,660</b>
<b>Charitable expenditure</b>					
Christmas	4	441,427	1,361,968	1,803,395	1,220,594
Campaigning & Influencing		731,747	2,354	734,101	599,485
Education		1,505,107	742,444	2,247,551	2,223,488
Housing		249,454	184,677	434,131	395,815
New Developments		164,778	84,400	249,178	413,305
Health & Wellbeing		407,443	45,834	453,277	454,164
Employment		420,570	701,344	1,121,914	841,631
Volunteering		4,501	179,136	183,637	254,393
<b>Total Charitable expenditure</b>		<b>3,925,027</b>	<b>3,302,157</b>	<b>7,227,184</b>	<b>6,402,875</b>
Governance costs	4	57,272	20,992	78,264	99,367
<b>Total resources expended</b>		<b>7,000,144</b>	<b>5,384,255</b>	<b>12,384,399</b>	<b>10,901,937</b>
<b>Net incoming resources</b>		<b>42,625</b>	<b>(29,534)</b>	<b>13,091</b>	<b>603,418</b>

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

For the year ended 30 June 2009

Income and Expenditure Account

	2009 Unrestricted £	2009 Restricted £	2009 Total £	2008 Total £
Net incoming resources	<u>42,625</u>	<u>(29,534)</u>	<u>13,091</u>	<u>603,418</u>
Net gains/(losses) on investment assets	(103,036)	-	(103,036)	(34,732)
Net movement in funds	<u>(60,411)</u>	<u>(29,534)</u>	<u>(89,945)</u>	<u>568,686</u>
Funds brought forward at 1 July	4,026,378	6,322,471	10,348,849	9,780,163
Funds carried forward at 30 June	<u>3,965,967</u>	<u>6,292,937</u>	<u>10,258,904</u>	<u>10,348,849</u>

No 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 £13,091 (2008: £603,418).



**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 30 June 2009

	Notes	2009 Total £	2008 Total £
<b>Outflow/ inflow from operating activities</b>	21	<u>(36,055)</u>	<u>223,632</u>
<b>Returns on investments</b>			
Investment income	2g	259,802	530,399
		<hr/>	<hr/>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	10	(297,157)	(186,294)
Payments to acquire investments	11	-	(568,872)
Receipts from sale of fixed assets		-	-
Receipts from sale of investments	12	-	338,757
		<hr/>	<hr/>
<b>Total Capital expenditure</b>		(297,157)	(416,409)
<b>Management of liquid resources</b>			
(Increase)/decrease in short term deposits	12	147,345	(199,043)
		<hr/>	<hr/>
<b>Increase in cash</b>	22	<u>73,935</u>	<u>138,579</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 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 loss of £91,539 (net incoming 2008 - £561,418). 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 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, and are usually committed to direct charitable activities in the two years following their designation. 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

## 2 INCOMING RESOURCES

	2009 Unrestricted	2009 Restricted	2009 Total	2008 Total
	£	£	£	£
<b>a) Donations, legacies and similar income</b>				
Individuals & legacies	4,424,270	32,137	4,456,407	4,204,803
Trusts	260,436	432,639	693,075	644,272
Corporates	1,057,166	646,172	1,703,338	1,650,455
Community groups	248,172	12,668	260,840	321,938
	<u>5,990,044</u>	<u>1,123,616</u>	<u>7,113,660</u>	<u>6,821,468</u>
<b>b) Grants</b>				
Department of Communities and Local Government	-	78,330	78,330	210,813
Newcastle City Council	-	63,543	63,543	226,305
The Scottish Government (formerly The Scottish Executive)	-	44,000	44,000	55,000
Off the Streets and into Work (OSW)	-	-	-	10,965
The Welsh Assembly (formerly the National Assembly of Wales)	-	-	-	21,155
Newham College	-	-	-	55,004
Department of Health - Opportunities for Volunteering	-	178,750	178,750	141,500
We are V	-	-	-	60,604
London Borough of Tower Hamlets	-	47,664	47,664	-
Learning Skills Council	-	174,571	174,571	-
Work Directions - Employment	-	26,432	26,432	-
Work Directions - Learning Zone	-	21,900	21,900	-
Action for Employment	-	10,507	10,507	-
Oxford City Council	-	17,173	17,173	-
Working Neighbourhoods Fund	-	40,610	40,610	-
Birmingham City Council	-	44,810	44,810	-
DIUS	-	-	-	93,332
Other grants	-	3,440	3,440	1,500
	<u>-</u>	<u>751,730</u>	<u>751,730</u>	<u>876,178</u>
<b>c) Gifts in kind</b>				
Gifts in kind for charitable purposes	-	440,282	440,282	159,391
Gifts in kind for fundraising purposes	-	1,466	1,466	16,380
	<u>-</u>	<u>441,748</u>	<u>441,748</u>	<u>175,771</u>
<b>d) Donated services and facilities</b>				
Analysis of major items				
Publicity and advertising	-	1,742,676	1,742,676	1,232,598
Legal costs	-	127,696	127,696	104,543
Buildings and facilities	-	808,504	808,504	550,935
Music event and record production	-	218,683	218,683	212,500
Other	-	-	-	12,700
	<u>-</u>	<u>2,897,559</u>	<u>2,897,559</u>	<u>2,113,276</u>

£16,246 (2008: £25,050) of gifts in kind and donated services and facilities were utilised in central services departments and are therefore included within support costs

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

2 INCOMING RESOURCES (CONTINUED)

	2009 Unrestricted £	2009 Restricted £	2009 Total £	2008 Total £
<b>e) Events</b>				
Fundraising events	428,882	8,820	437,702	549,277
	<u>428,882</u>	<u>8,820</u>	<u>437,702</u>	<u>549,277</u>
<b>f) Incoming resources from charitable activities</b>				
Café income	198,357	-	198,357	147,050
Conference and training income	13,400	-	13,400	9,472
	<u>211,757</u>	<u>-</u>	<u>211,757</u>	<u>156,522</u>
<b>g) Investment income</b>				
Deposit interest	128,554	131,248	259,802	433,628
Investment income from quoted investments	-	-	-	7,238
	<u>128,554</u>	<u>131,248</u>	<u>259,802</u>	<u>440,866</u>

3 COMMERCIAL TRADING OPERATIONS

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

	2009 Total £	2008 Total £
<b>Income</b>		
Sponsorship income	127,260	168,418
Other income	2,957	8,201
	<u>130,217</u>	<u>176,619</u>
<b>Expenditure</b>	<u>(713)</u>	<u>(514)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

4. RESOURCES EXPENDED

	Grants payable (Note 5)	Staff costs (Note 6)	Other direct costs	Gifts in kind and donated services	Allocation of support costs (Note 7)	2009 Total	2008 Total (restated)
	£	£	£	£	£	£	£
<b>Costs of generating funds</b>							
Costs of generating voluntary income	-	983,461	1,728,627	2,093,232	272,918	5,078,238	4,399,181
Trading subsidiary expenditure	-	-	713	-	-	713	514
Investment management costs	-	-	-	-	-	-	-
	<u>-</u>	<u>983,461</u>	<u>1,729,340</u>	<u>2,093,232</u>	<u>272,918</u>	<u>5,078,951</u>	<u>4,399,695</u>
<b>Charitable activities</b>							
Christmas	-	229,220	263,773	1,212,498	97,904	1,803,395	1,220,594
Campaigning & Influencing	-	401,382	232,864	1,000	98,855	734,101	599,485
Education	-	1,071,956	763,128	418	412,049	2,247,551	2,223,488
Housing	225,613	120,193	43,857	1,048	43,420	434,131	395,815
New Developments	-	136,437	56,220	31,111	25,410	249,178	413,305
Health & Wellbeing	-	231,788	141,696	-	79,793	453,277	454,164
Employment	151,893	558,352	219,057	-	192,612	1,121,914	841,631
Volunteering	136,540	-	-	-	47,097	183,637	254,393
	<u>514,046</u>	<u>2,749,328</u>	<u>1,720,595</u>	<u>1,246,075</u>	<u>997,140</u>	<u>7,227,184</u>	<u>6,402,875</u>
<b>Governance</b>	-	-	10,486	-	67,778	78,264	99,367
<b>Total</b>	<u>514,046</u>	<u>3,732,789</u>	<u>3,460,421</u>	<u>3,339,307</u>	<u>1,337,836</u>	<u>12,384,399</u>	<u>10,901,937</u>

Total resources expended include the following amounts:

	2009 Total	2008 Total
	£	£
Audit fees - year end accounts	7,050	7,050
Depreciation	326,250	285,424
Loss on disposal of fixed assets	-	-
Operating leases - land and buildings	491,148	490,415
Operating leases - other	5,523	30,797

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

5. GRANTS PAYABLE	Grants to	Grants to	2009	2008
	Institutions	individuals	Total	Total
	£	£	£	£
Crisis SmartMove	225,613	-	225,613	185,950
Changing Lives	-	151,893	151,893	188,909
Volunteering projects	136,540	-	136,540	136,742
UVP Limited	-	-	-	168,988
	<u>362,153</u>	<u>151,893</u>	<u>514,046</u>	<u>680,589</u>

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	2009	2008
	Total	Total
	£	£
<b>Crisis SmartMove</b>		
Barnet	37,500	-
Calderdale Bond Scheme	24,851	24,000
Canterbury Housing Advice Centre	25,000	24,300
Threshold Centre Limited	(12,500)	28,500
Teesside Homeless Action Group	60,000	46,900
Wallich Clifford Community	3,762	46,500
Edinburgh Cyrenians	30,000	15,750
Westminster	42,000	-
Wales	15,000	-
	<u>225,613</u>	<u>185,950</u>
<b>Volunteering projects</b>		
NOMAD	20,968	27,957
Teesside Homeless Action Group	27,103	28,420
Worcester Housing Benefit Advice	16,024	21,365
Calderdale Bond Scheme	29,995	30,000
Great Yarmouth	21,750	-
The Threshold Centre	6,900	-
The Purfleet Trust	6,900	-
North Devon Community Projects	6,900	-
Herring House Trust	-	29,000
	<u>136,540</u>	<u>136,742</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**6 STAFF COSTS**

	2009 Total £	2008 Total £
Wages and salaries	3,786,057	3,255,303
Social security costs	413,409	300,659
Pension costs	128,375	121,518
	<u>4,327,841</u>	<u>3,677,480</u>

Average number of staff in the year split by Location:

Scotland	1	1
London	98	88
Newcastle	18	14
	<u>117</u>	<u>103</u>

Employees receiving remuneration in excess of £60,000 in the year:

£60,000	- £69,999	<u>0</u>	<u>0</u>
£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 £4,327,841 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:

	Cost £	Basis of allocation
Management	180,570	Time spent & Project expenditure
Finance	216,704	Project expenditure
IT	263,251	Headcount
Facilities	219,086	Floor space
Human Resources	208,048	Headcount
Communications	102,034	Headcount
Volunteering support	148,143	Time spent
	<u>1,337,836</u>	

**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 £128,375 (2008: £121,518).

Contributions totalling £18,606 (2008: £9,968) were payable to the fund at the year end.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

## 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 £3,436 were reimbursed (2008: £2,058)

Trustees' liability insurance of £1,176 was paid in the year (2008: £3,392).

## 10 TANGIBLE FIXED ASSETS

Consolidated	Freehold Land & Buildings	Leasehold Improvements	Office equipment & IT software	Plant & Machinery	Vehicles	Total
Cost	£	£	£	£	£	£
At 1 July 2008	2,043,371	752,513	590,993	12,026	4,000	3,402,903
Additions	20,247	49,304	227,606	-	-	297,157
Disposals	-	-	-	-	-	-
At 30 June 2009	<u>2,063,618</u>	<u>801,817</u>	<u>818,599</u>	<u>12,026</u>	<u>4,000</u>	<u>3,700,060</u>
<b>Depreciation</b>						
At 1 July 2008	205,815	372,958	439,669	9,018	1,000	1,028,460
Charge for year	108,787	85,859	127,596	3,008	1,000	326,250
Disposals	-	-	-	-	-	-
At 30 June 2009	<u>314,602</u>	<u>458,817</u>	<u>567,265</u>	<u>12,026</u>	<u>2,000</u>	<u>1,354,710</u>
<b>Net Book Value at 30 June 2009</b>	<u>1,749,016</u>	<u>343,000</u>	<u>251,334</u>	<u>-</u>	<u>2,000</u>	<u>2,345,350</u>
Net Book Value at 1 July 2008	<u>1,837,556</u>	<u>379,555</u>	<u>151,324</u>	<u>3,008</u>	<u>3,000</u>	<u>2,374,443</u>
<b>Charity</b>						
Cost	£	£	£	£	£	£
At 1 July 2008	2,043,371	752,513	590,993	12,026	4,000	3,402,903
Additions	20,247	49,304	227,606	-	-	297,157
Disposals	-	-	-	-	-	-
At 30 June 2009	<u>2,063,618</u>	<u>801,817</u>	<u>818,599</u>	<u>12,026</u>	<u>4,000</u>	<u>3,700,060</u>
<b>Depreciation</b>						
At 1 July 2008	205,815	372,958	439,669	9,018	1,000	1,028,460
Charge for year	108,787	85,859	127,596	3,008	1,000	326,250
Disposals	-	-	-	-	-	-
At 30 June 2008	<u>314,602</u>	<u>458,817</u>	<u>567,265</u>	<u>12,026</u>	<u>2,000</u>	<u>1,354,710</u>
<b>Net Book Value at 30 June 2009</b>	<u>1,749,016</u>	<u>343,000</u>	<u>251,334</u>	<u>-</u>	<u>2,000</u>	<u>2,345,350</u>
Net Book Value at 1 July 2008	<u>1,837,556</u>	<u>379,555</u>	<u>151,324</u>	<u>3,008</u>	<u>3,000</u>	<u>2,374,443</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

11 FIXED ASSET INVESTMENTS (Group and charity)	2009	2008
	Total	Total
	£	£
Common Investment Funds		
Market Value at 1 July 2008	541,482	-
Add: Additions to investments at cost	-	568,872
Less: Disposals at market value	-	-
Net loss on revaluation at 30 June 2009	(103,036)	(27,390)
<b>Market Value at 30 June 2009</b>	<b>438,446</b>	<b>541,482</b>

Detail of investments held

During the year, Crisis UK invested £nil (2008: £568,872) in the COIF Charity Investment Fund. As at the year end, the value of this investment amounted to £438,446 (2008: £541,482). 100% of this asset is an investment in the UK.

12 CURRENT ASSET INVESTMENTS (Group and charity)	2009	2008
	Total	Total
	£	£
Market Value at 1 July 2008	6,883,818	7,025,000
Add: Additions to investments at cost	-	204,918
Less: Disposals at market value	(147,345)	(338,757)
Net loss on revaluation at 30 June 2009	-	(7,343)
<b>Market Value at 30 June 2009</b>	<b>6,736,473</b>	<b>6,883,818</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 £2,700,000 are invested with HSBC (2008: £nil) and £4,000,000 with Barclays (2008: £nil)

Investments in equities and bonds are valued and recorded at £2,775 (2008: £2,775) are quoted on the UK stock exchange. The following investments represented 5% or more of the share portfolio:

Rexam PLC ordinary 64 2/7p shares	37%
AWG PLC ordinary shares	63%

13 DEBTORS

	Consolidated	Crisis UK	Consolidated	Crisis UK
	2009	2009	2008	2008
	£	£	£	£
Income tax recoverable	161,512	161,512	78,800	78,800
Amounts due from subsidiary undertaking	-	32,692	-	84,140
Sundry debtors	155,231	129,011	126,019	110,916
Prepayments and accrued income	390,839	390,839	422,923	422,923
	<b>707,582</b>	<b>714,054</b>	<b>627,742</b>	<b>696,779</b>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

14 CREDITORS: Amounts falling due within one year

	Consolidated 2009	Crisis UK 2009	Consolidated 2008	Crisis UK 2008
	£	£	£	£
Trade creditors	20,139	20,139	124,164	124,164
Tax and social security	116,279	104,908	110,217	106,275
Other creditors	68,139	68,139	62,151	62,151
Deferred income	57,519	22,519	-	-
Accruals	68,994	68,994	153,369	153,369
	<u>331,070</u>	<u>284,699</u>	<u>449,901</u>	<u>445,959</u>

Deferred income of £57,519 (2008: £nil) relates to income received during the year for which the conditions for entitlement had not been met at the Balance Sheet date.

14 CREDITORS: Amounts falling due after more than one year

	Consolidated 2009	Crisis UK 2009	Consolidated 2008	Crisis UK 2008
	£	£	£	£
Amounts due under finance leases				
In one to two years	28,227	28,227	-	-
In two to five years	54,850	54,850	-	-
	<u>83,077</u>	<u>83,077</u>	<u>-</u>	<u>-</u>

15 OBLIGATIONS UNDER OPERATING LEASES

	Consolidated 2009	Crisis UK 2009	Consolidated 2008	Crisis UK 2008
	£	£	£	£
Amount payable in the next 12 months under non-cancellable operating leases for leases expiring:				
Land and buildings:				
In ten to fifteen years - Skylight	-	-		
In six to nine years - Skylight	491,148	491,148	490,415	490,415
Office equipment				
In one to two years	-	-	3,165	3,165
In two to five years	5,523	5,523	27,633	27,633

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

16 CONSOLIDATED ACCUMULATED GENERAL FUND

	2009 Total £	2008 Total £
<b>Fund brought forward</b>		
Retained in charity	2,661,726	2,571,979
Retained in subsidiary undertaking	<u>(16,384)</u>	<u>(18,378)</u>
	2,645,342	2,553,601
 <b>Surplus/(deficit) for the year</b>		
Retained by charity	(62,005)	653,061
Retained by subsidiary undertaking	<u>1,594</u>	<u>1,994</u>
	<u>(60,411)</u>	<u>655,055</u>
 Transfer (to)/from Designated funds	(133,351)	(563,314)
 <b>Fund carried forward</b>		
Retained by charity	2,466,370	2,661,726
Retained by subsidiary undertaking	<u>(14,790)</u>	<u>(16,384)</u>
	<u>2,451,580</u>	<u>2,645,342</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

## 17 UNRESTRICTED AND RESTRICTED FUNDS

	Brought Forward	Utilised in year	Income/Gains in year	Transfers	Carried Forward
	£	£	£	£	£
<b>Designated funds</b>					
Fundraising Investment	-	-	-	-	-
New Developments	850,000	-	-	-	850,000
Tangible Fixed Asset Reserve	531,036	-	-	133,351	664,387
	<u>1,381,036</u>	<u>-</u>	<u>-</u>	<u>133,351</u>	<u>1,514,387</u>
<b>General funds</b>	2,645,342	(7,000,144)	6,939,733	(133,351)	2,451,580
<b>Total unrestricted funds</b>	<b>4,026,378</b>	<b>(7,000,144)</b>	<b>6,939,733</b>	<b>-</b>	<b>3,965,967</b>
<b>Restricted funds</b>					
Costs of generating funds	-	(2,055,995)	2,055,995	-	-
Open Christmas	-	(1,360,971)	1,360,971	-	-
New Developments (previously Urban Village)	4,458,207	(84,088)	224,342	-	4,598,461
Crisis Skylight (capital)	1,627,762	(116,406)	-	-	1,511,356
Crisis Skylight (revenue)	17,857	(392,853)	374,996	-	-
Skylight Café (capital)	196,107	(26,500)	-	-	169,607
Skylight Café (revenue)	-	(21,950)	21,950	-	-
Crisis Smartmove	3,000	(183,759)	194,272	-	13,513
Learning Zone (including capital)	19,538	(274,440)	254,902	-	-
Changing Lives	-	(408,693)	408,693	-	-
Influencing	-	(1,000)	1,000	-	-
Volunteering projects	-	(178,750)	178,750	-	-
Employment opportunities	-	(241,613)	241,613	-	-
Governance	-	-	-	-	-
Other	-	(37,237)	37,237	-	-
	<u>6,322,471</u>	<u>(5,384,255)</u>	<u>5,354,721</u>	<u>-</u>	<u>6,292,937</u>
<b>Total funds</b>	<b>10,348,849</b>	<b>(12,384,399)</b>	<b>12,294,454</b>	<b>-</b>	<b>10,258,904</b>

## Designated Funds:

- (a) **New Developments** This reserve has been designated by the trustees to be used for capital projects in line with the expansion plans detailed in the new five-year strategic plan for 2008-2013 - namely the opening of new Skylight Centres in Oxford and Birmingham.
- (b) **Tangible Fixed** This reserve represents the net book value of tangible fixed assets in continuing use by the charity excluding those Asset Reserve items which are included within restricted reserves.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**17 UNRESTRICTED AND RESTRICTED FUNDS (CONTINUED)**

**Restricted funds:**

- (a) New Developments During the year ended 30 June 2003, David Gilmour made a charitable donation of £3.6 million to the Urban (previously Urban Village)Village project. This project will aim to create an integrated community where homeless people live alongside key workers in a thriving complex of around 400 flats. Additional restricted funds for this project have also been received during the year.
- (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 During 2004 the ODPM (Office of the Deputy Prime Minister) agreed to fund the capital costs of the construction of the Skylight Café in London. During 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.
- (d) Crisis Smartmove During the year, the Dolphin Square Charitable Trust agreed to fund a Smartmove scheme in Westminster. The restricted funds carried forward relate to funds not yet utilised at the year end.
- (e) Learning Zone During the year ended 30 June 2006 the ODPM (Office of the Deputy Prime Minister) agreed to fund the capital costs of the development of the Learning Zone at the Skylight Centre to provide accredited literacy, numeracy and IT courses as well as ESOL (English for Speakers of Other Languages). Costs are now being depreciated in accordance with the depreciation policy.

Consolidated fund balances at 30 June 2008 are represented by :

	Unrestricted	Designated	Restricted	Total 2009	Total 2008
	£	£	£	£	£
Tangible fixed assets	-	664,387	1,680,963	2,345,350	2,374,443
Fixed asset investments	438,446	-	-	438,446	541,482
Current assets	2,427,281	850,000	4,611,974	7,889,255	7,882,825
Current liabilities	(331,070)	-	-	(331,070)	(449,901)
Creditors amounts falling due after one year	(83,077)	-	-	(83,077)	-
<b>Net assets</b>	<b>2,451,580</b>	<b>1,514,387</b>	<b>6,292,937</b>	<b>10,258,904</b>	<b>10,348,849</b>

Restricted funds relating to the Skylight Centres, the Skylight Cafés and the Learning Zone are held in the form of tangible fixed assets. £664,387 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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**18 CAPITAL COMMITMENTS**

At the year end Crisis had capital commitments of £nil (2008: £nil)

**19 RELATED PARTIES**

David Bell (Chair of Trustees) is a director of The Financial Times Limited, a company which has provided publicity and advertising in the sum of £919,616 (2008: £799,952) to Crisis UK. This has been included within donated services and facilities and the cost of generating funds in the accounts of Crisis UK.

Furthermore, David Bell and Philip Graf (trustees of Crisis UK) are also directors of UVP Limited. Crisis has provided grants in the sum of £nil (2008: £168,988) to UVP Limited during the year.

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.

During the year, Crisis UK invested £nil (2008: £568,872) into the COIF Charities Investment Fund which is run by CCLA. The value of Crisis UK's share of this fund as at 30 June 2009 amounted to £438,446 (2008: £541,482) and is included in fixed asset investments.

Subsequent to the decision to invest in the COIF Charities Investment Fund, Heather Lamont (trustee) was appointed as an employee of CCLA. She is neither a director of, nor a controlling shareholder, in CCLA.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**20 SUBSIDIARY COMPANY**

Crisis UK has a wholly owned trading subsidiary, Crisis at Christmas, which is a company limited by guarantee and incorporated in England and Wales.

It manages the trading activities associated with the charity, largely the use of the Crisis logo and the sale of Christmas cards. The company gift aids any surplus net to the charity is controlled by the charity's trustees. A summary of the results of Crisis at Christmas is shown below:

<b>Profit and loss account</b>		<b>2009</b>	<b>2008</b>
		£	£
Turnover	*1	130,217	176,619
Cost of sales		<u>(713)</u>	<u>(514)</u>
Gross profit		129,504	176,105
Administration costs	*2	<u>(10,850)</u>	<u>(10,083)</u>
Profit on ordinary activities		118,654	166,022
Corporation tax paid		-	-
Gift aid payment to Crisis UK		<u>(117,060)</u>	<u>(164,029)</u>
Retained in subsidiary		<u>1,594</u>	<u>1,993</u>

\*1 Turnover includes £127,260 sponsorship

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

<b>Balance sheet</b>		<b>2009</b>	<b>2008</b>
		£	£
Fixed assets		-	-
Current assets:			
Debtors		26,220	15,102
Cash		<u>38,053</u>	<u>56,596</u>
		64,273	71,698
Current liabilities:			
Intercompany creditors		(32,692)	(84,141)
Other creditors		<u>(46,372)</u>	<u>(3,942)</u>
		(79,064)	(88,083)
Net current liabilities		<u>(14,791)</u>	<u>(16,385)</u>
Net assets		<u>(14,791)</u>	<u>(16,385)</u>
Represented by:			
Reserves		<u>(14,791)</u>	<u>(16,385)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

21 RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 Total £	2008 Total £
Net incoming resources	13,091	603,418
Investment income	(259,802)	(440,866)
Depreciation	326,250	285,424
Loss on disposal of fixed assets	-	-
Increase / (Decrease) in creditors	(35,754)	47,401
Decrease in debtors	(79,840)	(271,745)
<b>Net cash (Outflow) / inflow from operating activities</b>	<b><u>(36,055)</u></b>	<b><u>223,632</u></b>

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009 Total £	2008 Total £
Increase in cash in the period	73,935	138,579
Increase / (Decrease) in short term deposits	<u>(147,345)</u>	<u>199,043</u>
	(73,410)	337,622
Net funds at 1 July 2008	7,252,308	6,914,686
<b>Net funds at 30 June 2009</b>	<b><u>7,178,898</u></b>	<b><u>7,252,308</u></b>

23 ANALYSIS OF CHANGES IN CASH DURING THE YEAR

	At 1 July 2008 Total £	Cash Flows £	At 30 June 2009 Total £
Cash at bank and in hand	371,265	73,935	445,200
Amounts held on short term deposit	6,881,043	(147,345)	6,733,698
<b>Net funds</b>	<b><u>7,252,308</u></b>	<b><u>(73,410)</u></b>	<b><u>7,178,898</u></b>



**Crisis Head Office and  
Crisis Skylight London**

66 Commercial Street  
London E1 6LT  
Tel 0844 251 0111  
Fax 0844 251 0110  
Web [www.crisis.org.uk](http://www.crisis.org.uk)

**Crisis Skylight Newcastle**

City House, City Road  
Newcastle NE1 2AF  
Tel 0191 222 0622

Crisis UK (trading as Crisis)  
Registered Charity Numbers:  
E&W1082947, SC040094  
Company number: 4024938