

Trustees' annual report and accounts

For the year ended 30 June 2014

CRISIS

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About Crisis

Homelessness is devastating, leaving people vulnerable and isolated. We believe everyone deserves a place to call home and the chance to live a fulfilled and active life.

Crisis helps people rebuild their lives through housing, health, education and employment services. We work with thousands of homeless people across the UK and have ambitious plans to work with many more.

We are also determined campaigners, working to prevent people from becoming homeless and to change the way society and government thinks and acts towards homeless people.

Crisis has worked with tens of thousands of volunteers and with many organisations for more than 45 years and we will continue to work with all those, who like us, believe homelessness is simply wrong.

Our five-year strategic plan goals

Our priorities for 2013-2018 reflect growing demand for our services and the need to campaign strongly to address rising homelessness, the housing crisis and benefit cuts that continue to affect more people.

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

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,
Lord Archbishop of Canterbury
The Most Rev. Vincent Nichols, Archbishop
of Westminster
David Gilmour CBE

Chair of Trustees

Steven Holliday ~^

Trustees

Terrie Alafat CBE~ (resigned 14 January 2014)
Harish Bhayani ^
Tim Child ~
Caroline Davey (appointed 13 February 2014)
Emma Foulds*
Jane Furniss CBE ~^ (deputy chair of Trustees)
Nicholas Hilliard QC
Heather Lamont * (resigned 28 November 2013)
Richard Murley*
Andrew Newell*
Peter Redfern
John Samuel*
Canon Bruce Saunders (resigned 19 September 2013)
Jason Warriner (appointed 13 February 2014)

* member of the Finance Committee

^ member of the Nomination Committee

~ member of the Remuneration Committee

Company Secretary

Keith Felton

Senior Management Team

Leslie Morphy OBE Chief executive
(resigned 31 July 2014)
Jon Sparkes Chief executive
(appointed 18 September 2014)
Sarah Farquhar Business development
director
(appointed 7 October 2013)
Keith Felton Director of corporate
services
Duncan Shrubsole Director of policy &
external affairs
(resigned 15 May 2014)
Matthew Downie Director of policy &
external affairs
(appointed 14 July 2014)
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

Catherine Sayer

Auditors

Sayer Vincent LLP
8 Angel Gate
City Road
London EC1V 2SJ

Address of charity and registered office

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66 Commercial Street
London E1 6LT
Telephone: 0300 636 1967
Fax: 0300 636 2012
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

In the coming year as a service deliverer we will deliver more to more people and as determined campaigners we will research and present solutions to ending homelessness for good.

Our frontline teams will work with more than 10,000 people across the UK – supporting each individual to find their place in the world again.

We will extend our reach in the regions where we already operate, particularly across the North East of England and in South Yorkshire, as well as creating new training spaces for our clients in Birmingham and Merseyside.

We hope to finalise our plans to establish a new centre in London as homelessness levels across the capital create more demand for our services.

Feedback from our clients is important to us and independent evaluation of their experiences will help us shape our services to ensure people succeed and are able to regain control of their lives after the devastation of homelessness.

With a General Election looming, our campaigning work needs to grow in volume and impact, with the aim of increasing public understanding and bringing about the policy changes needed to end homelessness.

Crucial to our success will be growth in our fundraising. Amongst our new initiatives will be the development of our first Crisis shops – a new venture for us which will also help raise our profile amongst the general public.

Our ambitious plans will be led by new Chief Executive Jon Sparkes who joins us in September. We are really looking forward to working with him.

Our retiring Chief Executive Leslie Morphy leaves a tremendous legacy, with Crisis in great shape after eight years of strong and committed leadership. During that period Crisis has grown its services and campaigns both of which continue to make a real difference to the lives of single homeless people.

Steve Holliday
Chairman

Outgoing chief executive's statement and annual review

Whilst small shoots of economic recovery may be appearing, times remain as tough as ever for people who are homeless and for the many whose grasp on the place they live is fragile.

In London rough sleeping has risen by 36 per cent over three years. And some 112,070 individual households sought help with homelessness from local councils in the last 12 months. At the same time funding for services for homeless people has been reducing.

In the midst of this bleak landscape Crisis has risen to ambitious challenges we set ourselves in our new strategic plan and this year we have fulfilled our commitment to help more people in more places and to change their lives for good.

Crisis is now firmly established in eight regions and cities across the UK. In 2013/2014 we witnessed a series of firsts that showed the real impact of our growth into new places.

Two packed houses of clients, partners and volunteers greeted our new teams in Coventry and South Yorkshire for the first Crisis Celebration of Achievement events. A pilot project working with young homeless people in Oxford has been very popular and now has a firm base.

Our more established services have also grown, reaching new milestones. Our London building had a major facelift while Merseyside and Birmingham are creating new spaces for people to train and learn.

We also expanded our Crisis at Christmas to Edinburgh for the first time where the city's commercial and resident communities volunteered to create a day of festivities and vital services.

Boosting our own housing services is another priority for Crisis. Our government funded work helping local housing projects has supported 8,123 people to find a home and we have increased our own housing teams, including a new one in Oxford.

The track running parallel to our service delivery is our research and campaigning designed to change policy and attitudes to homelessness.

Through ground breaking research we brought attention to the appalling conditions that some people are forced to accept when left at the mercy of bad private landlords. These unacceptable conditions need to be met by more effective regulation and better enforcement.

Everywhere Crisis works, we listen to our clients. We have turned up the volume and breadth of that listening this year and set up a series of in-depth and independent evaluations of our services that will continue for the life span of our five year strategy.

Interviews with hundreds of clients and analysis of thousands of feedback reports are showing us that we're on the right track as well as giving us pointers to how we could do better. Our goal is to support people to transform their lives. These evaluations will thoroughly test the effectiveness of that goal over the coming years.

This is the last time I introduce our year's record of achievements and challenges as Chief Executive, and I'm immensely proud of the charity's achievements.

My abiding memories will be the people I've met on the night shift visits to our Christmas centres, at celebration events and in our workshops and classes. I have watched Crisis ignite the spark of self-belief and self-respect that provides a foundation to move on. It has been a privilege.

Leslie Morphy OBE

Strategic review

Education

Members of our Write Up the Referendum class in Edinburgh were honoured with the Outstanding Achievement Award at Edinburgh Adult Learners' Week. The group of homeless men identified issues of importance to them around Scottish independence and tackled them with humour and comedy, while reconnecting with the politics of their country.

Lack of skills and qualifications can lead to people becoming homeless and keep them there, isolated from society, work and independence.

Learning to use a computer at our IT classes moves people closer to employment and financial stability while literacy and numeracy classes help people cope better with everyday life, budgeting or paying the bills.

In-depth interviews with 135 clients across all our locations and a series of focus group discussions with many more went towards the first major evaluation of our services, published this year.

Clients told researchers from the University of York that:

“Crisis helped give structure and direction to their lives and improved their self-confidence and social skills,” and that they “valued the focus on courses that were accredited and led to recognised qualifications.... prized both in the sense of delivering tangible outcomes and giving them a sense of achievement.”

The report authors said:

“There was not a sense of being pressured or rushed, sometimes particularly important when a service user had little experience of a learning environment...education was generally thought to be pitched at the right level, not too basic but not too challenging either.”

Did we hit our targets?

MEASURE	2013/14 Target	2013/14 Result	2014/15 Target
People who participated in a Crisis learning activity	6,234	6,560	7,684
People who gained a certificate/qualification	1,702	1,422	1,935
Total certificates/qualifications awarded	2,365	2,853	3,150
People who participated in an external training course/education	546	594	706
Number of new Skylight centres	1	1	0

Employment

Going for a job interview can feel like going into a dragon's den – and that is just what a group of Merseyside clients did earlier this year.

A panel of eight local employers came together at Liverpool Chamber of Commerce to test how much they had learned in their job interview and presentation skills training.

Getting a real taste of the world of work and job seeking lay at the heart of Birmingham's Behind the Scenes sessions, with a visit to a local coffee trader. The sessions show the range of employers in the city and spark people's interest in pursuing different jobs and new passions.

Self employment is a real option for Crisis clients through the charity's Changing Lives Grants programme. This year 201 people successfully applied for funds to start up new businesses or take up education and training courses to enhance their chances to find paid work in the future.

Everyone who encounters Crisis employment services will be encouraged through our experienced coaches to develop their own route to a new job or new career.

Practical advice and support are on offer whether it's CV writing, finding the right skills training or educational opportunities - but the central aim is to support people to get back to work and financial independence.

Did we hit our targets?

MEASURE	2013/14 Target	2013/14 Result	2014/15 Target
People supported into work	460	550	612
Café trainees into work	54	57	60
People supported by a progression coach	1,335	1,385	1,568

Arts

Composing sonnets expressing love for food and football might not seem an obvious way to help homeless people rebuild their lives, but that is exactly what members of the Shakespeare class in Birmingham did, along with a condensed five-minute performance of Hamlet.

Classes such as May You Never in Edinburgh can offer a brief respite from a chaotic life, or a chance for self-expression all too often denied to homeless people. For the class, our clients produced a documentary exploring homelessness in the Scottish capital featuring interviews with academics and historians along with people with first-hand experience of sleeping rough.

In Oxford we took art to the streets, working directly with rough sleepers – this encouraged many to engage with Crisis across a range of services.

A new research report by the University of York praised our arts offer as

“enjoyable... something important when someone’s life had been little more than a combination of unhappy, or damaging, events and empty inactivity.”

The arts highlight of our year was the Crisis Commission, where major new works by leading contemporary artists including Martin Creed, Mark Wallinger, Gavin Turk, George Shaw, Bill Woodrow and Richard Long were exhibited alongside works from our own clients to create a unique combined reflection on the theme of ‘home’.

Housing

Supported by English Government funding, Crisis enabled 153 local housing advice projects help 8,123 single homeless people make a home in the private rented sector.

The real mark of success is ensuring people settle into their new homes. To date 90 per cent managed their tenancies for at least six months.

In Scotland, supported by Scottish Government funding, Crisis supported 28 schemes to create 2,675 tenancies for homeless people.

After the chaos and stress of homelessness, tenants often struggle to find and secure a property. Local projects we support help tenants and landlords navigate finding, setting up and sustaining a tenancy – from quality checks to financial issues including deposits and benefits. Most importantly they help develop relationships between landlords and tenants, ensuring tenancies are sustained.

The prospect of moving into your own place, with all the responsibilities that brings, can be daunting. That led to the creation of Renting Ready, a new training course, covering everything from reading the gas meter to sorting out bills and how to talk to your landlord about repairs.

Renting Ready is proving popular across the country. In South Yorkshire we have led sessions in hostels and day centres, including one with a group of young people preparing to move into shared accommodation.

Changes to housing benefit have made sharing a home often the only option for single homeless people, and it can be challenging. While we campaign against these cuts, we support projects in local communities that make sharing work.

Sharing Solutions is a new scheme supporting eight projects across England helping people to find and maintain affordable shared housing.

In Scotland, Crisis received additional government funding to help all local authorities meet the challenge posed by housing benefit cuts for people under 35, by creating shared housing projects.

Did we hit our targets?

MEASURE	2013/14 Target	2013/14 Result	2014/15 Target
People helped to improve and sustain housing by Crisis Skylight centres	340	409	453
Tenancies created through funding and supporting private renting access schemes	1,800	2,754	1,372*
Local projects across England supported to create and sustain private tenancies	102	153	51

* 2013/14 was the last year of a £10.8 million Department of Communities and Local Government (DCLG) grant funding programme where we supported 153 schemes across the country to provide access to the Private Rented Sector for single homeless people. Following the success of this programme DCLG have provided additional funding of £2 million so that we can continue to support 42 of the projects. Given that we are now working with a smaller cohort of projects we have revised our targets for tenancy creation accordingly.

Health and wellbeing

Offering a well-rounded range of options lies at the heart of our effectiveness for people with mental health problems, according to researchers from the University of York who independently assessed our services this year.

They talked to Crisis clients and two thirds said they felt more confident in themselves after support from our mental health services. Many people reported that the service had helped them better manage their own mental health.

The Trips and Talks arts course in Birmingham saw groups enjoy a backstage theatre tour and visits to art galleries, helping people overcome fears of visiting new places and to find their own opinions again.

Regular evening music events are held in Merseyside, in response to people saying that this time of day can be intensely lonely and the struggle not to lapse into substance misuse much harder.

Sport is a great confidence builder and ice-breaker, so it was fitting that our new service in Coventry kicked off with a summer football tournament, supported by local professional players.

Relaxation classes were also amongst their early offerings to encourage people to come along. "The cushion that stopped me hitting the ground" was how one participant described these sessions.

Did we hit our targets?

MEASURE	2013/14 Target	2013/14 Result	2014/15 Target
People supported to improve their mental health	415	607	510
Healthy living events run across the UK	8	8	8
Healthcare consultations provided at Crisis at Christmas	720	804	800

Crisis at Christmas

Of the thousands of volunteers who made Crisis at Christmas happen in Edinburgh, London and Newcastle, more than 100 were once homeless themselves.

They came to support guests at our Crisis at Christmas centres, helping them find their way around the activities, advice and vital services on offer, and encouraged them to take up opportunities at Crisis year-round.

Some of these volunteers continued into the New Year, being familiar and friendly faces for Christmas guests who ventured along to register at Crisis Skylight London. They showed the newcomers around the building's facilities and helped them settle in.

The city of Edinburgh became the newest location for Crisis at Christmas. Crisis started year-round services in the Scottish capital three years ago and the team were really keen to establish festive activities there. More than 120 homeless people came along on Christmas Day for good food, good company and access to vital services.

Crisis at Christmas in Newcastle was spread across two venues for the first time and in London we opened ten centres across the capital – both saw their largest guest numbers to date.

Did we hit our targets?

MEASURE	2013/14 Target	2013/14 Result	2014/15 Target
Crisis at Christmas guests provided with shelter, support or services	4,000	4,191	4,200
Clients involved as volunteers	88	104	120

Campaigning

The third year of our Homelessness Monitor report highlights how cuts to benefits alongside a desperate shortage of housing are taking their toll on some of the poorest and most vulnerable people in society.

Young people are at particular risk with the number sleeping rough in London having more than doubled. Our Shut Out campaign this year has focused on the crisis young people face and called for more support to help them get a roof over their head. Over a thousand Crisis campaigners wrote to their MP to demand action and in March an influential committee of MPs called on the Government to review the way that housing benefit is working for young, single people.

The ending of a private tenancy is now a leading cause of homelessness. Our three year investigation, Sustain, followed formerly homeless people attempting to make new homes for themselves. The report told harrowing stories of people trapped in homes that are a danger to their health and wellbeing, often powerless in the face of landlords who ignore their responsibilities. Crisis used this research to press the case for better regulation and reform of private renting – often the only option for homeless people.

As cuts to benefits bite and public opinion hardens, Crisis has joined forces with others to give voice to the millions of us who have been supported by benefits at some point in our lives. The *Who Benefits?* campaign launched in October and now has support from over 100 organisations, and thousands of individuals. We plan to use real stories to show the public, journalists and politicians the reality of who needs help, why they need it and the difference that it makes.

As homelessness continues to rise, we know that we need to do more to get politicians to take action on homelessness. And thanks to a generous five year funding package from the Oak Foundation we are now gearing up to put homelessness – its causes and solutions – firmly on the political agenda in the run up to and beyond the next General Election.

Did we hit our targets?

MEASURE	2013/14 Target	2013/14 Result	2014/15 Target
Research projects and evaluations delivered & disseminated	8	8	7
Statements from politicians committing to tackle homelessness as identified in campaign strategy	New target	New measure	5
Number of e-campaigners/actions taken	New target	17,000/7,500	20,000/9,000
Website visitors	New target	973,708	1,300,000
Advertising value of media coverage achieved	£5,500,000	£6,724,891	£7,000,000

Making Crisis work

“We have improved across the board in my years of working here and I am very happy with the service we get from other departments. They are better staffed, more effective and enjoyable to work with than ever.”

This is from the Crisis Annual Staff Survey which found 96 per cent of our staff think the charity is a good employer.

Everyone involved with the charity – from staff to clients, HR to IT, donors to volunteers combine to make Crisis work.

Our thousands of volunteers offer warmth, comfort and vital services to homeless people at Christmas, while many more teach classes and courses across the UK throughout the year.

These are people from all walks of life, from company directors to our own homeless clients – many of whom, we are proud to report, have gone on to find work with the experience they gained. To improve still further a new Volunteer Strategy will ensure more people get more out of donating their time and expertise, from the volunteers themselves to the homeless people they support. As we grow to help more people in more places, we need a strong foundation. We are implementing a new Digital Strategy – including a new intranet – to help us work and communicate more efficiently.

Did we hit our targets?

MEASURE	2013/14 Target	2013/14 Result	2014/15 Target
Volunteers recruited to help Crisis across the year	8,600	9,266	9,000
Clients recruited and supported as volunteers	250	73	280
Clients volunteering	382	433	541

Fundraising

This year thousands donated to reserve a place for a person at Crisis at Christmas, thousands more pounded the streets of London in the Crisis Square Mile Run. Brave souls plunged into an Oxford lake or sped across the Tyne on a zipwire, while others threw Crisis Christmas Parties and raised money while eating mince pies.

All these people had a common purpose – to support the work of Crisis. Individual donations are incredibly important to us. Much of our income is from people who care enough about the work we do to put their hand into their pocket and donate.

But it's not just individuals – we help businesses, lottery funders, trusts and foundations direct their resources to support more people out of homelessness.

In all our fundraising activity we strive to tell people the truth about homelessness and the real impact our services have on thousands of people across the country each year.

This generous public and corporate support has allowed us to expand our services to help more people in more places than ever before, and guards our independence as a campaigning voice.

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 activities and the sale of merchandise, including donated gifts and services.

Trustees

The Board of Trustees of Crisis UK currently comprises 12 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 and the chief executive.

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

Trustee sub-committees

The trustees delegate authority for the review of financial information and audit issues to the Finance Committee, who in turn make recommendations to the Board on related issues. The Finance Committee currently comprises 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 deputy chair, and the chief executive and has delegated responsibility for:

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

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

Senior Management Team

The trustees delegate the day to day operations of the charity to the senior management team (SMT). The SMT comprises six 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.

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.

The year to June 2014 was the first year of operations for our Skylights in Coventry and South Yorkshire. This was one factor behind the increase in the average number of full time equivalent staff in the year by 13% this year to 251 people. We remain committed to developing a strong and diverse staff team to support our current operations and our ambitious plans for the future, both through the development of existing staff and the recruitment of the best people to new posts.

Crisis continues to be extremely fortunate that it can call on the support of more than 9,000 volunteers. Their contributions are invaluable to our work and help shape the unique character of the charity.

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 2014 was the first year of an ambitious five year strategic plan. As described earlier in this report, we have made excellent progress against most of the objectives we set for the year. In addition, the financial position of the charity is significantly better than anticipated. This is particularly encouraging since, at 30 June 2013, the level of reserves was £1.2 million below the required level. This has now improved and our reserves are in line with our requirement at this stage.

We increased our expenditure for the year in line with our plans, from £21.6 million to £22.4 million. This increase was despite a reduction of £3.3 million in grants under the Private Rented Sector Access Development Scheme. This scheme has been funded by the Department of Communities and Local Government ('DCLG') since 2010, since when grants totalling £11.8 million have been made to Crisis. The initial programme ended in April 2013 but funding has subsequently been renewed, at a lower rate. In addition, we are piloting a Private Rented Sector Sharing Solutions Scheme for DCLG, which commenced in the year. Underlying charitable expenditure on services and campaigning increased by 16% to £13.3 million, in part the result of opening new Skylights in Sheffield and Coventry. We increased our expenditure on fundraising in order to finance this increased expenditure and also to invest in growing the income required for the remaining years of the strategic plan.

Analysis of our expenditure shows that we spent 68% on charitable activities, 31% on fundraising and 1% on governance. Crisis receives the majority of its fundraised income from individuals, companies and trusts and has little reliance on statutory income. This enables us to have financial resilience and to speak for homeless people from a position of independence.

Total incoming resources for the year ended 30 June 2014 increased to £23.5 million from £22.2

million in the previous year. This was despite the above-mentioned reduction in funding for the Private Rented Sector Access Development Scheme. Donations from individuals and legacies increased by £2.6 million, including a higher level of legacy income than in previous years. We have increased our investment in these areas but, nevertheless, the income in the year was higher than anticipated. Crisis raises income from a broad spread of sources and is grateful for the committed support of a number of companies, trusts and others. The support of the Big Lottery Fund for the various Crisis Skylight centres that have opened in recent years is greatly valued.

The surplus for the year of £1.1 million compared with a deficit anticipated in the strategic plan. The result reflected in particular the support of very many individual supporters, including those who have recognised the importance of Crisis' work in their wills.

As a result of the surplus and planned transfers to and from designated funds, Crisis' general reserves have increased to £10.4 million. We noted last year that deficits were anticipated for the first four years of our ambitious strategic plan and the result for the year under review was clearly significantly better than expected. Nevertheless, we still expect the next three years to be financially challenging as we seek to finance the planned growth in services for homeless people. The ongoing support that we continue to receive from a large number of committed supporters is essential to deliver this growth.

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 trustees have considered 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. As noted above, Crisis is entering the first year of its ambitious new strategic plan, which envisages us more than doubling the number of people we work with and increasing annual expenditure by over 50% over the next five years. We are anticipating financial deficits through to 2017 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 £10.5 million, which is in line with actual free reserves at 30th June 2014 of £10.4 million.

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

Plans for future periods

As noted above, Crisis has now completed the first year of its new five year strategic plan. In almost every aspect of our work we have exceeded the targets for that first year. Nevertheless, our plans are ambitious and not without risk, in particular with regard to our ability to finance the planned growth – in the final year of the plan, projected expenditure is £31.7 million, which compares with £23.5 million for the year ended June 2014.

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.

Investment management

Under Crisis' investment policy, the organisation holds a balanced portfolio of investments, including cash and cash deposits, whilst 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 £37,000 during the year, in addition to investment distributions. It is anticipated that the total return from the investment portfolio will prove satisfactory over a ten year timescale.

Socially responsible investment

The trustees have considered the implications of using ethical and socially responsible criteria alongside financial criteria in decisions relating to 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;
- 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.

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 have been identified as including the reputational damage that would result from a high profile operational issue, a failure to make inroads into public opinion before the general election, reduced partner engagement (due to financial pressures) threatening the outreach model and destabilisation as a result of senior staff changes coincidentally happening together.

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. Nevertheless, we start each year with less than 20% of our income committed.

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' 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 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable

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

In so far as the trustees are aware:

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

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

Approval

This report was approved by the Board of Trustees on 16 September 2014 and signed on its 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 2014 which comprise the consolidated statement of financial activities, balance sheets, consolidated cashflow statement 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 auditor 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's 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 to identify material inconsistencies with the audited financial statements. 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 2014 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 matters prescribed by the Companies Act 2006

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

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; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Catherine Sayer

Senior statutory auditor

for and on behalf of Sayer Vincent LLP,

Statutory Auditors

8 Angel Gate, City Road, LONDON EC1V 2SJ

Sayer Vincent is eligible to act as an auditor in

terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities

for the year ended 30 June 2014

Incorporating an income and expenditure account

	Notes	2014 Unrestricted £'000	2014 Restricted £'000	2014 Total £'000	2013 Total £'000
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income</i>					
Donations, legacies and similar income	2a	14,033	1,954	15,987	13,161
Gifts in kind	2b	-	696	696	694
Donated services and facilities	2c	-	1,100	1,100	1,156
<i>Activities for generating funds:</i>					
Events		567	26	593	793
Rental income		128	-	128	134
Commercial trading operations		59	-	59	67
Incoming resources from charitable activities	2d	419	4,343	4,762	5,967
Investment income		140	-	140	209
Other income		67	-	67	13
Total incoming resources		15,413	8,119	23,532	22,194
Resources expended					
Costs of generating income	3	6,900	174	7,074	5,656
Total cost of generating funds		6,900	174	7,074	5,656
Net incoming resources available for charitable application		8,513	7,945	16,458	16,538
Charitable expenditure	3				
Christmas		501	1,595	2,096	2,042
Campaigning and influencing		808	129	937	795
Education, health and wellbeing		3,921	3,657	7,578	6,147
Housing		349	1,957	2,307	4,610
New developments		226	-	226	203
Employment		611	216	827	787
Volunteering		171	-	171	168
Social enterprise		895	52	947	910
Changing Lives		23	108	131	107
Total charitable expenditure		7,505	7,714	15,219	15,769
Governance costs	3	121	-	121	128
Total resources expended		14,526	7,888	22,414	21,553
Net incoming / (outgoing) resources before transfer		887	231	1,118	641
Transfer between funds		500	(500)	-	-
Net incoming / (outgoing) resources before other recognised gains and losses		1,387	(269)	1,118	641

Consolidated statement of financial activities

for the year ended 30 June 2014

Incorporating an income and expenditure account

	2014 Unrestricted £'000	2014 Restricted £'000	2014 Total £'000	2013 Total £'000
Net incoming / (outgoing) resources before other recognised gains and losses	1,387	(269)	1,118	641
Net gains/(losses) on investment assets	37	-	37	59
Net movement in funds	1,424	(269)	1,155	700
Funds brought forward at 1 July	13,635	1,602	15,237	14,537
Funds carried forward at 30 June	15,059	1,333	16,392	15,237

No other gains or losses were recognised in the year other than those shown above. The surplus for the year for Companies Act purposes including realised losses and gains on investments but excluding unrealised gains and losses on investments would be £1,116,0000 (2013: £642,000).

Balance sheets

at 30 June 2014

	Notes	Consolidated 2014 £'000	Consolidated 2013 £'000	Crisis UK 2014 £'000	Crisis UK 2013 £'000
Fixed assets					
Tangible fixed assets	9	2,634	2,493	2,634	2,493
Investments	10	654	617	654	617
		3,288	3,110	3,288	3,110
Current assets					
Stock		28	-	28	-
Debtors	11	827	887	828	943
Short term deposits		13,125	11,988	13,125	11,988
Cash at bank and in hand		186	291	183	242
		14,166	13,166	14,164	13,173
Creditors : Amounts falling due within one year	12	(1,062)	(1,039)	(1,050)	(1,036)
Net current assets		13,104	12,127	13,114	12,137
Total assets less current liabilities		16,392	15,237	16,401	15,247
Net assets		16,392	15,237	16,401	15,247
Represented by:					
Unrestricted income funds					
General fund	14	10,392	7,552	10,401	7,562
Designated funds					
New developments	15	3,116	4,400	3,116	4,400
Refurbishment		-	385	-	385
Tangible fixed asset reserve		1,551	1,298	1,551	1,298
Total designated funds		4,667	6,083	4,667	6,083
Total unrestricted funds	15	15,059	13,635	15,068	13,645
Restricted income funds	15	1,333	1,602	1,333	1,602
Total funds	15	16,392	15,237	16,401	15,247

The financial statements on pages 22 to 40 were approved by the Board of Trustees on 16 September 2014 and signed on their behalf by:

Steve Holliday
Chair of Trustees

Richard Murley
Trustee

The notes on pages 26 to 40 form an integral part of these financial statements.

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

Consolidated cash flow statement

for the year ended 30 June 2014

	Notes	2014 £'000	2013 £'000
Inflow/(outflow) from operating activities	21	1,526	1,916
Returns on investments			
Investment income		140	209
Capital expenditure			
Payments to acquire tangible fixed assets	9	(634)	(624)
Addition of listed investments	10	-	(17)
(Decrease)/ increase in cash	21	1,032	1,484

Notes to the financial statements

for the year ended 30 June 2014

1. Accounting policies

a) Basis of accounting

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

b) Consolidated accounts

Consolidated accounts have been prepared for the charity and its trading subsidiary, Crisis at Christmas. The results of the subsidiary have been consolidated on a line by line basis.

The unconsolidated result for the charity would have been a net surplus of £1,080,000 (2013 - £457,000). The charity has taken advantage of S230 Companies Act 2006 and has not prepared a separate statement of financial activities for the charity.

c) Incoming resources

All incoming resources are accounted for in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Where grants are received and relate to a specific future period, these are deferred.

Voluntary income, bank interest and grant income are recognised on a receivable basis.

Legacies are recognised at the earlier of the date that the notification of distribution is received or that the legacy is received.

Income tax on covenants and gift aid declarations is accounted for on an accruals basis.

Gifts in kind are recognised as income when brought into use by the charity.

Gifts in kind and donated services and facilities have been included in income at an amount equivalent to the estimated value to the charity.

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

d) Resources expended

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

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

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

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

Support costs are general and overhead costs which are not specific to governance, costs of generating funds or direct charitable activities but which enable these activities to be undertaken. These costs include management, finance, IT, facilities, human resources and communications support costs and are allocated across the expenditure cost captions. The allocation is based upon an analysis of the resources utilised by each of these activities and is disclosed in note 6.

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

e) Tangible fixed assets

Tangible fixed assets are stated at cost.

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

Leasehold improvements are depreciated over the period of the lease.

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

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

Individual assets costing the organisation less than £1,000 are not capitalised but are written off to the Statement of Financial Activities.

Notes to the financial statements

for the year ended 30 June 2013

1. Accounting policies (continued)

f) Pension costs

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

g) Fund accounting

i) Restricted

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

ii) Unrestricted

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

a) *Designated*

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

b) *General*

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

Transfers from general funds to restricted funds are made when the income for specific activities does not cover the full costs. Transfers between designated funds and general funds are determined by the trustees where deemed appropriate.

h) Current asset investments

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

i) Operating leases

Expenditure under operating leases is accounted for as incurred.

j) Foreign currencies

Transactions have been translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the Balance Sheet date. Any differences on translation are written off to the Statement of Financial Activities.

Notes to the financial statements

for the year ended 30 June 2014

2 Incoming resources

	2014 Unrestricted £'000	2014 Restricted £'000	2014 Total £'000	2013 Total £'000
a) Donations, legacies and similar income				
Individuals and legacies	12,106	1,775	13,881	11,321
Trusts	243	-	243	280
Corporates	1,344	-	1,344	1,025
Community groups	340	179	519	535
	14,033	1,954	15,987	13,161

The charity has been notified of legacies with an estimated value of £461,000 (2013: £460,000) which have not been recognised as income at 30 June 2014 because no confirmation of impending distribution or notification of estate accounts being finalised has been received.

b) Gifts in kind

Gifts in kind for charitable purposes	-	691	691	690
Gifts in kind for fundraising purposes	-	5	5	4
	-	696	696	694

c) Donated services and facilities

Analysis of major items				
Publicity and advertising	-	168	168	158
Legal costs	-	30	30	43
Training	-	80	80	84
Buildings and facilities	-	822	822	871
	-	1,100	1,100	1,156

d) Incoming resources from charitable activities

Christmas	-	171	171	131
Campaigning and influencing	4	312	316	96
Education, health and wellbeing	-	1,811	1,811	1,905
Housing	-	1,719	1,719	3,271
Employment	-	191	191	105
Social enterprise	415	34	449	419
Changing Lives	-	105	105	40
Total incoming resources from charitable activities	419	4,343	4,762	5,967

Notes to the financial statements

for the year ended 30 June 2014

3. Resources expended

	Grants payable (Note 4) £'000	Staff costs (Note 5) £'000	Other direct costs £'000	Gifts in kind and donated services £'000	Allocation of support costs (Note 6) £'000	2014 Total £'000	2013 Total £'000
Costs of generating funds							
Costs of generating income	-	1,141	5,448	174	311	7,074	5,656
	-	1,141	5,448	174	311	7,074	5,656
Charitable activities							
Christmas	-	366	346	1,239	145	2,096	2,042
Campaigning and influencing	-	452	360	4	121	937	795
Education, health and wellbeing	-	4,110	1,789	381	1,298	7,578	6,147
Housing	1,605	374	232	-	95	2,306	4,610
New developments	-	155	36	-	35	226	203
Employment	-	542	122	-	163	827	787
Volunteering	-	121	19	-	31	171	168
Social enterprise	-	483	315	-	149	947	910
Changing Lives	93	29	-	-	9	131	107
	1,698	6,632	3,219	1,624	2,046	15,219	15,769
Governance	-	76	45	-	-	121	128
Support costs	-	1,484	873	-	(2,357)	-	-
Total	1,698	9,333	9,585	1,798	-	22,414	21,553

Total resources expended include the following amounts:

	2014 £'000	2013 £'000
Auditors' remuneration		
Audit fees - year end accounts	16	16
Grant audits	2	4
Depreciation	493	388
Operating leases - land and buildings	604	707
Operating leases - other	-	2

Notes to the financial statements

for the year ended 30 June 2014

4. Grants payable

	Grants to institutions £'000	Grants to individuals £'000	2014 £'000	2013 £'000
Private Rented Sector Access Development Programme	885	-	885	4,043
Private Rented Sector Sharing Solutions Programme	720	-	720	-
Crisis Changing Lives	-	93	93	68
	1,605	93	1,698	4,111

The Private Rented Sector Access Development Programme is 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. Grants were made to 32 organisations across the country with an average grant of £28,000.

The Private Rented Sector Sharing Solutions Programme is a programme of investment in supporting eight pilot schemes to deliver decent and sustainable shared accommodation in the private rented sector. Crisis will identify and disseminate good practice among the pilot organisations to improve access to shared housing more widely. Grants were made to 8 organisations across the country with an average grant of £90,000.

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.

Notes to the financial statements

for the year ended 30 June 2014

5. Staff costs

	2014 £'000	2013 £'000
Wages and salaries	8,220	6,588
Social security costs	758	641
Pension costs	355	499
	9,333	7,728

Average full-time staff numbers

Christmas	12	10
Campaigning and influencing	10	9
Education, health and wellbeing	119	98
Housing	8	6
New developments	3	4
Employment	14	13
Volunteering	3	3
Social enterprise	16	17
Changing Lives	1	1
Fundraising	26	25
Support	33	32
Management	6	6
	251	224

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

£60,000 - £69,999	1	3
£70,000 - £79,999	1	-
£100,000 - £109,999	1	1

All employees earning more than £60,000 participated in the pension scheme. The pension cost above represents contributions payable by Crisis. Of the total, £26,000 (2013: £27,000) related to higher paid employees.

Notes to the financial statements

for the year ended 30 June 2014

6 Allocation of support costs

The support costs have been allocated on the following bases:

	Cost £'000	Basis of allocation
Management	163	Time spent and headcount
Finance	228	Headcount
IT	871	Headcount
Facilities	195	Floor space and headcount
Human resources and volunteering support	378	Headcount
Communications	522	Headcount
	<u>2,357</u>	

	Management £'000	Finance £'000	IT £'000	Facilities £'000	Human resources £'000	Communi- cations £'000	Total £'000
Christmas	10	14	54	12	23	32	145
Campaigning and influencing	8	12	45	10	19	27	121
Education, health and wellbeing	90	126	479	107	209	287	1,298
Employment	11	16	60	13	26	36	162
Volunteering	2	3	12	3	5	7	32
Social enterprise	10	14	55	12	24	33	148
Changing Lives	1	1	3	1	2	2	10
Housing	7	9	35	8	15	21	95
New developments	2	3	13	3	6	8	35
Cost of generating funds	22	30	115	26	50	69	312
	<u>163</u>	<u>228</u>	<u>871</u>	<u>195</u>	<u>378</u>	<u>522</u>	<u>2,357</u>

7 Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £355,000 (2013: £499,000).

Contributions totalling £91,000 (2013: £37,000) were payable to the fund at the year end.

8 Trustee remuneration

Members of the Board of Trustees do not receive remuneration for their time and services. During the year, trustees expenses of £nil were reimbursed (2013: nil)

Trustees' liability insurance cover was purchased for a premium of £1,060 in the year (2013: £1,060).

Notes to the financial statements

for the year ended 30 June 2014

9 Tangible fixed assets

Consolidated and charity

	Freehold land and buildings £'000	Leasehold improvements £'000	Office equipment £'000	Plant and machinery £'000	Total £'000
Cost					
At 1 July 2013	2,106	1,608	1,236	11	4,961
Additions	14	460	160	-	634
Disposals	-	-	(264)	(11)	(275)
At 30 June 2014	2,120	2,068	1,132	-	5,320
Depreciation					
At 1 July 2013	757	819	881	11	2,468
Charge for year	114	205	174	-	493
Disposals	-	-	(264)	(11)	(275)
At 30 June 2014	871	1,024	791	-	2,686
Net book value at 30 June 2014	1,249	1,044	341	-	2,634
Net book value at 30 June 2013	1,349	789	355	-	2,493

10 Fixed asset investment

Consolidated and charity

	2014 Total £'000	2013 Total £'000
Market value at 1 July 2013	617	541
Additions in the year	-	17
Net gain/(loss) on revaluation at 30 June 2014	37	59
Market value at 30 June 2014	654	617

At the year end, the value of fixed asset investments held in a common investment fund amounted to £620,000 (2013: £585,000). The fund at 30th June 2014 was invested in UK and foreign equities (82%), infrastructure and property (12%) and the balance in cash and fixed interest. The historical cost of this investment was £569,000. The balance of the investments in equities and bonds are valued and recorded at £34,000 (2013: £32,000) and are quoted on the UK stock exchange. All shares held were received as donations and, accordingly, the historical cost of these investments in shares is £nil (2013: £nil).

Notes to the financial statements

for the year ended 30 June 2014

11 Debtors

	Consolidated 2014 £'000	Consolidated 2013 £'000	Crisis UK 2014 £'000	Crisis UK 2013 £'000
Income tax (gift aid) recoverable	334	146	334	146
Amounts due from subsidiary undertakings	-	-	17	58
Sundry debtors	113	119	97	117
Prepayments and accrued income	380	622	380	622
	827	887	828	943

12 Creditors:

Amounts falling due within one year	Consolidated 2014 £'000	Consolidated 2013 £'000	Crisis UK 2014 £'000	Crisis UK 2013 £'000
Trade creditors	386	319	374	319
Tax and social security	214	181	214	190
Other creditors	149	195	149	183
Deferred income	-	3	-	3
Accruals	313	341	313	341
	1,062	1,039	1,050	1,036

13 Obligations under operating leases

	Consolidated 2014 £'000	Consolidated 2013 £'000	Crisis UK 2014 £'000	Crisis UK 2013 £'000
Amount payable in the next 12 months under non-cancellable operating leases for leases expiring:				
<i>Land and buildings:</i>				
In one to two years	14	17	14	17
In two to five years	93	111	93	111
In six to nine years	497	596	497	596
<i>Office equipment</i>				
In one to two years	-	1	-	1

Notes to the financial statements

for the year ended 30 June 2014

14 Consolidated accumulated general fund

	2014 Total £'000	2013 Total £'000
Fund brought forward		
Charity	7,562	4,823
Subsidiary undertaking	(10)	(11)
	7,552	4,812
Surplus/(deficit) for the year		
Charity	1,424	2,337
Subsidiary undertaking	1	1
	1,425	2,338
Transfer to designated funds	1,416	401
Transfer from restricted funds	500	18
Fund carried forward		
Charity	10,402	7,562
Subsidiary undertaking	(10)	(10)
	10,392	7,552

Notes to the financial statements

for the year ended 30 June 2014

15 Unrestricted and restricted funds

	Brought Forward £'000	Income/ Gains in year £'000	Utilised in year £'000	Transfers £'000	Carried Forward £'000
Designated funds					
New developments	4,400	-	-	(1,284)	3,116
Refurbishment reserve	385	-	-	(385)	-
Tangible fixed asset reserve	1,298	-	-	253	1,551
Total designated funds	6,083	-	-	(1,416)	4,667
Unrestricted funds					
General funds	7,504	15,413	(14,526)	1,916	10,307
Unrealised investment gain	48	37	-	-	85
Total general funds	7,552	15,450	(14,526)	1,916	10,392
Total unrestricted funds	13,635	15,450	(14,526)	500	15,059
Restricted funds					
Costs of generating funds	-	174	(174)	-	-
Crisis Christmas	-	1,595	(1,595)	-	-
Education, health and wellbeing					
Crisis Skylight (capital)	1,109	478	(70)	(478)	1,039
London Crisis Skylight (revenue)	-	1,458	(1,458)	-	-
Learning Zone	66	175	(240)	-	1
Big Lottery - London Skylight	18	179	(197)	-	-
Big Lottery - Oxford Skylight	-	142	(142)	-	-
Big Lottery - Birmingham Skylight	-	110	(110)	-	-
Big Lottery - Newcastle Skylight	-	91	(91)	-	-
Big Lottery - Merseyside Skylight	-	99	(99)	-	-
Regional Skylights	-	1,222	(1,222)	-	-
Department of Health	-	28	(28)	-	-
Campaigning and influencing					
Research	-	30	(30)	-	-
Policy and Influencing	-	286	(99)	-	187
Housing					
PRS Access Scheme & Sharing Solutions	324	1,653	(1,918)	-	59
PRS (Scotland)	-	39	(39)	-	-
Social enterprise					
Skylight Café (capital)	85	-	(19)	(22)	44
Skylight Café (revenue)	-	34	(34)	-	-
Employment	-	191	(191)	-	-
Changing Lives	-	108	(108)	-	-
Pre-employment	-	27	(24)	-	3
	1,602	8,119	(7,887)	(500)	1,333
Total funds	15,237	23,569	(22,414)	-	16,392

During the year, restricted grants received included the following: Department of Health (Mental Health) £27,809 (2013: £78,010), The Northern Rock Foundation £50,000 (2013: £50,000), Paul Hamlyn Foundation £67,000 (2013: £67,000), Esmée Fairbairn Foundation £125,000 (2013: £100,000).

Notes to the financial statements

for the year ended 30 June 2014

15 Unrestricted and restricted funds (continued)

Designated funds:

- (a) New developments** This reserve has been designated by the trustees to be used for new developments and represents the estimated capital and operating costs for the first three years of planned new centres for the next 36 months, net of projected income relating specifically to these projects.
- (b) Tangible fixed asset reserve** This reserve represents the net book value of tangible fixed assets in continuing use by the charity excluding those items which are included within restricted reserves.
- c) Refurbishment reserve** This reserve had been designated by the trustees for the refurbishment of the London Skylight building which was completed in the year and the balance has been transferred to the general reserve.

Restricted funds:

- (a) Private Rented Sector Access Development Programme** During the year, 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.
- (b) 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.
- The transfer in the year represents the funds received in the year towards the refurbishment of the London Skylight which was completed in the year thus the restriction of the funds satisfied and there is no continuing restriction as to use hence the transfer to the unrestricted reserve.
- (c) Skylight Café** 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 now being depreciated in accordance with the depreciation policy.
- (d) Policy & Influencing** During the year, 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.

Consolidated fund balances at 30 June 2014 are represented by :

	General £'000	Designated £'000	Restricted £'000	Total 2014 £'000	Total 2013 £'000
Tangible fixed assets	-	1,551	1,083	2,634	2,493
Fixed asset investments	654	-	-	654	617
Current assets	10,799	3,116	250	14,166	13,166
Current liabilities	(1,062)	-	-	(1,062)	(1,039)
Net assets	10,391	4,667	1,333	16,392	15,237

Restricted funds relating to the Skylight Centres and the Skylight Cafés are held in the form of tangible fixed assets. £1,551,000 of designated funds are held in the form of tangible fixed assets. All other restricted and designated funds are held in cash or cash equivalents.

Notes to the financial statements

for the year ended 30 June 2014

16 Capital commitments

At the year end Crisis had capital commitments of £Nil (2013: £369,000).

17 Related parties

Tim Child (trustee) is chairman of Deptford Reach, a day centre working with homeless people in South London, which has received a grant from Crisis of £25,000 (2013: £97,000), during the year under the Private Rented Sector Access Development Programme.

Stephen Holliday (trustee and chair) is a trustee of the charity Business in the Community from whom Crisis UK received £Nil (2013: £26,000) in the year for the delivery of the Get Ready project. Crisis also provided catering services to Business in the Community of £2,993 (2013: £716).

Terrie Alafat (a trustee who resigned during the year) is an employee of the Department of Communities and Local Government from which Crisis UK received a grant of £1,670,000 (2013: £3,245,000) in the year. She was not involved in the decisions to make grants to Crisis UK.

Canon Bruce Saunders (a trustee who resigned during the year) was the Sub-Dean and Canon Pastor at Southwark Cathedral which hosted the annual Crisis carol service. Crisis paid the cathedral £2,275 (2013: £2,226) for use of cathedral and staff for the event. Canon Saunders is not paid for his role in the Crisis carol service. The Canon is also associated with the Merbeckes choir who provide music at the Crisis carol service for no charge.

Andrew Newell (trustee) was a trustee of East Thames Group Limited up to 31st March 2014, which provided one of the buildings used by Crisis at Christmas at no charge.

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

Notes to the financial statements

for the year ended 30 June 2014

18 Subsidiary companies

At 30 June 2014, Crisis UK had a wholly owned subsidiary, Crisis at Christmas which is a company limited by guarantee and incorporated in England and Wales. Crisis at Christmas manages the trading activities associated with the charity. The company gift aids any surplus to Crisis UK.

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

Profit and loss account	2014	2013
	£'000	£'000
Turnover	59	196
Cost of sales	-	(11)
Gross profit	59	185
Administration costs	(21)	(27)
Profit on ordinary activities	38	158
Corporation tax paid	-	-
Gift aid payment to Crisis UK	(38)	(160)
Retained in subsidiary	-	(2)
Balance sheet	2014	2013
	£'000	£'000
Current assets:		
Debtors	17	11
Cash	1	47
	18	58
Current liabilities:		
Intercompany creditors	(17)	(58)
Other creditors	(11)	(11)
	(28)	(69)
Net current liabilities	(10)	(11)
Net liabilities	(10)	(11)
Represented by:		
Reserves	(10)	(11)

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

19 Parent company

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

	2014	2013
	£'000	£'000
Gross income	23,474	21,998
Result for the year	1,080	457

Notes to the financial statements

For the year ended 30 June 2014

Notes to the consolidated cash flow statement

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

	2014 £'000	2013 £'000
Net incoming/(outgoing) resources	1,118	641
Investment income	(140)	(209)
Depreciation	493	387
(Decrease)/increase in creditors	23	(260)
(Increase)/decrease in debtors	60	1,357
(Increase)/decrease in stock	(28)	-
Net cash flow from operating activities	1,526	1,916

21 Reconciliation of net cash flow to movement in net funds

	2014 £'000	2013 £'000
(Decrease)/increase in cash in the period	(105)	77
Increase/(decrease) in short term deposits	1,137	1,407
	1,032	1,484
Net funds at 1 July 2013	12,279	10,795
Net funds at 30 June 2014	13,311	12,279

22 Analysis of changes in cash during the year

	1 July 2013 £'000	Cash flows £'000	30 June 2014 £'000
Cash at bank and in hand	291	(105)	186
Amounts held on short term deposit	11,988	1,137	13,125
Net funds	12,279	1,032	13,311

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Registered Charity Numbers: E&W1082947, SC040094.



LOTTERY FUNDED

Funded by The National Lottery
through Big Lottery Fund

Homelessness ends here