

KINGS CROSS HOMELESSNESS PROJECT LIMITED

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2006

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Company Number 2524631 (England & Wales)
Registered Charity Number 1000158

KINGS CROSS HOMELESSNESS PROJECT LIMITED

CONTENTS

	Page
Administrative Details	1
Directors' and Trustees' Report	2 - 4
Auditors' Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 - 14

KINGS CROSS HOMELESSNESS PROJECT LIMITED**ADMINISTRATIVE DETAILS**

Directors & Trustees	Martin Westgate Sue Weber Sarah Vinnicombe Robert Fitzpatrick James Fearnley
Company Secretary	Sue Weber
Company Number	2524631 (England & Wales)
Charity Number	1000158
Registered Office	Gregory House, 48 Mecklenburgh Square, London, WC1N 2AJ
Bankers	Unity Trust Bank Plc 9, Brindleyplace, Birmingham, B1 2HB
Auditors	Brian Payne & Company Chartered Accountants and Registered Auditors 16, Anchor Street, Chelmsford Essex CM2 0JY

KINGS CROSS HOMELESSNESS PROJECT LIMITED**DIRECTORS' AND TRUSTEES' REPORT****FOR THE YEAR ENDED 31ST MARCH 2006**

The directors and trustees present their annual report and the audited financial statements for the year ended 31st March 2006. The directors and trustees have adopted the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 in preparing the annual report and the financial statements of the charity.

Objects of the charity, principal activities and organisation of our work

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association.

The charity's principal activities are to improve the welfare of families with dependent children who are housed in temporary accommodation in London or who have no accommodation at all; to raise awareness of the needs of homeless people; to co-ordinate available services to meet those needs; and to provide an advice, children's development service and support service to homeless households.

The charity is organised so that the trustees meet regularly to manage its affairs. A chief executive is employed to manage the day to day workings assisted by advice workers, child and family support workers, interpreters and volunteers. Funding of the charity is by means of grants and donations.

Activities and achievements in the year

During the year the charity provided advice and child development services to families placed by the London Borough of Newham, through contracts with Sure Starts in Canning Town North and Canning Town South and Newham Children's Fund. It also provided services to families in Kings Cross and Islington through a contract with Camden Sure Start/Healthy Living Partnership. During the year outreach advice was provided to 119 families, addressing 627 separate queries and making 214 referrals to other agencies. The charity conducted 118 play sessions for under 5s, with a total of 460 attendances from parents and children in Newham and 392 in Southwark. The charity also organised 48 toy library home visits and conducted 8 outings serving 177 children and parents.

Structure and Administration

Following the tendered resignation of the Chief Executive in April 2005, the trustees decided to recruit an interim Chief Executive on a consultancy basis to work to institute an organizational strategic review. Paul Wilson was recruited to this role in June and started in post in July 2005. Paul has led a process of consultation involving staff, trustees, funders and other stakeholders, to re-clarify the charity's mission and values, evaluate its current sources of funding and contracts and assist the trustees to identify appropriate future directions for the organisation.

Following a process of organizational review, the trustees identified four possible future scenarios for the organisation, namely: closure, continuing independence, full merger or partial merger. Using the criteria of which course of action would best sustain or strengthen the charity's current services, the trustees selected the option of full merger.

The trustees authorized Paul Wilson to pursue negotiations with two larger organisations, Family Welfare Association and Shelter, who had already expressed a preliminary interest in the charity. At a scheduled meeting, both organisations presented their visions of working with the charity. In response, the trustees decided unanimously to choose to accept Shelter's proposal, which although not seeking a full merger with the charity, involved provision of cash and in-kind benefits, including accommodation, in return for cooperation in Shelter's developing education project in East London during 2006/07.

KINGS CROSS HOMELESSNESS PROJECT LIMITED**DIRECTORS' AND TRUSTEES' REPORT continued****FOR THE YEAR ENDED 31ST MARCH 2006**

As part of its long standing intention to base all of its services on-campus, the Thomas Coram Foundation confirmed that it would seek the return of the old swimming pool premises by the end of 2005. The charity accordingly relocated to temporary accommodation in Finsbury Park in January 2006.

Due to the loss of two key Sure Start contracts in February/March 2006, the trustees were required at short notice to identify savings, and initiate a process of consultation with affected staff. Two workers from the Homeless Childrens project were issued with redundancy notices (effective from 1st April 2006) and consultation is ongoing with remaining staff regarding the identified need to reduce staffing by a further one-half full-time post.

The trustees would like to thank the charity's dedicated staff team for their continuing efforts in support of the charity's aims.

Future Developments

To inform a final decision as to whether to proceed with its proposed partnership, Shelter is currently carrying out a review of the charity's financial position. Negotiations are also continuing between both organisations regarding the details of the partnership arrangements, and final agreement is expected in financial year 2006/2007.

A funding bid is being prepared to the London Housing Foundation to cover the costs of the Interim Chief Executive Role during 2006/2007.

Negotiations are currently underway with the staff team regarding the implications of recent losses in funding and to identify an appropriate course of action during 2006/7.

Transactions and financial position

The main source of income for the charity is from grants and donations details of which are given in notes 2 and 3 to the accounts

The Statement of Financial Activities shows net outgoing resources of £25,747 for the year and total funds at 31st March 2006 show a deficit of £9,076. In view of the deficit in reserves, the trustees have carried out the actions outlined elsewhere in this report to ensure that the charity continues as a going concern for 2006/2007 and beyond.

Risk review

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen those risks.

Tangible fixed assets for use by the charity

Details of movements in fixed assets are set out in note 10 to the accounts.

Directors and trustees

All directors of the company are also trustees of the charity and there are no other trustees. The trustees at the date of this report are named on page 1 all of which served throughout the year. The trustees are appointed by the members of the company and the board has the power to appoint additional trustees when appropriate.

KINGS CROSS HOMELESSNESS PROJECT LIMITED**DIRECTORS' AND TRUSTEES' REPORT continued****FOR THE YEAR ENDED 31ST MARCH 2006****Trustees responsibilities in relation to the financial statements**

The directors and trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements, the directors and trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The directors and trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the board of directors and trustees on 11th October 2006 and signed on its behalf.



Robert Fitzpatrick
Director, Trustee & Chairperson



Sue Weber
Director, Trustee and Treasurer

KINGS CROSS HOMELESSNESS PROJECT LIMITED**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KINGS CROSS HOMELESSNESS PROJECT LIMITED**

We have audited the financial statements of Kings Cross Homelessness Project Limited for the year ended 31st March 2006 set out on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with S.235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 4 the charity's directors and trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors and Trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

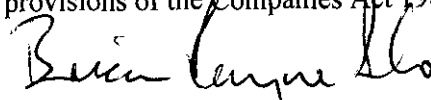
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors and trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


Brian Payne & Company
Chartered Accountants
& Registered Auditors

16 Anchor Street, Chelmsford,
Essex, CM2 OJY
11th October 2006

KINGS CROSS HOMELESSNESS PROJECT LIMITED**STATEMENT OF FINANCIAL ACTIVITIES**
(INCLUDING INCOME & EXPENDITURE ACCOUNT)**FOR THE YEAR ENDED 31ST MARCH 2006**

	Notes	Restricted Funds	Unrestricted Funds	Total	2005
INCOMING RESOURCES					
Grants Received	2	314,571	-	314,571	317,617
Donations & Sundry Income	3	1,000	15,525	16,525	19,314
Investment Income	4	-	1,001	1,001	1,781
		-----	-----	-----	-----
TOTAL INCOMING RESOURCES		315,571	16,526	332,097	338,712
		-----	-----	-----	-----
RESOURCES EXPENDED					
Costs of Generating Funds	5	3,600	11,178	14,778	25,957
Charitable Activities	6	313,857	14,499	328,356	335,622
Governance Costs	7	1,272	13,438	14,710	16,662
		-----	-----	-----	-----
TOTAL EXPENDITURE		318,729	39,115	357,844	378,241
		-----	-----	-----	-----
NET INCOME/(EXPENDITURE)					
FOR THE YEAR	9	(3,158)	(22,589)	(25,747)	(39,529)
		-----	-----	-----	-----
TOTAL FUNDS BROUGHT FORWARD		3,158	13,513	16,671	56,200
		-----	-----	-----	-----
(DEFICIT)/FUNDS CARRIED FORWARD		-	(9,076)	(9,076)	16,671
		=====	=====	=====	=====

There were no recognised gains or losses for 2006 or 2005 other than those included in the statement of financial activities.

The notes on pages 8 to 14 form part of these financial statements.

KINGS CROSS HOMELESSNESS PROJECT LIMITED**BALANCE SHEET****AS AT 31ST MARCH 2006**

	Notes	2006	2005
FIXED ASSETS	10		
Tangible assets		1,427	9,262
CURRENT ASSETS			
Debtors	11	3,663	11,085
Cash at bank and in hand		25,890	30,716
		-----	-----
		29,553	41,801
CREDITORS: Amounts falling due within one year	12	40,056	34,392
		-----	-----
NET CURRENT (LIABILITIES)/ASSETS		(10,503)	7,409
		-----	-----
NET (LIABILITIES)/ASSETS		£ (9,076)	£ 16,671
		=====	=====
FUNDS:			
Restricted funds	13	-	3,158
Unrestricted (deficit)/funds	13	(9,076)	13,513
		-----	-----
		£ (9,076)	£ 16,671
		=====	=====

Approved by the board of directors and trustees on 11th October 2006 and signed on its behalf.



Robert Fitzpatrick
Director, Trustee & Chairperson



Sue Weber
Director, Trustee & Treasurer

The notes on pages 8 to 14 form part of these financial statements.

KINGS CROSS HOMELESSNESS PROJECT LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2006****1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The financial statements are prepared under the historic cost convention and have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005, applicable accounting standards and the Companies Act 1985.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement.

The accounts have been prepared on the going concern basis on the grounds that the deficit in reserves shown in the accounts will be eliminated in the year to 31st March 2007. The trustees are confident that the actions they have taken and the decisions made will achieve this effect.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office furniture and equipment	- 25% straight line basis
Motor vehicles	- 25% straight line basis

1.3 Income

Grants receivable are accounted for over the year to which the income relates. Voluntary income and donations are accounted for as received by the charity.

1.4 Value Added Tax

Value added tax is not recovered by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

1.5 Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

1.6 Pension contributions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company in respect of the year. Contributions were paid in the year in respect of seven employees.

1.7 Expenditure on management and administration of the charity

Administration expenditure includes all expenditure not directly related to the charitable activity. This includes part of the cost of renting and running office premises, staff salaries for administrative staff and audit fees. Where a cost includes both directly related charitable expenditure and administrative expenditure an appropriate division of cost is made. For the year under review, such division has been taken as to 85% direct charitable, 10% fundraising and 5% administration.

KINGS CROSS HOMELESSNESS PROJECT LIMITED**NOTES TO ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2006**

2.	GRANTS RECEIVED	2006	2005
	Deferred grant brought forward	21,684	17,131
	Grants received in the year	297,887	322,170
	Deferred grant carried forward	(5,000)	(21,684)
		-----	-----
	Per statement of financial activities	£314,571	£317,617
		=====	=====

Grants received for the acquisition of fixed assets are credited to a restricted fixed asset fund against which the depreciation of fixed assets is charged. Grants received in respect of funding for specific posts and running costs are credited to a restricted running costs fund against which the running costs incurred are charged. Appropriate deferrals of income are made where a grant relates to a specific period.

Income Grants	2006	2005
Association of London Government	81,356	81,356
London Borough of Newham	66,085	70,429
Surestart North Canning Town	45,964	35,000
Surestart South Canning Town	27,940	15,000
Corporation of London – Bridge House	23,000	23,000
The Tudor Trust	15,000	-
Surestart Kings Cross	10,708	-
Community Fund (The National Lottery)	6,904	48,400
Surestart Haringey	6,780	-
Healthy Living Partnership	5,000	-
City Parochial Foundation	3,750	11,250
Surestart Refugee day	3,400	-
The Goldsmiths Company	2,000	2,000
King's Fund	-	18,510
John Ellerman Foundation	-	12,225
The Trusthouse Charitable Foundation	-	5,000
Capital Grants	-	-
	-----	-----
	£297,887	£322,170
	=====	=====

The core grant from the Association of London Government has been used as a contribution to the salaries of an advice worker, a child and family support worker and running costs of the project.

KINGS CROSS HOMELESSNESS PROJECT LIMITED**NOTES TO ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2006****3. DONATIONS AND SUNDRY INCOME 2006 2005**

Donations in the year were as follows:

Restricted

Grange farm Centre Trust	1,000	-
Other donations of less than £1,000 each and sundry income	-	4,132

Unrestricted

29th May 1961 Charitable Trust	5,000	5,000
Bartle Bogle Hegarty Limited	1,125	1,112
Addleshaw Goddard Charitable Trust	1,000	-
Allied Irish Bank	1,000	-
Nancy Kenyon Charitable Trust	1,000	1,000
The Star Foundation Trust	-	2,500
Other donations of less than £1,000 each and sundry income	6,400	5,570

£ 16,525

£ 19,314

4. INVESTMENT INCOME 2006 2005

Interest received on cash deposits	£ 1,001	£ 1,781
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5. COST OF GENERATING FUNDS

	Restricted	Unrestricted	2006	2005
Staff costs	2,226	7,791	10,017	17,387
Accommodation costs	968	1,970	2,938	2,625
Information and communication costs	223	779	1,002	4,490
Depreciation	166	580	746	907
Other costs	17	58	75	548
	£ 3,600	£ 11,178	£ 14,778	£ 25,957

KINGS CROSS HOMELESSNESS PROJECT LIMITED**NOTES TO ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2006****6. CHARITABLE ACTIVITIES**

	Restricted	Unrestricted	2006	2005
Staff costs	251,454	-	251,454	260,780
Accommodation costs	22,248	5,155	27,403	21,495
Information and communication costs	14,531	5,913	20,444	25,963
Depreciation	4,602	2,114	6,716	7,718
Other costs	21,022	1,317	22,339	19,666
	-----	-----	-----	-----
	£313,857	£ 14,499	£328,356	£335,622
	=====	=====	=====	=====

7 GOVERNANCE COSTS

	Restricted	Unrestricted	2006	2005
Staff costs	708	7,815	8,523	8,693
Accommodation costs	326	1,141	1,467	1,311
Information and communication costs	140	487	627	881
Depreciation	83	290	373	453
Audit	-	3,650	3,650	3,642
Other costs	15	55	70	1,682
	-----	-----	-----	-----
	£ 1,272	£ 13,438	£ 14,710	£ 16,662
	=====	=====	=====	=====

8. STAFF COSTS**2006****2005**

No remuneration was paid to trustees in the year and no member of staff earned more than £60,000. The staff costs of the remaining staff were:

Salaries	205,833	253,528
Social security costs	20,980	26,363
Pension costs	5,596	6,449
Volunteers expenses	1,100	520
	-----	-----
	£233,509	£286,860
	=====	=====

The average weekly number of staff employed by the charity during the year was as follows:

Direct charitable staff	8	9
Administrative	1	2
	-----	-----
	9	11
	=====	=====

KINGS CROSS HOMELESSNESS PROJECT LIMITED**NOTES TO ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2006****9. NET RESOURCES FOR THE YEAR 2006 2005**

The net resources are stated after charging:

Depreciation	£ 7,835	£ 9,078
Audit fees (excluding VAT)	3,106	3,100
Trustee travel expenses	78	-
	=====	=====

10. TANGIBLE FIXED ASSETS

	Furniture & Equipment	Motor Vehicles	Total
Cost:			
At 1st April 2005	66,482	23,346	89,828
Additions	-	-	-
Disposals	(41,148)	-	(41,148)
	-----	-----	-----
At 31st March 2006	£ 25,334	£ 23,346	£ 48,680
	=====	=====	=====
Depreciation			
At 1st April 2005	57,220	23,346	80,566
Provided in year	7,835	-	7,835
Eliminated on disposals	(41,148)	-	(41,148)
	-----	-----	-----
At 31st March 2006	£ 23,907	£ 23,346	£ 47,253
	=====	=====	=====
Written Down Value			
At 31st March 2006	£ 1,427	£ -	£ 1,427
	=====	=====	=====
At 31st March 2005	£ 9,262	£ -	£ 9,262
	=====	=====	=====

The motor vehicles and 85% of the furniture and equipment are used directly for charitable purposes, the remaining assets being used in the management and administration of the charity.

11. DEBTORS 2006 2005

Due within one year:

Prepayments and sundry debtors	3,663	11,085
	-----	-----
	£ 3,663	£ 11,085
	=====	=====

KINGS CROSS HOMELESSNESS PROJECT LIMITED**NOTES TO ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2006**

12. CREDITORS **2006** **2005**
 Amounts falling due within one year:

Accruals	34,769	10,845
Outstanding pension contributions	287	1,863
Deferred income	5,000	21,684
	-----	-----
	£ 40,056	£ 34,392
	=====	=====

13. FUNDS OF THE CHARITY

	Balance 1.4.2005	Incoming	Outgoing	Balance 31.3.2006
Restricted				
Fixed assets fund	375	-	375	-
Running costs funds	2,783	315,571	318,354	-
	-----	-----	-----	-----
	3,158	315,571	318,729	-
Unrestricted funds	13,513	16,526	39,115	(9,076)
	-----	-----	-----	-----
Total funds	£ 16,671	£332,097	£357,844	£ (9,076)
	=====	=====	=====	=====

The fixed asset fund represents income received for the acquisition of fixed assets less accumulated depreciation to date in respect of those assets.

The running costs funds represent several grants and donations received and generally utilised in the year in the funding of staff posts within the charity.

14. ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

	Fixed Assets	Net Current Assets	Total
Restricted			
Fixed assets funds	-	-	-
Running costs funds	-	-	-
Unrestricted funds	1,427	(10,503)	(9,076)
	-----	-----	-----
Total funds	£ 1,427	£ (10,503)	£ (9,076)
	=====	=====	=====

KINGS CROSS HOMELESSNESS PROJECT LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2006

15. CAPITAL COMMITMENTS

At 31st March 2006 the charity had authorised capital commitments of £nil (2005: £nil).

16. GUARANTEE

The company is limited by guarantee such guarantee being limited to the sum of £1 per member.