

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2016

Crisis

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ABOUT CRISIS

Crisis is the national charity for homeless people.

We are determined to end homelessness. We do it person by person and by influencing policies to ensure everyone has a place to call home.

Homelessness is devastating, leaving people vulnerable and isolated.

Crisis offers groundbreaking housing, health, education and employment services. We work with thousands of homeless people across the UK every year.

We are determined campaigners. We draw on our research, partnerships and years of experience of working directly with homeless people to deliver change and a vision to end homelessness for good.

OUR FIVE-YEAR STRATEGIC PLAN GOALS

Our priorities for 2013-2018 reflect growing demand for our services and the need to campaign to address rising homelessness as cuts to services and benefits, compounded by the ongoing housing crisis, continue to affect people across the UK.

1. Deliver high quality services that enable housing stability, financial security, improved wellbeing and the development of positive relationships.
2. Develop and deliver a range of housing solutions.
3. Be the leading source of knowledge on causes, effects and solutions for single homelessness.
4. Influence opinion and public policy and raise awareness so that homelessness matters to more people.
5. Raise funding to support existing activities and growth plans.
6. Develop our people, systems and operating methods to ensure that they effectively support Crisis' activities, growth and development.

OUR VALUES

It is vital, as we grow as an organisation, that we ensure everybody understands what it is that makes us Crisis. Our values are at the heart of everything we do as we continue in our mission to end homelessness.

Inspiration

We can and we do change the lives of homeless people. Through this work we inspire others to help end homelessness.

Integrity through knowledge

Our integrity is grounded in our unique knowledge base, which comes from our research and years of working directly with thousands of homeless people.

Dignity

By giving people the tools to help themselves out of homelessness, we uphold their dignity. We act with compassion, a sense of common decency, and with humanity.

Fearlessness through independence

Our independence grants us not just the ability, but also the responsibility to be fearless and say what needs to be said to help homeless people.

Adaptability

We are curious, creative and adaptive, willing to change what we do when we know what works – and what does not.

Resolve to end homelessness

Be it through anger or compassion, we draw our resolve from the injustice that is homelessness in 21st century Britain.

TRUSTEES, SENIOR MANAGEMENT AND ADVISERS

Patron

HRH Princess Alexandra,
the Hon. Lady Ogilvy, KG, GCVO

Vice Presidents

Lord Alton of Liverpool
The Most Rev. and the Rt Hon. Justin Welby,
the Lord Archbishop of Canterbury
The Most Rev. Vincent Nichols,
Archbishop of Westminster
David Gilmour CBE

Chair of Trustees

Steven Holliday ^{^~#}

Trustees

| | |
|-----------------------------|--|
| Terrie Alafat ^{^~} | (deputy chair of trustees) (appointed 30 July 2015) |
| Harish Bhayani | (resigned 2 June 2016) |
| Martin Cheeseman # | (appointed 2 June 2016) |
| Tim Child | (resigned 3 March 2016) |
| Caroline Davey * | |
| Emma Foulds * | |
| Jane Furniss | (resigned 3 March 2016) |
| Ann Gee | (appointed 29 September 2016) |
| Nicholas Hilliard QC | (resigned 29 September 2016) |
| Richard Murley * | |
| Andrew Newell * | |
| Peter Redfern ~ | |
| Jason Warriner # | |

* member of the Finance Committee

[^] member of the Nomination Committee

~ member of the Remuneration Committee

member of the Client Services Governance Committee

Company Secretary

Keith Felton

Senior Management Team

| | |
|-------------------|---------------------------------------|
| Jon Sparkes | Chief executive |
| Matthew Downie | Director of policy & external affairs |
| Sarah Farquhar | Director of business development |
| Keith Felton | Director of corporate services |
| Rebecca Pritchard | Director of operations |
| Ed Tait | Director of fundraising |
| Micky Walsh | Director of client services |

Bankers

The Royal Bank of Scotland
28 Cavendish Square
London W1M 0DB

Senior statutory auditor

Joanna Pittman

Auditors

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London EC1Y 0TL

Address of charity and registered office

Crisis UK
66 Commercial Street
London E1 6LT
Telephone: 0870 011 3335
Fax: 0870 011 3336
Email: enquiries@crisis.org.uk
Website: www.crisis.org.uk

Company registration no: 4024938

Charity registration no: England and
Wales 1082947; Scotland SC040094

CHAIRMAN'S STATEMENT

Crisis enters a historic period during the coming year as we launch our 50th anniversary in April 2017. In the meantime, we will be marking a number of new beginnings.

We will unveil our Crisis Skylight Croydon building in November, ready to be a focus of expert support and new opportunities for people to rebuild their lives after the devastation of homelessness.

The creation of new £1.4million facilities in south London is being made possible thanks to the generosity of individual donors, who are responding to our capital appeal. These are challenging times for charity fundraising. But Crisis is confident that with clear, considerate and informative appeals, that show our supporters the impact they will have, we will continue to earn their respect and financial backing.

We will also be making an impact through Crisis Skylight South Wales and through our merger with former local charity Lift to create Crisis Skylight Brent. We aim to reach 11,225 people across the year, a 15 per cent increase on last year.

Crisis will also focus on the quality and impact of these services. The number of people we support into work will increase by 29 per cent and we will increase the number of one-to-one coaching sessions offered to Crisis clients by 15 per cent.

We plan to pilot a social lettings agency in Coventry next year. This will provide more housing for members in Coventry and inform the further direction of our engagement in social lettings agencies in other locations.

Learning from the experiences of homeless people is crucial to Crisis. We will develop and embed a strategy that keeps the people who use our services at the heart of the way we work, campaign and recruit staff. Eighteen per cent of the people who work at Crisis have themselves been homeless and we are determined to employ more people who have direct experience.

Crisis has always sought to be the leading source of knowledge on causes, effects and solutions for homelessness. We will launch our 50th anniversary in April with a renewed resolve in this area. A major part of the year of anniversary activities will be to bring all the key players together and establish once and for all, what it will take to end homelessness for good.

We will continue to improve our approach to fundraising with our 'Supporter in the Room' policy ensuring we continue to fundraise in a respectful and transparent way.

So thank you to all our donors, volunteers, staff and supporters. Without you, none of this would be possible. Together we will embrace the challenges we face and resolve that homelessness, and indeed Crisis itself, should become a thing of the past.

Steve Holliday
Chairman

CHIEF EXECUTIVE'S STATEMENT AND ANNUAL REVIEW

Every day, people who use our services tell us about the isolation, indignities and dangers they have faced as a result of losing their homes. Homelessness is an injustice. Over the last year, we have grown our services and campaigning in response to rising homelessness. We are more determined than ever in our resolve to end homelessness for good.

The landscape is bleak. Homelessness in England has continued to rise, particularly rough sleeping which is up by 30 per cent on last year. In Scotland and Wales the picture is different, but challenges remain. Everywhere you look in the UK, punitive welfare measures and a deep housing crisis are leaving too many people without a place to call home.

In response we have accelerated our efforts on two fronts. We have continued to grow rapidly, establishing new services in Croydon, South Wales and North London. Our original plan was to be delivering services in 11 locations by mid-2018, but with the growing problem, we decided to act more quickly.

Meanwhile, our campaigns to tackle the underlying causes of homelessness have also stepped up tremendously. We have continued to build constructive relationships with governments and we were delighted when a raft of measures to tackle homelessness were announced in England – particularly commitments to protect the Homelessness Prevention Grant and explore options for legislative change to stop homeless people in England being turned away from help by their council. We were also pleased to see legislation to prevent homelessness in Wales implemented, and commitments made by the Scottish government to tackle homelessness.

We are extremely grateful that, as the homelessness crisis has deepened, so too has the enthusiasm and generosity of countless members of the public, companies, trusts, volunteers, staff, campaigners and other supporters – people who, like us, believe no one should face the dangers of homelessness.

But our most important partners in the fight to end homelessness are those we work for. The people who use our services each day aren't just our clients – they are our members. Listening to them defines how we work, how we deliver our services and how we talk to politicians. They tell us the reality of homelessness. And it is only by understanding that reality, that we can know what it means to put it to an end.

Jon Sparkes
Chief Executive

STRATEGIC REPORT

The trustees present their report and the audited financial statements for the year ended 30 June 2016

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Merger with Lift People

During the year, Lift People ('Lift'), a unique and innovative homelessness charity based in Harlesden, London, merged with Crisis. The merger took effect on 1 April 2016 at which time the assets, liabilities and business of Lift were transferred to Crisis. The net assets transferred totalled £164,000.

Lift, originally set up by homeless people as the Brent Homeless User Group in 2001, has helped hundreds of people each year to find new homes, gain new skills and employment. Following the merger with Crisis the business continues to operate as Crisis Skylight Brent and will expand its operations during the coming year.

HOUSING

Private renting is often the only way a single homeless person can find a home. Through coaching, classes and projects across the UK, Crisis gives people the tools and knowledge they need to find a rented house and make it into a home.

We have developed a housing service that breaks down the barriers homeless people face when finding a rented home. Renting Ready training helps prospective tenants learn about budgeting and bills, finding flatmates or DIY. We work with landlords to ensure a supply of places to live – both directly and through projects we support across the UK.

Over the past six years, our housing services have also supported more than 160 Help-to-Rent projects, which have helped more than 10,000 homeless people into decent homes. Of the 2,000 people housed in our most recent programme, 85 per cent stayed in their new home for at least a year.

Despite government funding for these projects coming to an end in England, Crisis has funded five projects that would otherwise have been forced to close, ensuring they can continue their vital work. The Scottish Government continues to fund us to support projects while, in Wales, 20 of 22 local authorities will receive Crisis training and consultation.

All of our Crisis Skylight centres across the UK now have dedicated Housing Coaches, giving more people access to crucial one-to-one support and advice on housing – a unique service to help homeless people find and keep a home.

Alongside this direct work, we strive to make the private rented sector less hostile. Sadly, 82 per cent of landlords won't rent to homeless people because they think it's too big a risk. Our new campaign, *Home: No Less Will Do*, saw Crisis partner with leading landlord groups to call for new measures to help more homeless people to rent and help landlords to let to them.

| IMPACT | TARGET | ACTUAL |
|---|--------|--------|
| People who secured stable housing | 275 | 533 |
| Tenancies created through funding and supported PR access schemes | 1,065 | 1,004 |
| People whose housing situation improved | 481 | 719 |
| People whose homelessness was prevented by Crisis | 277 | 310 |

EMPLOYMENT

Lack of work is a major cause and consequence of homelessness. Having a job brings financial stability, self-respect and independence; losing it can be soul destroying. Crisis' employment coaches help people find their own route towards a new job or career.

Eighty per cent of homeless people say they want to get back into work. One client, who found employment with help from the Crisis team in Oxford, explained how the experience has given him a boost. "It's completely different," he said. "I'm getting up every day and I feel different with my job. It's made me feel that I need to carry on up!"

One in five people interviewed in the latest Crisis Skylight evaluation had progressed into paid work. Analysis of our own services tells us that one-to-one coaching is the most powerful way to help homeless people gain employment. That's why we're determined to increase the number of people who have the support of a Crisis employment coach to help them through the process, from confidence building and CV

workshops, to mock interviews and help buying smart work clothes.

Our Changing Lives Grants open doors for clients, helping them to pay for courses or equipment to get started in the world of work. Over the past year, our grants have supported 61 people on a number of different work paths from counselling and early education, to journalism, catering and welding.

Crisis' largest-ever employment fair in London gave clients the chance to meet with 28 different employers.

Café from Crisis continues to provide real, on-the-job training, leading to careers in the hospitality and catering industries for clients in Oxford, Newcastle and London. Building on the success of these initiatives, we are developing a similar accredited retail training scheme in our newly-opened Shop from Crisis outlets.

| IMPACT | TARGET | ACTUAL |
|--|--------|--------|
| People who secured a paid job | 664 | 737 |
| People who attended employability training | 1,160 | 2,321 |

EDUCATION

Lack of skills and qualifications can lead people to become and stay homeless, isolated from society, work and independence. Education is at the heart of Crisis – supporting people to build knowledge and skills, grow in confidence and feel more positive about the future.

Forty one per cent of Crisis clients recently interviewed said their formal education was incomplete. From literacy and numeracy, to millinery and music, Crisis' classes break the cycle of homelessness. They provide routine and purpose and equip people with skills for work and life.

One of our clients explains how joining an IT class in South Yorkshire gave him more than computer skills, it helped him connect with the world in new ways. "Initially I just wanted to have a glorified typewriter," he said. "I went online for the first time. Now I'm always on it!"

Vocational courses, such as tiling or plumbing, can be a step into work. In London, the Café from Crisis kitchen was used for classes to

help clients to gain qualifications in practical catering. And a basement room was transformed by participants in an externally accredited painting and decorating course. In Edinburgh, our event planning class learnt on the job by organising a conference for peers.

In Newcastle, the innovative self-build PROTOHOME project was about more than building site skills. One participant explains: "This project is actually spilling over into the way I tackle, prepare or do anything: job applications, volunteering, business planning, my social activities, my living situation and my interactions."

For many, coming to a class is the first step, but the rewards can be significant. A recent evaluation found 88 per cent of our clients interviewed had made progress as a direct result of coming to Crisis.

| IMPACT | TARGET | ACTUAL |
|---|--------|--------|
| People who gained a qualification | 1,554 | 1,247 |
| People who participated in classes and activities | 6,233 | 6,662 |
| People who progressed to external education | 427 | 456 |

HEALTH & WELLBEING

Being homeless is devastating for a person's mental and physical health. Crisis helps people rebuild their health and wellbeing through classes, social activities, personal coaching and by supporting them to access GPs and other services.

New research from Crisis found that six out of ten homeless people suffer from loneliness. People reported feeling ashamed or invisible – and nearly half felt that they didn't deserve to be helped.

Before coming to the Crisis Skylight team in Coventry, one client remembers herself as: "Miserable, depressed, very anxious, negative. I had no feeling of any future and wasn't having much contact with friends." Attending Crisis helped her reconnect and even feel ready to set up her own business. "I couldn't be more the optimistic about the future," she said.

In Oxford, a new programme of mental health and wellbeing activities gave people the chance to join body mindfulness classes, learn about getting fit, or manage depression.

Meanwhile, in London, a visit from world heavyweight champion Anthony Joshua to Crisis at Christmas led to the creation of a year-round boxing class. The class is just one of many ways – from Kung-Fu to ballroom dancing – that people can keep active and well at Crisis.

Our health and wellbeing coaches help people identify specific challenges and rebuild the self-esteem shattered by homelessness. As well as offering one-to-one support, this year we helped hundreds of people to access GPs, get new glasses or get specialist help with addiction or other complex health issues.

"I think there's going to be a lot more help this time than what I've been getting throughout my life," one client reflected after our team in South Yorkshire supported him through his autism diagnosis.

ARTS

Confidence and motivation suffer without the security of a home. Making art can spark a sense of self, producing focus and an outlook on the future. Crisis' art activities help people find their place in the world and can build the self-esteem needed to move into education, volunteering or employment.

For one client, attending Crisis art classes in Coventry led to him starting a business. "You start to dream bigger," he said. "You start to think: if I can do this, I can set the bar even higher. So we're looking at how I can make money as an artist, teaching skills workshops, community artwork projects."

The Art in Crisis festival in September saw hundreds of people, who have used Crisis' services across the UK, celebrate art, its role in society and in ending homelessness. From open art workshops in London and Sheffield, to a photography exhibition in Birmingham and a dramatic performance at a festival in Oxford, Art in Crisis opened a window on homeless artists at work.

All year round, Crisis' arts activities helped people engage with society, culture, and one another – experiences that are too often closed doors to homeless people. In Merseyside, Crisis' Art in the City initiative took clients on a 12-week tour of Liverpool's galleries, museums and exhibitions. "It gave me confidence that I didn't know I even had," said one participant. "I went on to speak to a group of about 60 young people at a school. I would never have spoken in front of a group like that before. The art has given me a purpose."

At times, members of Crisis' arts classes got extra inspiration from industry professionals. In London, the Shakespeare class performed for actor Richard Gere and singer Ellie Goulding helped a Crisis song writing workshop find its voice.

| IMPACT | TARGET | ACTUAL |
|--|--------|--------|
| People reporting improved mental health | 701 | 477 |
| People accessing Crisis mental health support | 555 | 560 |
| People reporting improved positive relationships | 719 | 470 |

CRISIS AT CHRISTMAS

One in four homeless people spends Christmas alone. A lifeline for thousands of people across the UK, Crisis at Christmas offers support, companionship and vital services over the festive season. In addition, we encourage guests to take up the life-changing opportunities on offer all year round at our centres across the country.

“Being homeless at Christmas can be quite a sad time and without Crisis I’d have nowhere to go. They accept you, don’t reject you. And you’re seen as a person,” one Crisis at Christmas guest explained.

Among the 4,594 people who were welcomed in from the cold at Crisis’ Christmas centres this year, 91 attended Crisis’ first ever Christmas events in Coventry and Birmingham. Guests at these new events enjoyed a range of activities, from poetry to photography workshops. Meanwhile, in Edinburgh, we extended the traditional festivities by opening our doors to guests on New Year’s Day.

More than 10,570 volunteers in London, Newcastle, Edinburgh, Birmingham and Coventry donated their time to cut hair, lead karaoke sessions, scrub potatoes, perform medical examinations or just have a cup of tea and a chat. Dentists, counsellors, podiatrists and massage therapists all lent their skills to help make our guests feel special.

For many, the respite of Crisis at Christmas provides an opportunity to focus on the future, and advisors were on hand to discuss issues like housing and employment. “I’ve been thinking of coming to talk to the people at Crisis because I can do some of the classes and I’d like to retrain for a completely different career,” said one Crisis at Christmas guest.

Volunteers with direct experience of using Crisis’ services were on hand to talk to all our guests about how Crisis’ year-round services could help them beyond Christmas.

CAMPAIGNING

Ending homelessness takes more than changing individual lives. Working with thousands of campaigners, many of whom have experienced homelessness, Crisis aims to change our world to stop people becoming homeless in the first place.

Rough sleeping has risen this year in England and Scottish winter shelters reported a sharp rise in demand. Crisis has the expertise and determination to face these challenges – and our campaigning is central to this.

Crisis’ *No One Turned Away* campaign – calling for all homeless people who approach their council to get real help – gathers momentum. Following our most popular campaign action to date, the government announced measures that could have real impact on homelessness: from protecting the Homelessness Prevention Grant, to further investment and announcing that they would consider changing homelessness legislation in England.

Crisis’ first big campaign in Scotland saw the publication of a *Manifesto to End Homelessness* in the run up to Holyrood elections. All political parties were urged to adopt a new cross-departmental strategy to tackle homelessness. Elsewhere, the Lead London Home campaign saw Crisis join with more than 20 charities in London to call on mayoral candidates to make tackling homelessness a priority.

Our campaigns are informed by our unique knowledge base, which comes from research and years of working with homeless people. A survey conducted for our *Home: No Less Will Do* campaign found that many landlords see renting to homeless people as too much of a risk. By working alongside landlord groups and drawing on our experience of helping homeless people to rent, the campaign offers solutions to help the English private rental sector work better for homeless people and landlords alike.

Other Crisis research showed that 70 per cent of homeless people feel ashamed, or invisible to others. By putting the experiences of people who are too often ignored at the centre of our campaigns, we are stronger in the effort to end homelessness.

| IMPACT | TARGET | ACTUAL |
|---|---------------|--------------|
| Statements from politicians committing to tackle homelessness | 10 | 11 |
| Number of campaigners | 40,000 | 38,000 |
| Website visitors | 1.3 million | 1.3 million |
| Advertising value of media coverage achieved | £10.0 million | £9.5 million |

HOW WE WORK

Crisis is determined to end homelessness. We always look for ways to help volunteers, campaigners, donors, partners, fundraisers and staff work together in that effort. We strive to keep the reality of homelessness, as experienced by the people we work for, at the heart of all we do.

Our clients have gone on to shape our services – from volunteering, to encouraging others to come to Crisis and participating in feedback forums. People who have used our services are now involved in the recruitment of all client-facing roles and have been central in the creation and development of our new services in South Wales and Croydon.

Almost one in five Crisis staff has experienced homelessness and we are determined to employ more. Our new trainee scheme saw the creation of five new paid posts offering on-the-job training open specifically to people who have recently been homeless.

We have developed new ways to measure our clients' progress and we continue to invest in an annual external evaluation of our services. This

evidence base, together with other research, gives us a solid understanding of how best to achieve positive outcomes for homeless people. We will invest more in one-to-one coaching, which we know has the power – particularly when combined with Crisis' classes and education opportunities – to help clients achieve their potential and lasting change.

As Crisis and the number of people who support us grow, our systems and ways of working must also develop. This year we launched 'Connect', a new intranet and online collaboration environment where staff can interact across the organisation and co-ordinate their work. And we are in the very early stages of revamping our external website to ensure it works even harder to meet the needs of our donors, volunteers and those who need to access our services.

This year, nearly 11,000 volunteers donated their time to help end homelessness. Countless others donated, campaigned or fundraised. Crisis is extremely grateful for the level of commitment so many have shown our cause.

FUNDRAISING

Crisis relies on donations to provide and grow its services and help more people as homelessness continues to rise. We are grateful that each year thousands of people, companies and trusts dig deep to help us end homelessness.

This year we arrived early at our target of opening 11 services by 2018. This step up in the growth and ambition of Crisis' services took place only thanks to the generosity of our donors.

Sixteen brave fundraisers took on the Zipwire challenge across the Tyne, 26 others laced up their running shoes for the Edinburgh Marathon Festival and Oxford Half Marathon, and 270 thrill seekers made a splash at their choice of three Crisis Midwinter Swims. A new fundraising executive for the West Midlands extends the local support Crisis can give fundraisers.

A record-breaking number of people who have used our services took part in the Crisis Square Mile Run and other fundraising events. "My journey from homelessness has helped me to prepare," said a former client ahead of the Virgin London Marathon. "Whatever time I do, it will be my best."

At Christmas, more people than ever before generously donated to provide warmth, shelter and companionship for our guests. The December BBC Lifeline appeal, hosted by Jo Brand, saw hundreds of members of the public respond to our cause and 714 others gathered friends together and raised vital funds by throwing a Crisis Christmas Party.

And, to keep doing our very best for our supporters, we have enacted a new 'Supporter in the Room' policy: every time we talk, write, or plan fundraising, we do it as if there is a supporter in the room. The policy helps us ensure we are proud of everything we say and do.

SOCIAL ENTERPRISE

Crisis operates three social enterprise cafés which operate training programmes to help homeless people obtain the skills and experience to move into employment, typically in the hospitality industry. During the year, 42 trainees obtained jobs following completion of their training programme. In addition, participation in the café training programmes is also a valuable means of progression for socially excluded individuals and can be seen as an integral part of the progression offer at Crisis even in the absence of an immediate job outcome.

Crisis has opened two shops in London, which not only raise funds, but will also provide on-the-job training for clients on the journey back to work.

| IMPACT | TARGET | ACTUAL |
|--|--------|--------|
| Volunteers who helped Crisis across the year | 10,798 | 10,849 |
| Number of clients volunteering | 530 | 415 |

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Crisis UK is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles. The charity has one wholly owned subsidiary undertaking, Crisis at Christmas, a trading company. The principal activities of the trading company are sponsorship and miscellaneous trading activities.

Trustees

The Board of Trustees of Crisis currently comprises ten members who meet at least six times a year to review strategy, business plans and operations. One of those meetings is at least one day 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 up to a further three years and the Nominations Committee may recommend extending the term of office for further periods of up to 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 the Nominations Committee.

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

Trustee sub-committees

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

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

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

The Nominations Committee comprises three trustees, including the chair, and the chief executive and has delegated responsibility for:

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

The Client Services Governance Committee, which comprises three trustees, was established in September 2016 to:

- ensure Crisis' services for members are delivered safely and professionally and to provide this assurance to the Board
- act as a forum for scrutiny and review of governance (including incident and safeguarding management) across Crisis' Client Services

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.

Related parties and relationships with other organisations

Crisis at Christmas, a wholly-owned subsidiary, manages trading activities associated with the charity. The company gifts any surplus to Crisis.

In addition, Lift People was acquired by Crisis on 1 April 2016 and has subsequently been dormant. It is in the process of being wound up.

Senior Management Team

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

The trustees have worked with the SMT to develop the longer term strategic plans for the charity. Responsibility for the implementation of the plans is delegated to the SMT through agreed one year business plans.

Remuneration policy for key management personnel

Crisis' remuneration policy is designed to ensure the organisation continues to be a leading charity within the homelessness sector, providing high quality services for homeless people. This includes ensuring remuneration levels are sufficient both to attract high calibre staff and maintain our human resource across the organisation.

Crisis is committed to the following principles in determining pay for all of its employees: be consistent, equitable and open in how employees are rewarded and recognised; apply the same approach to pay and reward for all employees, except where there is a clear case for differentiation; benchmark pay against the upper quartile of the relevant market; take account of internal relativities as well as the external market; and provide an overall package of rewards and recognition that is good within the charitable sector.

The remuneration of members of the senior management team is determined by the Remuneration Committee. The committee gives due consideration to the above framework.

In addition, Crisis is committed to pay the minimum hourly rates recommended by the Living Wage Foundation.

Staff and volunteers

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

Crisis continues to be extremely fortunate that it can call on the support of more than 10,000 volunteers. Their contributions are invaluable to our work and help shape the unique character of the charity.

Policy for employment of disabled persons

Crisis welcomes applications for employment from all prospective employees regardless of disabilities. Crisis is committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills, and experience of all employees. This includes ensuring that employees are managed in an inclusive way, taking into account individual differences and giving employees the confidence to disclose a disability should they so wish. If an employee discloses that they have a disability, we will engage in a discussion with them to determine what they need to be successful in their role and seek to make reasonable adjustments to facilitate this. These could include training, specialist technology or equipment, for example. In deciding what is reasonable, the practicalities and resources available to Crisis should be taken into account.

Employee information

Crisis places great importance in ensuring that employees are regularly updated and have appropriate opportunities to engage with senior management. The chief executive holds 'have your say' sessions twice a year at all Crisis locations, accompanied by another member of the senior management team. All staff are invited to attend and contribute. The chief executive also presents a monthly blog, available to all staff, in which he discusses important topics such as future plans, financial circumstances and the external environment, as well as celebrating achievements. Crisis has grown rapidly in recent years and has

undergone considerable change. To ensure the continued successful growth and development of the charity, it is essential that we consult widely as we develop our plans. In the past year, this has included consultation with all staff about the organisation's values and the introduction of agile working techniques.

Crisis has a union recognition agreement with Unite. Senior management meet with Unite representatives on a regular basis.

Public benefit statement

In accordance with the Charities Act 2006, Crisis is required to confirm that the activities it undertakes to achieve its objectives are all carried out for the public benefit as described by the Charity Commission.

The beneficiaries of the charity are members of the public who are in need because of homelessness and associated issues. Through its activities, Crisis seeks an end to homelessness by delivering life-changing services and campaigning for change. The Trustees have described in this report the charitable public benefit of our activities. The Trustees regularly review Crisis' progress against its aims and objectives and confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

FINANCIAL REVIEW

Crisis' principal activities are the provision of a range of life-changing services to homeless people and campaigning on their behalf.

The year ended 30 June 2016 was the third year of Crisis' five year strategic plan. This plan assumed that the charity would incur deficits in the first four years as growth in services for homeless people outstripped income. However, we have been more successful in generating income than anticipated and this has enabled Crisis to respond to the increasing levels of homelessness by expanding its reach. Our strategic plan assumed that we would have eleven Skylight centres by the end of the strategic plan but we have already reached this position with the addition of three new Skylights during the year.

We increased our expenditure for the year from £25.8 million to £30.2 million. Underlying charitable expenditure on services and campaigning increased by 10% to £18.5 million, partly due to a general increase in our service provision, including the introduction of housing coaches at all Skylights, and partly due to the opening of new Skylights in Croydon, South Wales and Brent (through the merger with Lift People). We again increased our expenditure on fundraising, in part to finance this increased expenditure but primarily to invest in growing the income required for the remaining years of the strategic plan.

The percentage of our expenditure spent on charitable activities declined to 61%. This can be attributed to the ending of the Private Rented Sector Access Development Scheme funded by the Department for Communities and Local Government. The percentage continues to be lower than the average level for recent years in part because of the above-mentioned increase in fundraising expenditure which is essential to support the planned growth in services.

Crisis receives the majority of its fundraised income from individuals, companies and trusts and has little reliance on statutory income. This gives us financial resilience and enables us to speak for homeless people from a position of independence. It does, however, necessitate significant investment in fundraising to ensure that we have a platform of sustainable income streams.

Total incoming resources for the year ended 30 June 2016 increased from £25.7 million to £29.5 million. Donations from individuals increased by £4.6 million, demonstrating a tremendous level of support for our cause. In addition, legacy income of £1.3 million was also at a record level. Crisis continues to benefit from the financial support of a broad spread of supporters, including a large number of individuals, companies, trusts and others. This includes the Big Lottery Fund which has provided important funding towards the initial years' operations of Crisis Skylight centres opened in recent years.

A deficit of £0.7 million was recorded in the year. As a result of this and planned transfers to and from designated funds, Crisis' general reserves have declined to £5.7 million. This is largely offset by increases in designated and restricted funds of £2.3 million and £0.5 million respectively.

Crisis reserves policy

Crisis's reserves policy is designed to reflect the underlying risks facing the charity and to ensure that Crisis has an appropriate level of reserves to safeguard its operations and services to homeless people.

Crisis holds restricted funds in accordance with donors' requirements. In addition, Crisis has established designated reserves for planned future requirements, in particular the opening and initial operations of new centres, in accordance with our strategic plans.

The new developments reserve has been designated by the trustees to be used for the establishment of new Skylights and represents the estimated capital and operating costs for the first three years of planned new centres, net of projected income relating specifically to these projects. The tangible fixed asset reserve represents the net book value of tangible fixed assets in use by the charity (excluding those items which are included within restricted reserves). During the year, funds of £2.3 million were transferred to the designated reserves which had an aggregate balance of £8.0 million at 30 June 2016.

The trustees consider on an annual basis the

minimum level of free reserves, i.e. excluding restricted and designated reserves, required to support the charity's operations. Relevant factors include projected financial performance including cash flow requirements, the findings from Crisis' risk management processes and an assessment of the risks to the charity's income streams. We anticipate financial deficits through to 2018 and this has been taken into account in assessing the required level of reserves.

Following this review, the trustees have determined that the minimum required level of free reserves is £6.1 million, which is above the actual free reserves at 30 June 2016 of £5.7 million. Our current strategic plan anticipated a shortfall against the reserves requirements at this stage of the plan. The trustees expect the shortfall at June 2016, which is less than the plan assumption, will reverse in subsequent years.

The requirement and underlying factors are considered annually and the minimum reserves requirement is, therefore, expected to change over time.

Plans for future periods

Crisis has now completed the first three years of its current five-year strategic plan. In financial terms we are in a much stronger position than originally anticipated, which has allowed us to bring forward some of our plans, including the opening of the final three Skylights anticipated in the plan. Nevertheless, homelessness has continued to grow and we have continued to be ambitious in our resolve to address this problem, both through our service delivery and by our campaigning for change. This approach is not without risk, a key element of which is our ability to finance the planned growth, particularly against the background of new regulations that will impact on our ability to contact prospective and current donors.

We are planning for a continuing increase in expenditure in the current financial year and, furthermore, we now anticipate financial deficits for the remainder of the strategic plan. Nevertheless, it is likely that the charity's funds at June 2018, the end of the current plan, will be in the order of our original expectations.

Our strategic objectives remain as stated in our plan, which is available on our website, as follows:

- Delivering services in housing, health, education and employment;
- Increasing knowledge, changing attitudes and influencing government;
- Raising funds, developing staff and improving office systems.

In the coming year we are planning to work with 11,225 people, of which 9,000 will be actively engaged with Crisis on two or more occasions. We aim to increase those working with a coach to 60% and those participating in a learning activity to 85% of active members, with 25% of those gaining a qualification. We intend to support 948 members into employment and 544 into stable housing. We plan to support 2,859 people to improving their wellbeing and 2,913 to improve their networks and relationships, reflecting the importance of these factors within our model of change.

Investment management

Under Crisis' investment policy, the organisation holds a balanced portfolio of investments. Funds equivalent to the lower of 10% of budgeted expenditure (excluding non-cash items, gifts in kind and expenditure for which restricted funding has already been secured) or 25% of actual free reserves may be held in common investment funds.

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

There was an unrealised appreciation on investment holdings of £11,000 during the year, in addition to investment distributions. Investments are held in the anticipation that the total return from the investment portfolio will prove satisfactory over a ten year timescale.

Socially responsible investment

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

The trustees believe that the charity's interests are best served by investing in well diversified portfolios, seeking the maximum expected financial returns within an acceptable level of risk. In addition, the trustees are mindful of the non-financial considerations of selecting any fund and will select portfolios that do not hold investments that conflict with the mission of Crisis.

This policy is reviewed regularly by the trustees.

Risk management

No system of internal control is able to give absolute assurance against material misstatement or loss. However, Crisis believes that it has appropriate procedures and controls to adequately mitigate against risks to which it is exposed.

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 senior management team and 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;
- continuing development of a performance measurement framework to ensure we further improve our understanding of our work and its impact;
- scaled authority levels and segregation of duties; and
- identification and management of risks.

Crisis' approach to risk management includes the identification of risks on both 'top down' and 'bottom up' bases, and the rating of identified risks according to the likelihood and impact of the risk occurring. Mitigating controls have been identified and, where further action is required, deadlines and responsibilities assigned. Those activities with higher risk ratings are prioritised. A full risk assessment has been undertaken as part of the preparation of the business plan and budget for the current financial year.

In addition to review by the senior management team and the Finance Committee, the risk register is reviewed annually by the Board of Trustees, who also receive a mid-year update on key risks.

The main risks facing Crisis include the reputational damage that would result from a high profile operational issue impacting on our reputation and, ultimately, our ability to attract members and income; increased regulation and restrictions impacting adversely on fundraising, as well as the public perception of fundraising malpractice; the development of a new model for Crisis at Christmas that is effective, robust, a good volunteer experience and at an appropriate cost; and our ability to react swiftly mid-year to a material shortfall in fundraised income.

In addition, Crisis' five-year strategic plan requires a substantial increase in income in order to fund the increase in services that we are planning. Crisis' income is obtained from a variety of sources, thus diversifying the risk of failure of a singular source, but we need to diversify our income further to reduce risk to income.

Detailed objectives are set annually for all aspects of Crisis' activities. Progress against these objectives is monitored monthly by the senior management team and quarterly by the Board of Trustees.

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' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- 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.

Members of the charity guarantee to contribute an amount not exceeding £1 each to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report, which includes the strategic report, has been approved by the trustees on date and signed on their behalf by

Steve Holliday
Chair of trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CRISIS UK

We have audited the financial statements of Crisis UK for the year ended 30 June 2016 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the group statement of cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable parent company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in

accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' annual report including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2016 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended 30 June 2016
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the [Charities Accounts (Scotland) Regulations 2006 (as amended)] requires us to report to you if, in our opinion:

- The parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us
- The parent charitable company's financial statements are not in agreement with the accounting records or returns
- Certain disclosures of trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Joanna Pittman (Senior statutory auditor)

Date

for and on behalf of Sayer Vincent
LLP, Statutory Auditors
Invicta House, 108-114 Golden
Lane, LONDON, EC1Y 0TL

Consolidated statement of financial activities

for the year ended 30 June 2016

Incorporating an income and expenditure account

| | Notes | 2016 Unrestricted £000 | 2016 Restricted £000 | 2016 Total £'000 | 2015 Total £'000 |
|--|-------|------------------------------|----------------------------|------------------------|------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 20,996 | 2,729 | 23,725 | 18,765 |
| Charitable activities | 4 | 455 | 4,017 | 4,472 | 5,937 |
| Other trading activities | 5 | 985 | 85 | 1,070 | 866 |
| Investments | 6 | 114 | - | 114 | 103 |
| Other | | 115 | 4 | 119 | 75 |
| Total incoming resources | | 22,665 | 6,835 | 29,500 | 25,746 |
| Resources expended | | | | | |
| Expenditure on: | | | | | |
| Raising funds | 7 | 11,551 | 103 | 11,654 | 8,978 |
| Charitable activities | | | | | |
| Christmas | | 572 | 1,656 | 2,228 | 2,320 |
| Campaigning and influencing | | 1,183 | 305 | 1,488 | 1,189 |
| Education, health and wellbeing | | 7,368 | 3,589 | 10,957 | 9,251 |
| Housing | | 1,111 | 176 | 1,287 | 1,743 |
| Employment | | 757 | 407 | 1,164 | 1,109 |
| Volunteering | | 290 | - | 290 | 247 |
| Social enterprise | | 1,050 | 46 | 1,096 | 1,002 |
| Total resources expended | | 23,882 | 6,282 | 30,164 | 25,839 |
| Net incoming / (expenditure) before net gains / (losses) on investments | | (1,217) | 552 | (664) | (93) |
| Net gains / (losses) on investments | | 11 | - | 11 | 30 |
| Net income / (expenditure) for the year | | (1,206) | 552 | (653) | (63) |
| Transfers between funds | | 11 | (11) | - | - |
| Net income / (expenditure) before other recognised gains and losses | | (1,195) | 542 | (653) | (63) |
| Net movement in funds | | (1,195) | 542 | (653) | (63) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 14,932 | 1,397 | 16,329 | 16,392 |
| Total funds carried forward | | 13,737 | 1,939 | 15,676 | 16,329 |

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22 to the financial statements.

Balance sheets

As at 30 June 2016

| | Note | The group | | The charity | |
|---|------|----------------|--------------|----------------|--------------|
| | | 2016 £000 | 2015 £000 | 2016 £000 | 2015 £000 |
| Fixed assets | | | | | |
| Tangible fixed assets | 14 | 2,777 | 2,578 | 2,777 | 2,578 |
| Investments | 15 | 682 | 684 | 682 | 684 |
| | | 3,459 | 3,262 | 3,459 | 3,262 |
| Current assets | | | | | |
| Stock | | 5 | 7 | 5 | 7 |
| Debtors | 18 | 3,537 | 908 | 3,532 | 965 |
| Short term deposits | | 6,043 | 6,030 | 6,043 | 6,030 |
| Cash at bank and in hand | | 4,304 | 7,350 | 4,300 | 7,292 |
| | | 13,889 | 14,295 | 13,880 | 14,294 |
| Liabilities | | | | | |
| Creditors : Amounts falling due within one year | 19 | (1,672) | (1,228) | (1,663) | (1,217) |
| Net current assets / (liabilities) | | 12,217 | 13,067 | 12,217 | 13,077 |
| Total net assets | | 15,676 | 16,329 | 15,676 | 16,339 |
| Funds: | | | | | |
| Restricted income funds | 22 | 1,939 | 1,397 | 1,939 | 1,397 |
| Unrestricted income funds | | | | | |
| Designated funds | | 7,961 | 5,696 | 7,961 | 5,696 |
| Unrealised investment gain | | 126 | 115 | 126 | 115 |
| General funds | | 5,650 | 9,121 | 5,650 | 9,131 |
| Total unrestricted funds | | 13,737 | 14,932 | 13,737 | 14,942 |
| Total funds | | 15,676 | 16,329 | 15,676 | 16,339 |

Approved by the trustees on 29th September and signed on their behalf by

Steve Holliday
Chair of Trustees

Richard Murley
Trustee

Company registered number 4024938. England and Wales charity number 1082947.
Scotland charity number SC040094.

Consolidated cash flow statement

for the year ended 30 June 2016

| | Notes | 2016 £000 | 2015 £000 |
|---|-------|--------------|--------------|
| Cash flows from operating activities | 23 | | |
| Net cash provided by / (used in) operating | | (2,482) | 405 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 114 | 103 |
| Purchase of fixed assets | | (667) | (439) |
| Proceeds from sale of investments | | 12 | - |
| Net cash provided by / (used in) investing | | (551) | (336) |
| Change in cash in the year | | (3,033) | 69 |
| Cash at the beginning of the year | | 13,380 | 13,311 |
| Cash at the end of the year | 24 | 10,347 | 13,380 |

Notes to the financial statements

for the year ended 30 June 2016

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Crisis at Christmas Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The trustees have concluded that a restatement is not required. The transition date was 1 July 2014.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include reviewing and carrying out a risk analysis of the factors affecting the charity's ability to continue to fundraise income.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

Notes to the financial statements

for the year ended 30 June 2016

1. Accounting policies (continued)

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivery services for our clients undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

| | Basis of allocation |
|--|---------------------------|
| • Management | Time spent and headcount |
| • Finance | Headcount |
| • IT | Headcount |
| • Facilities | Floor space and headcount |
| • Human resources and volunteering support | Headcount |
| • Communications | Headcount |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Notes to the financial statements

for the year ended 30 June 2016

1. Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|---|-------------------------|
| • Office equipment | 4 years |
| • Improvements to freehold land and buildings | 10 years |
| • Leasehold improvements | In line with lease term |
| • Freehold land and buildings | 50 years |

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a unrealised investment gain in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated stock held for resale is not recognised as stock as it is impractical to value reliably. Income from the sale of donated stock is recognised at the point of sale.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short majority of three month or less from the date of opening of the deposit or similar accounts.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Pensions

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.

Notes to the financial statements

for the year ended 30 June 2016

2. Detailed comparatives for the statement of financial activities

| | | | 2015 |
|--|---------------|--------------|---------------|
| | Unrestricted | Restricted | Total |
| | £000 | £000 | £000 |
| Income from | | | |
| Donations and legacies | 16,705 | 3,717 | 20,422 |
| Charitable activities | 379 | 3,901 | 4,280 |
| Other trading activities | 813 | 53 | 866 |
| Investments | 103 | - | 103 |
| Others | 75 | - | 75 |
| Total income | 18,075 | 7,671 | 25,746 |
| Expenditure on | | | |
| Raising funds | 8,806 | 172 | 8,978 |
| Charitable activities | 9,526 | 7,335 | 16,861 |
| Total expenditure | 18,332 | 7,507 | 25,839 |
| Net income / expenditure before gains / (losses) on | (257) | 164 | (93) |
| Net gain / (losses) on investments | - | - | - |
| Net income / expenditure | (257) | 164 | (93) |
| Transfers between funds | 100 | (100) | - |
| Net income / (expenditure) before other recognised gains and losses | (157) | 64 | (93) |
| Other gains / (losses) | 30 | - | 30 |
| Net movement in funds | (127) | 64 | (63) |
| Total funds brought forward | 15,059 | 1,333 | 16,392 |
| Total funds carried forward | 14,932 | 1,397 | 16,329 |

Notes to the financial statements

for the year ended 30 June 2016

3. Income from donations and legacies

| | | | 2016 | 2015 |
|---|---------------|--------------|---------------|---------------|
| | Unrestricted | Restricted | Total | Total |
| | £000 | £000 | £000 | £000 |
| Individuals | 18,426 | 2,290 | 20,716 | 16,067 |
| Legacies | 1,258 | 43 | 1,301 | 527 |
| Trust | 373 | - | 373 | 355 |
| Corporates | 617 | - | 617 | 951 |
| Donation of net assets from Lift People | 94 | 70 | 164 | - |
| Community groups | 228 | 223 | 451 | 694 |
| Donated services and facilities | - | 103 | 103 | 171 |
| | 20,996 | 2,729 | 23,725 | 18,765 |

The charity has been notified of legacies with an estimated value of £924,000 (2015: £687,000) which have not been recognised as income at 30 June 2016 because no confirmation of impending distribution or notification of estate accounts being finalised has been received.

The advertising value of media coverage achieved in the year was £10,000,000 (2015: £9,500,000) has not been included in the accounts but noted in the trustees report as there is not agreed standard of measurement.

Notes to the financial statements

for the year ended 30 June 2016

4. Income from charitable activities

| | Unrestricted £000 | Restricted £000 | 2016 Total £000 | 2015 Total £000 |
|--|----------------------|--------------------|-----------------------|-----------------------|
| Christmas | - | 1,272 | 1,272 | 1,652 |
| Campaigning and influencing | 7 | 266 | 273 | 276 |
| Education, health and wellbeing | - | 1,808 | 1,808 | 1,883 |
| Housing | - | 247 | 247 | 1,105 |
| Employment | - | 364 | 364 | 627 |
| Social enterprise | 448 | 30 | 478 | 394 |
| Changing Lives | - | 30 | 30 | - |
| Total income from charitable activities | 455 | 4,017 | 4,472 | 5,937 |

5. Income from other trading activities

| | Unrestricted £000 | Restricted £000 | 2016 Total £000 | 2015 Total £000 |
|----------------------|----------------------|--------------------|-----------------------|-----------------------|
| Events | 597 | 85 | 682 | 627 |
| Rental income | 91 | - | 91 | 124 |
| Retail income | 247 | - | 247 | 8 |
| Other trading income | 50 | - | 50 | 107 |
| | 985 | 85 | 1,070 | 866 |

6. Income from investments

| | Unrestricted £000 | Restricted £000 | 2016 Total £000 | 2015 Total £000 |
|--------------------------|----------------------|--------------------|-----------------------|-----------------------|
| Bank interest | 86 | - | 86 | 78 |
| Quoted investment income | 28 | - | 28 | 25 |
| | 114 | - | 114 | 103 |

Notes to the financial statements

for the year ended 30 June 2016

7. Analysis of expenditure

| | Grants payable (Note 8) £000 | Staff costs (Note 10) £000 | Other direct costs £000 | Gifts in kind and donated services £000 | Major Projects Support £000 | Allocation of support and governance costs £000 | 2016 Total £000 | 2015 Total £000 |
|---------------------------------|------------------------------------|----------------------------------|----------------------------|--|--------------------------------|--|-----------------------|-----------------------|
| Costs of raising funds | - | 1,965 | 8,709 | 103 | 52 | 424 | 11,253 | 8,978 |
| Retail costs | - | 160 | 193 | - | 5 | 43 | 401 | - |
| Total fundraising costs | | 2,125 | 8,902 | 103 | 57 | 467 | 11,654 | 8,978 |
| Christmas | - | 454 | 484 | 1,114 | 19 | 157 | 2,228 | 2,320 |
| Campaigning and influencing | - | 756 | 538 | - | 21 | 173 | 1,488 | 1,189 |
| Education, health and wellbeing | 40 | 6,232 | 2,324 | 159 | 241 | 1,961 | 10,957 | 9,251 |
| Housing | 76 | 723 | 247 | - | 26 | 215 | 1,287 | 1,743 |
| Employment | 93 | 654 | 181 | - | 26 | 210 | 1,164 | 1,109 |
| Volunteering | - | 155 | 51 | - | 9 | 75 | 290 | 247 |
| Social enterprise | - | 569 | 335 | - | 21 | 171 | 1,096 | 1,002 |
| | 209 | 11,668 | 13,062 | 1,376 | 420 | 3,429 | 30,164 | 25,839 |
| Support costs | - | 2,132 | 1,297 | - | - | (3,429) | - | - |
| Major project support | - | 310 | 110 | - | (420) | - | - | - |
| Total expenditure 2016 | 209 | 14,110 | 14,469 | 1,376 | - | - | 30,164 | 25,839 |
| Total expenditure 2015 | 1,125 | 11,251 | 11,634 | 1,829 | - | - | 25,839 | - |

Of the total expenditure, £23,882,000 was unrestricted (2015: £18,332,000) and £6,282,000 was restricted (2015: £7,507,000)

Allocation of support costs

| | Cost £000 | Basis of allocation | | | | | | 2016 Total £000 |
|---------------------------------|--------------------|--------------------------|--------------|--------------------|-------------------------|------------------------|-----------------------|-----------------------|
| Management | 371 | Time spent and headcount | | | | | | |
| Finance | 304 | Headcount | | | | | | |
| IT | 1,230 | Headcount | | | | | | |
| Facilities | 79 | Floorspace | | | | | | |
| Human Resources | 576 | Headcount | | | | | | |
| Communications | 869 | Headcount | | | | | | |
| | 3,429 | | | | | | | |
| | Management £000 | Finance £000 | IT £000 | Facilities £000 | Human Resources £000 | Communications £000 | 2016 Total £000 | |
| Christmas | 17 | 14 | 56 | 4 | 26 | 40 | 157 | |
| Campaigning and influencing | 19 | 15 | 62 | 4 | 29 | 44 | 173 | |
| Education, health and wellbeing | 212 | 174 | 703 | 45 | 330 | 497 | 1,961 | |
| Employment | 23 | 19 | 75 | 5 | 35 | 53 | 210 | |
| Volunteering | 7 | 7 | 27 | 2 | 13 | 19 | 75 | |
| Social enterprise | 19 | 15 | 61 | 4 | 29 | 43 | 171 | |
| Housing | 23 | 19 | 77 | 5 | 36 | 55 | 215 | |
| Retail costs | 5 | 3 | 17 | - | 7 | 11 | 43 | |
| Cost of generating funds | 46 | 38 | 152 | 10 | 71 | 107 | 424 | |
| | 371 | 304 | 1,230 | 79 | 576 | 869 | 3,429 | |

Notes to the financial statements

for the year ended 30 June 2016

8. Grant making

| | Grants to institutions £000 | Grants to individuals £000 | 2016 £000 | 2015 £000 |
|-----------------------------|-----------------------------------|----------------------------------|--------------|--------------|
| Private Renting Programme | - | - | - | 865 |
| Sharing Solutions Programme | 76 | - | 76 | 160 |
| Crisis Changing Lives | - | 93 | 93 | 100 |
| Other | 40 | - | 40 | - |
| | <u>116</u> | <u>93</u> | <u>209</u> | <u>1,125</u> |

The Private Renting Programme was a programme of investment in community based services to help single homeless people find and sustain good quality accommodation in the private rented sector. These services will assist single, non-statutory homeless people to overcome personal and financial barriers to renting, match them with landlords, and provide support to all parties. The ultimate aim is long-lasting independence for people in homes they can call their own. No grants were made in the financial year.

The Private Rented Sector Sharing Solutions Programme is a programme of investment in supporting pilot schemes to deliver decent and sustainable shared accommodation in the private rented sector. Crisis identified and disseminated good practice among the pilot organisations to improve access to shared housing more widely. Grants were made to eight organisations with an average grant of £10,000.

Crisis Changing Lives is a grants programme providing financial awards to people who are or have been homeless so that they may achieve their vocational goals, fulfil their potential and become independent. Grant applications can be made by individuals who are supported by a coach working at a Crisis Skylight centre to access training, buy tools for work or set up a business where a robust business plan is presented.

9. Net income / (expenditure) for the year

This is stated after changing / (crediting):

| | 2016 £000 | 2015 £000 |
|--|--------------|--------------|
| Depreciation | 474 | 495 |
| Loss or profit on disposal of fixed assets | (4) | - |
| Operating lease rentals: | - | 93 |
| Property | 1,076 | 813 |
| Auditors' remuneration (excluding VAT): | | |
| Audit | 17 | 17 |
| Other services | 2 | 2 |

Notes to the financial statements

for the year ended 30 June 2016

10. Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

Staff costs were as follows:

| | 2016 £000 | 2015 £000 |
|----------------------------------|---------------|---------------|
| Salaries and wages | 11,942 | 9,483 |
| Redundancy and termination costs | 57 | 64 |
| Social security costs | 1,132 | 912 |
| Pension costs | 980 | 792 |
| | <u>14,111</u> | <u>11,251</u> |

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

| | 2016 No. | 2015 No. |
|---------------------|-------------|-------------|
| £60,000 - £69,999 | 2 | 3 |
| £70,000 - £79,999 | 3 | 2 |
| £80,000 - £89,999 | - | 1 |
| £110,000 - £119,999 | 1 | - |

The total employee benefits including pension contributions of the key management personnel were £597,000 (2015: £472,000).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

No trustee received payment or reimbursement of travel and subsistence costs totalling relating to attendance at meetings of the trustees (2015 nil).

11. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

| | 2016 No. | 2015 No. |
|---------------------------------|-------------|-------------|
| Raising funds | 37 | 31 |
| Christmas | 14 | 10 |
| Campaigning and influencing | 30 | 18 |
| Education, health and wellbeing | 288 | 263 |
| Housing | 19 | 4 |
| Employment | 18 | 18 |
| Volunteering | 7 | 4 |
| Social enterprise | 15 | 15 |
| Retail | 4 | 1 |
| Support | 38 | 43 |
| Management | 8 | 7 |
| | <u>478</u> | <u>414</u> |

Volunteer Contribution:

Crisis is extremely fortunate for the generous support of our volunteers.

| | 2016 | 2015 |
|----------------------------|--------|--------|
| Total number of volunteers | 10,800 | 10,200 |

Notes to the financial statements

for the year ended 30 June 2016

12. Related party transactions

Steve Holliday (trustee and chair) is a trustee of the charity Business in the Community to which Crisis provided catering services to Business in the Community of £NIL (2015: £1,213).

Andrew Newell (trustee) is a trustee of Langley House Trust, a day centre working with homeless people in South London, which has received a grant from Crisis of £NIL (2015: £20,000), under the Private Rented Sector Access Development Programme.

Martin Cheeseman (trustee) is a former trustee of Lift People (which subsequently merged with Crisis on 1 April 2016), a homeless charity in London borough of Brent, which has received a grant from Crisis of £150 (2015: £25,000), during the year under the Private Rented Sector Access Development Programme.

Jon Sparkes, chief executive of Crisis is a trustee for Association of Chief Executives of Voluntary Organisations, which has received a membership fee paid by Crisis of £750 (2015: £NIL).

Keith Felton, a member of the Crisis senior management team, is a trustee of Arts at the Old Fire Station (AOFS) who are a sub-tenant of Crisis in Oxford. No rental costs were charged as the costs are covered by a grant from Oxford City Council. Crisis provides services to AOFS on a full cost recovery basis.

13. Taxation

The company is registered as a charity and all its income is applied for charitable purposes.

14. Tangible fixed assets

| The group and charity | Freehold property £000 | Leasehold Improvements £000 | Office Equipment £000 | Total £000 |
|--------------------------|---------------------------|--------------------------------|--------------------------|---------------|
| Cost | | | | |
| At the start of the year | 2,159 | 2,274 | 1,319 | 5,752 |
| Additions in year | 3 | 595 | 79 | 677 |
| Disposals in year | - | (126) | (573) | (699) |
| At the end of the year | 2,162 | 2,743 | 825 | 5,730 |
| Depreciation | | | | |
| At the start of the year | 986 | 1,233 | 955 | 3,174 |
| Charge for the year | 118 | 191 | 165 | 474 |
| Eliminated on disposal | - | (125) | (570) | (695) |
| At the end of the year | 1,104 | 1,299 | 550 | 2,953 |
| Net book value | | | | |
| At the end of the year | 1,058 | 1,444 | 275 | 2,777 |
| At the start of the year | 1,173 | 1,041 | 364 | 2,578 |

All of the above assets are used for charitable purposes

The value of the land on the freehold property cannot be determined hence the whole freehold property is depreciated over fifty years.

Notes to the financial statements

for the year ended 30 June 2016

15. Listed investments

Consolidated and charity

| | 2016 £000 | 2015 £000 |
|--|--------------|--------------|
| Fair value at the start of the year | 684 | 654 |
| Disposal proceeds | (13) | - |
| Net gain / (loss on change in fair value) | 11 | 30 |
| Fair value at the end of the year | 682 | 684 |
| Investments comprise: | | |
| | 2016 £000 | 2015 £000 |
| UK common investment funds | 667 | 658 |
| Shares listed on the London Stock Exchange | 15 | 26 |
| | 682 | 684 |

At 30 June 2016, the value of fixed asset investments held in a common investment fund amounted to £667,000 (2015 : £658,000) The fund was invested in UK and foreign equities (74.5%), infrastructure and property (23.3%) and the balance in cash and fixed interest. The historical cost of this investment was £569,000. All shares held were received as donations and, accordingly, the historical cost of these investments in shares is £NIL (2015: £NIL).

16. Subsidiary undertakings

The charitable company had two wholly owned subsidiary undertakings, Crisis at Christmas and Lift People. Both companies were limited by guarantee and incorporated in England. Crisis at Christmas is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. The results of Crisis at Christmas are shown below:

| | 2016 £000 | 2015 £000 |
|---|--------------|--------------|
| Turnover | 50 | 107 |
| Cost of sales | - | - |
| Gross profit | 50 | 107 |
| Other income | 11 | - |
| Administrative expenses | (16) | (14) |
| Profit / (loss) for the financial year | 45 | 93 |
| The aggregate of the assets, liabilities and funds was: | | |
| Assets | 8 | 18 |
| Liabilities | (8) | (28) |
| Funds | - | (10) |

Lift People was dormant from 1 April 2016, when it merged with Crisis.

Notes to the financial statements

for the year ended 30 June 2016

17. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

| | 2016 £000 | 2015 £000 |
|---------------------|--------------|--------------|
| Gross income | 29,511 | 25,887 |
| Result for the year | (655) | 60 |

18. Debtors

| | The group | | The charity | |
|--|--------------|--------------|--------------|--------------|
| | 2016 £000 | 2015 £000 | 2016 £000 | 2015 £000 |
| Income tax (gift aid) recoverable | 328 | 304 | 328 | 304 |
| Amounts due from subsidiary undertakings | - | - | - | 58 |
| Sundry debtors | 281 | 160 | 276 | 159 |
| Prepayments and accrued income | 2,928 | 444 | 2,928 | 444 |
| | 3,537 | 908 | 3,532 | 965 |

19. Creditors: amounts falling due within one year

| | The group | | The charity | |
|--|--------------|--------------|--------------|--------------|
| | 2016 £000 | 2015 £000 | 2016 £000 | 2015 £000 |
| Trade creditors | 466 | 539 | 455 | 528 |
| Taxation and social security | 323 | 272 | 323 | 272 |
| Other creditors | 315 | 154 | 315 | 154 |
| Accruals | 568 | 263 | 568 | 263 |
| Amounts due to subsidiary undertakings | - | - | 2 | - |
| | 1,672 | 1,228 | 1,663 | 1,217 |

20. Pension scheme

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 £980,000 (2015: £792,000).

Notes to the financial statements

for the year ended 30 June 2016

21. Analysis of group net assets between funds

| | General unrestricted £000 | Designated funds £000 | Restricted funds £000 | Total funds £000 |
|--|---------------------------------|-----------------------------|-----------------------------|---------------------|
| Tangible fixed assets | - | 1,861 | 916 | 2,777 |
| Fixed asset investment | 682 | - | - | 682 |
| Net current assets | 6,766 | 6,100 | 1,023 | 13,889 |
| Current liabilities | (1,672) | - | - | (1,672) |
| Net assets at the end of the year | 5,776 | 7,961 | 1,939 | 15,676 |

Notes to the financial statements

for the year ended 30 June 2016

22. Movements in funds

| | At the start of the year £000 | Incoming resources and gains £000 | Outgoing resources and losses £000 | Transfers £000 | At the end of the year £000 |
|--|-------------------------------------|--|---|-------------------|--------------------------------------|
| Restricted funds: | | | | | |
| Cost of generating funds | - | 103 | (103) | - | - |
| Crisis at Christmas | - | 1,656 | (1,656) | - | - |
| Education, health and wellbeing | | | | | |
| Crisis Skylight (capital) | 970 | - | (70) | - | 900 |
| London Crisis Skylight (revenue) | - | 1,750 | (1,750) | - | - |
| Learning Zone | 145 | 350 | (385) | - | 110 |
| Big Lottery - London Skylight | - | 130 | (84) | - | 46 |
| Big Lottery - Oxford Skylight | 21 | 122 | (106) | - | 37 |
| Big Lottery - Birmingham Skylight | - | 31 | - | - | 31 |
| Big Lottery - Merseyside Skylight | 17 | 28 | (45) | - | - |
| Big Lottery - Edinburgh Skylight | - | 130 | (130) | - | - |
| Big Lottery - Coventry Skylight | - | 112 | (112) | - | - |
| Skylight Newcastle | - | 161 | (161) | - | - |
| Skylight Birmingham | - | 24 | (24) | - | - |
| Skylight Oxford | - | 209 | (209) | - | - |
| Skylight Edinburgh | - | 127 | (127) | - | - |
| Skylight Merseyside | - | 62 | (62) | - | - |
| Skylight Sheffield | - | 161 | (161) | - | - |
| Skylight Coventry | 4 | 100 | (104) | - | - |
| Skylight Croydon | - | 480 | - | - | 480 |
| Skylight Brent | - | 137 | (56) | - | 81 |
| Campaigning and influencing | | | | | |
| Research | - | 30 | (30) | - | - |
| Policy | 206 | 236 | (243) | - | 199 |
| Influencing | - | 74 | (32) | - | 42 |
| Housing | | | | | |
| PRS Access Scheme | 4 | 94 | (98) | - | - |
| PRS (Scotland) | - | 79 | (79) | - | - |
| Social Café (capital) | 30 | 11 | (15) | (11) | 15 |
| Skylight Café (revenue) | - | 31 | (31) | - | - |
| Employment opportunities | - | 272 | (272) | - | - |
| Changing Lives | - | 30 | (30) | - | - |
| Pre-employment | - | 105 | (105) | - | - |
| Total restricted funds | 1,397 | 6,835 | (6,282) | (11) | 1,939 |
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| New developments | 4,117 | - | - | 1,983 | 6,100 |
| Tangible fixed asset reserve | 1,579 | - | - | 282 | 1,861 |
| Total designated funds: | 5,696 | - | - | 2,265 | 7,961 |
| Unrealised investment gain | 115 | 11 | - | - | 126 |
| General funds | 9,121 | 22,665 | (23,882) | (2,254) | 5,650 |
| Total unrestricted funds | 14,932 | 22,676 | (23,882) | 11 | 13,737 |
| Total funds | 16,329 | 29,511 | (30,164) | - | 15,676 |

Notes to the financial statements

for the year ended 30 June 2016

During the year, restricted grants received included the following : The Northern Rock Foundation £25,000 (2015: £50,000) and the Ashley Family Foundation £5,000 (2015: £NIL).

Purposes of restricted funds:

| | |
|---|---|
| Private Rented Sector Access Development Programme | In previous years, the Department of Communities and Local Government agreed to fund a programme of investment in new community based projects to help homeless people to find and sustain accommodation in the private rented sector. |
| Crisis Skylight | In 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. |
| Café from Crisis | In 2004, the Office of the Deputy Prime Minister agreed to fund the capital costs of the construction of the Skylight Café in London. In 2008 the Department for Communities and Local Government agreed to fund the capital costs of the construction of the Skylight Café in Newcastle. Costs are depreciated in accordance with the depreciation policy. |
| Policy & Influencing | In previous years, the Oak foundation agreed to fund a programme on Crisis policy and campaigning work. The project commenced in January 2014 and the balance represents unspent funds at the year end. |

Purposes of designated funds:

| | |
|-------------------------------------|---|
| New developments | This reserve has been designated by the trustees to be used for new developments and represents the estimated capital and operating costs for the first three years of planned new centres for the next 36 months, net of projected income relating specifically to these projects. |
| Tangible fixed asset reserve | This reserve represents the net book value of tangible fixed assets in continuing use by the charity excluding those items which are included within restricted reserves. |

23. Reconciliation of net income / (expenditure) to net cash flow from operating activities

| | 2016 £000 | 2015 £000 |
|---|----------------|--------------|
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | (653) | (63) |
| Depreciation charges | 474 | 495 |
| (Gains) / losses on investments | (11) | (30) |
| Dividends, interest and rent from investments | (114) | (103) |
| (Profit) / loss on the disposal of fixed assets | 4 | - |
| (Increase) / decrease in stocks | 3 | 21 |
| (Increase) / decrease in debtors | (2,629) | (81) |
| Increase / (decrease) in creditors | 444 | 166 |
| Net cash provided by / (used in) operating activities | (2,482) | 405 |

Notes to the financial statements

For the year ended 30 June 2016

24. Analysis of cash and cash equivalents

| | At the start of the year £000 | Cash flows £000 | At the end of the year £000 |
|--|-------------------------------------|--------------------|-----------------------------------|
| Cash at bank and in hand | 7,350 | (3,046) | 4,304 |
| Short term deposits | 6,030 | 13 | 6,043 |
| Total cash and cash equivalents | 13,380 | (3,033) | 10,347 |

25. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

| | 2016 £000 | 2015 £000 |
|--------------------|--------------|--------------|
| Less than one year | 1,169 | 224 |
| One to five years | 4,346 | 3,490 |
| Over five years | 3,409 | 3,781 |
| | 8,924 | 7,495 |

26. Capital commitments

At the balance sheet date, the group had committed to £970,000 towards the building refurbishment of our Skylight centre in Croydon. (2015: £Nil).

27. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Crisis
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London E1 6LT
Telephone: 0300 636 1967
www.crisis.org.uk
Registered Charity Numbers: E&W1082947, SC040094.



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