



# THE NAVIGATORS UK

Helping people to know Christ and make him known

## THE NAVIGATORS UK LIMITED

A Company Limited by Guarantee

Company no. 4429021

Charity Registered in England & Wales no 1099148

Charity Registered in Scotland no SC038484

## ANNUAL REPORT AND ACCOUNTS

31 August 2013

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**THE NAVIGATORS UK LIMITED**

**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013**

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**THE NAVIGATORS UK LIMITED**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2013**

1

**1. Trustees**

J C Appleton  
R Cooper  
G Howard  
S Peters  
S Mulholland  
L de Caestecker  
K Glazebrook  
J Knox

**Registered Office**

Turner House  
54 The Avenue  
Southampton  
SO17 1XQ

**Bankers**

NatWest plc  
64 High Street  
New Malden  
Surrey  
KT3 4HB

**Solicitors**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

**Auditor**

Burton Sweet  
Pembroke House  
15 Pembroke Road  
Clifton  
Bristol  
BS8 3BA

**Company No**

4429021

**Charity Registered in England & Wales No**

1099148

**Charity Registered in Scotland No**

SC038484

The Trustees present their annual report and the audited financial statements for the year ended 31 August 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the Charity.

## **2. STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Charity was established as an unincorporated association governed by a constitution on 15 June 1955. On 1 May 2002, The Navigators UK Limited was incorporated as a company limited by guarantee governed by a memorandum and articles of association. The company remained dormant until 27 August 2003, when it was registered as a charity. The assets and activities of the unincorporated charity were transferred to the company on 1 September 2004. In the event of the company being wound up, the members are liable to contribute such an amount as may be required (not exceeding £10 00) in respect of the guarantee. The Charity was registered in Scotland in July 2007.

Responsibility for the governance of the Charity lies with the Board of Trustees, which meets at least three times a year. The Board has established a Finance Committee comprising a minimum of two Board members with responsibility for budget setting, monitoring of income and expenditure and the overview of the year-end accounts and audit.

Trustees are appointed by the Board after prayerful consideration of candidates, the needs of the Charity and the potential contribution of new Trustees. When new Trustees are being sought, Board members and representatives are invited to suggest individuals and the Board decides who to approach and invite to consider becoming a Trustee. In order to familiarise themselves with the ethos, aims and activities of the Charity, potential Trustees are invited to attend a Board meeting before being invited to join. If the individual is willing to be a Trustee they are elected by the Board and formally invited to join. New Trustees are encouraged to attend training seminars and all Trustees are invited to attend the annual conference for Navigator representatives.

Operational responsibility for the ministry of the Charity is entrusted to the Country Leader, supported by a National Leadership Team. Self-employed Navigator representatives are appointed to work in association with the Charity in fulfilling its aims and objectives. Day-to-day administration and financial matters rest with the Office Manager and Finance Manager. Following a careful and wide-ranging review, the Navigators UK now operates on a regional basis to better meet the ministry challenges and opportunities that have been identified.

The Navigators are an international movement, with each country relating to the international office in Colorado Springs, USA. In recent years the calling, core values and vision have been reviewed for the whole of the international Navigator ministry and the UK leadership have developed this to apply to the ministry here.

The Trustees will continue to identify the major risks to which the organisation is exposed. Internal risks are minimised by the implementation of effective internal control procedures that ensure both appropriate authorisation of all transactions and projects and consistent quality of delivery for all operational aspects of the Charity. These procedures are reviewed annually to ensure their continuing effectiveness.

In January 2013, the UK Country Leader was diagnosed with non-Hodgkin's lymphoma, which required 18 weeks of chemotherapy. During this time he was able to continue in his role with a reduced work load. In June 2013, results showed that this had not dealt with the tumour and further, more intensive treatment was needed, which began in August. In response to this, the trustees appointed an interim Country Leader for 6 months from 1 September 2013. Two couples from the National Leadership Team will take 6-month sabbaticals from 1 September 2013 and two couples resigned from the team. From September, the National Leadership Team will therefore initially be made up of four new couples, two permanent and two interim, together with the interim Country Leader and his wife and the present Country Leader's wife.

**3 OBJECTIVES AND ACTIVITIES**

The Trustees have had due regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant

The main objective of the Charity is the advancement of Christian religion in the UK and overseas through evangelism, teaching, mentoring, training and the production and distribution of materials and by such other means being charitable as the organisation shall determine. We are committed to helping people come to know Christ, to live as Christ's disciples in society and to be equipped to help others to do the same. This is expressed in our calling: 'To advance the gospel of Jesus and His kingdom into the nations through spiritual generations of labourers living and discipling among the lost.'

Core values and vision have been identified and the strategy for ministry is based on the development of these areas

Within the UK we are currently helping people to live out and pass on the Christian faith in a variety of contexts and situations, which include

- With university and college students through our Student Ministries (studentNAVS)
- Networking with graduates after university through the LifeNet ministry
- Providing help and encouragement for individuals who share a passion for discipling within their relational networks
- Serving local churches and mission agencies through personal involvement and consultancy

In addition to ministering within the UK, we also send trained workers overseas

In order to serve our network of Navigator representatives

- There was a weekend conference for all representatives in August 2013. This was addressed by Derek Tidball on the topic of leadership. The strategic faith goals and plans for the development of the UK work were presented and discussed
- The National Leadership Team – consisting of the four couples leading the established regions together with the Country Leader and his wife – met formally on four occasions during the year. Due to illness, the Country Leader was not able to travel extensively to visit the regions, but the Regional Leaders met with representatives in their region to give support and encouragement
- A Missions Team provided care and oversight for those ministering overseas as well as managing the transition back into the UK of returnees
- A Leader Development and Support Team continued to consult and advise on the development of emerging leaders
- A Management and Development Team worked on developing a number of support projects
- These last two teams also met together to discuss future arrangements for working more closely
- In February, a communications coordinator was appointed to help develop our internal and external communications

**4. ACHIEVEMENT AND PERFORMANCE**

There are currently 91 representatives associated with the UK Navigators. Representatives ministered to university students in nine cities, with additional ministry to international students in some of these as well as in two further cities. Over 500 students were engaged with during the course of the year. A national weekend conference in March 2013 attracted around 150 students and recent graduates, providing training and an opportunity to explore the Christian faith in relation to our culture.

Eight new graduates enrolled on our one-year Connect programme and six of those from previous years underwent a second year of training and development.

Day conferences for alumni and friends were held in Birmingham and Leicester, attracting over 150 participants.

A five-day residential School of Disciplemaking was organised in Scotland, in partnership with the European Leadership Forum, and was attended by more than 50 students and young graduates. This was followed by a weekend conference for working people in Scotland, with more than 80 attendees challenged to live out their faith in every area of life.

Second Half Living, an initiative aimed at helping Christians aged 50+ to continue to use their gifts in the service of their communities, provided a programme of small-group activities and workshops.

Two new representatives were appointed, working with students within the UK.

Currently 12 representatives travel abroad regularly to support and coach nationals in various countries and a further 12 live overseas.

Links have been established with a number of churches to assist them in disciplemaking. Many representatives have continued to make specific contributions within local churches in line with the Navigator calling, including leading services, preaching, teaching, providing training and seminars, and leading small groups.

Representatives participated in the European Leadership Forum in Poland, where the Navigators were once again invited to provide training in disciplemaking for church workers from across the continent.

Short-term mission trips were organised to Latvia, Kenya, Tanzania, East Asia and Poland, providing teambuilding and training in discipleship and outreach for those attending and ministering both practically and spiritually to those from other cultures.

Leadership development and training was provided for representatives in a number of ways:

- The three-year Foundations for Ministry rolling programme, consisting of two-day residentials and personal assignments, continued to provide focused training for new representatives.
- A weekend forum providing training for those working with university students was held in September 2012.
- Two training days were held specifically for women representatives.

As part of our links with the wider international Navigator movement, the UK Country Leader and his wife attended the inauguration of the new European Regional Director. They themselves continue as members of the new European regional team.

In October 2012, the UK Country Leader and three other members of the National Leadership Team attended the Navigator Worldwide Partnership International Forum in Nairobi, Kenya. In March 2013, seven representatives attended the Navigator European Council in Paris. Representatives also participated in two European conferences for student leaders.

One representative attended a symposium on funding at the Navigator international headquarters in the USA. This was followed by two days of training for fundraising coaches.

## **5 FINANCIAL REVIEW**

The balance sheet shows an increase in net total assets of £12,194 during 2012/13. The total in unrestricted funds increased by £57,154. There are no funds in deficit in the accounts.

### **Income**

Voluntary donations increased by £67,763 (6%) compared with last year, whereas gift aid received increased by £3,658 (2%). Most of our voluntary income is restricted by the donors to support the ministries of particular Navigator representatives or projects. A 7% administration charge is levied on restricted gifts to help fund the national office.

Income from charitable activities rose in 2012/13 due to an increase in the number of events and activities taking place.

### **Expenditure**

The bulk of our expenditure continues to be payments made to support the ministries of self-employed Navigator representatives working in the UK and abroad. Grants of £11,633 were made from the Robinson Africa Fund legacy to microenterprise and other projects in Africa.

Unrestricted funds were used to fund ministries and projects and to cover the costs of the national office and governance.

The central support costs of the charity rose by £19,860 compared with last year, mainly as a result of taking on a new member of staff to help develop internal and external communications.

### **General fund policy**

Unrestricted funds are held in the General Fund to meet the costs of future ministries and projects and to underwrite current activities. The level of funds held is regularly reviewed and is taken into account during the annual budget setting process.

### **Investment policy**

Investments are maintained in a low-risk liquid position with competitive interest. Funds are currently held in a 24-month charity bond, an instant-access charity savings account and in a bank deposit account. The amount invested and the interest rates earned are regularly reviewed by the Finance Committee of the Board.

### **Reserve policy**

The reserve policy is reviewed annually. Following a detailed investigation and full disclosure to the Charity Commission, the restricted reserve fund was determined by the Trustees to have been incorrectly categorised and was combined with the general reserves on 31 August 13. Unrestricted funds are held in the General Fund to fully cover the following purposes:

- To give 1 to 2 months' cover in the event of a sudden and catastrophic fall in donations of 50%
- To cover an overwhelming demand for benevolent grants for the needs of self-employed Navigator representatives in exceptional circumstances
- To wind up the Charity

## **6. PLANS FOR THE FUTURE**

Five broad areas of strategy have been agreed with the National Leadership Team for the period 2010–2014

- To manage the transition of the UK work to the next generation of leaders
- To expand and develop the work in the UK
- To develop the infrastructure of the Navigator organisation in the UK in a sustainable and efficient way
- To increase our contribution to the wider Christian community in the UK
- For the UK Navigators to play their full part as a Partnering Country in the Worldwide Navigator Partnership

Progress is underway in all these areas, with specific action points planned for the future

In addition to on-going ministry with individuals and groups, other activities for 2013-2014 include

- A weekend forum for those working with students in September 2013
- A repeat of year 2 of the rolling three-year Foundations for Ministry programme for ten recently appointed representatives
- Regional day conferences for Navigator alumni and interested friends scheduled in Leicester and Cardiff
- A further Scottish School of Disciplemaking in June 2014
- A national conference for all representatives in May 2014
- Two days of training in fundraising for representatives in April 2014

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of The Navigators UK Limited 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 that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

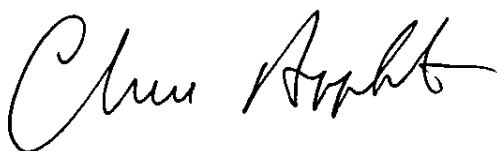
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable that UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charitable company 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.

This report has been prepared in accordance with the Special Provisions for Small Companies under Section 419 (3) of the Companies Act 2006.

**Signed on behalf of the Board of Trustees**



**Chris Appleton – Chair**

**Date** 5.12.13

We have audited the financial statements of The Navigators UK Limited for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, 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 the regulations 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 (APB'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 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 Board 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 charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report 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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records and returns,
- 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

Burton Sweet

Edward Marsh BSc (Hons) ACA DChA  
Senior Statutory Auditor  
For and on behalf of Burton Sweet Chartered Accountants, Statutory Auditor

Pembroke House  
15 Pembroke Road  
Clifton  
Bristol BS8 3BA

Date 12<sup>th</sup> December 2013

Burton Sweet is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

|                                                      | Note | Unrestricted funds<br>£ | Restricted funds<br>£ | 2013<br>Total<br>£ | 2012<br>Total<br>£ |
|------------------------------------------------------|------|-------------------------|-----------------------|--------------------|--------------------|
| <b>INCOMING RESOURCES</b>                            |      |                         |                       |                    |                    |
| <i>Incoming resources from generated funds</i>       |      |                         |                       |                    |                    |
| Voluntary income                                     | 1    | 56 180                  | 1,436,366             | 1,492,546          | 1 421,125          |
| Activities for generating income rental income       |      | 2 856                   |                       | 2,856              | 2 856              |
| Investment income                                    |      | 15 921                  | 5 841                 | 21 762             | 10 774             |
| <i>Incoming resources from charitable activities</i> | 2    | 60 459                  | -                     | 60,459             | 51 090             |
| <i>Other incoming resources</i>                      |      | -                       | 7,135                 | 7,135              | 142,127            |
| <b>TOTAL INCOMING RESOURCES</b>                      |      | <b>135 416</b>          | <b>1,449,342</b>      | <b>1,584,758</b>   | <b>1,627,972</b>   |
| <b>RESOURCES EXPENDED</b>                            |      |                         |                       |                    |                    |
| <i>Costs of generating funds</i>                     |      |                         |                       |                    |                    |
| Costs of generating voluntary income                 |      | 275                     | -                     | 275                | 4 430              |
| <i>Charitable activities</i>                         |      |                         |                       |                    |                    |
| 3 4                                                  |      |                         |                       |                    |                    |
| Payments to beneficiaries                            |      | 67 258                  | 1,325 552             | 1,392,810          | 1 377 463          |
| National and regional initiatives                    |      | 47 137                  | -                     | 47,137             | 43 085             |
| Training and development                             |      | 56,577                  | -                     | 56 577             | 35 909             |
| Events                                               |      | 57 972                  | -                     | 57,972             | 43 580             |
| International missions                               |      | 9 530                   | -                     | 9,530              | 4,446              |
|                                                      |      | 238,474                 | 1 325 552             | 1 564,026          | 1 504 483          |
| <i>Governance costs</i>                              | 5    | 8 263                   | -                     | 8,263              | 8,041              |
| <b>TOTAL RESOURCES EXPENDED</b>                      |      | <b>247 012</b>          | <b>1,325 552</b>      | <b>1,572,564</b>   | <b>1,516,954</b>   |
| <b>Net income before transfers</b>                   | 6    | (111 596)               | 123,790               | 12,194             | 111,018            |
| <b>Gross transfers between funds</b>                 | 11   | 168 750                 | (168 750)             | -                  | -                  |
| <b>Net movement in funds</b>                         | 11   | 57 154                  | (44 960)              | 12,194             | 111 018            |
| <b>RECONCILIATION OF FUNDS</b>                       |      |                         |                       |                    |                    |
| Total funds brought forward                          |      | 571 042                 | 314 314               | 885,356            | 774 338            |
| <b>Total funds carried forward</b>                   | 11   | <b>628 196</b>          | <b>269 354</b>        | <b>897,550</b>     | <b>885,356</b>     |

The Charity has no other recognised gains or losses other than the results for the year as set out above  
All the activities of the Charity are classed as continuing

## BALANCE SHEET AS AT 31 AUGUST 2013

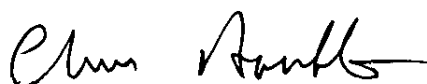
|                                               | Note | 2013           |                | 2012           |                |
|-----------------------------------------------|------|----------------|----------------|----------------|----------------|
|                                               |      | £              | £              | £              | £              |
| <b>TANGIBLE FIXED ASSETS</b>                  | 8    |                | 53,769         |                | 51,803         |
| <b>CURRENT ASSETS</b>                         |      |                |                |                |                |
| Stock of literature at cost                   |      | 4,784          |                | 5,701          |                |
| Prepayments and debtors                       | 9    | 60,244         |                | 30,860         |                |
| Charity bonds                                 |      | 225,000        |                | 750,000        |                |
| Savings account                               |      | 450,100        |                | -              |                |
| Bank balances                                 |      | 133,087        |                | 55,345         |                |
|                                               |      | <u>873,195</u> |                | <u>841,906</u> |                |
| <b>CURRENT LIABILITIES</b>                    |      |                |                |                |                |
| Creditors amounts falling due within one year | 10   | <u>29,414</u>  |                | <u>8,353</u>   |                |
|                                               |      | 29,414         |                | 8,353          |                |
| <b>NET CURRENT ASSETS</b>                     |      |                | 843,781        |                | 833,553        |
| <b>TOTAL NET ASSETS</b>                       |      |                | <u>897,550</u> |                | <u>885,356</u> |
| <b>STATEMENT OF FUNDS</b>                     | 12   |                |                |                |                |
| Restricted funds                              |      |                | 269,354        |                | 314,314        |
| Unrestricted funds                            |      |                |                |                |                |
| General Fund                                  |      | 628,196        |                | 570,798        |                |
| Designated funds                              |      | -              |                | 244            |                |
|                                               |      | <u>628,196</u> |                | <u>571,042</u> |                |
| <b>TOTAL FUNDS</b>                            |      |                | <u>897,550</u> |                | <u>885,356</u> |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities

Approved by the Trustees on

5<sup>th</sup> 12.

2013 and signed on their behalf by



Chris Appleton  
Chair of Trustees

The notes on pages 12 to 17 form part of these financial statements

**ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2013**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

**a. Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (revised 2008) and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

**b. Fund accounting**

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**c. Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable, including the related tax recoverable under the Gift Aid scheme.
- Donated assets, services and facilities are included at the value to the Charity where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.
- Investment income is included when receivable. A portion is allocated to various restricted funds on the basis of the average balance in these funds over the financial year. The remainder is allocated to the General Fund.
- Income from the disposal of property is included net of the costs of disposal in other incoming resources.

**d. Resources expended**

Expenditure is recognised on an accrual basis, as a liability is incurred. Expenditure includes VAT, which cannot be recovered and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.
- Central support costs are allocated to the different charitable activities on the basis of estimated time spent by the office staff. These estimates are reviewed annually.

**e. Tangible fixed assets**

Assets costing more than £1,000 are capitalised. Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:

- Office and computer equipment - 12.5% or 25% p.a. straight line

Freehold property is stated at cost. No provision for depreciation has been made as it is the view of the Trustees that the estimated residual value of the property (based on prices at the time of acquisition) is not materially different to the carrying value.

**f. Stock**

Stocks of literature are stated at the lower of cost and net realisable value. Provision is made for slow-moving stock when appropriate.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

## 1 VOLUNTARY INCOME

|             | <b>Unrestricted</b> | <b>Restricted</b> | <b>2013</b>             | <b>2012</b>      |
|-------------|---------------------|-------------------|-------------------------|------------------|
|             | <b>£</b>            | <b>£</b>          | <b>Total</b>            | <b>Total</b>     |
|             |                     |                   | <b>£</b>                | <b>£</b>         |
| Donations   | 48,229              | 1,242,263         | <b>1,290,492</b>        | 1,222,729        |
| Tax refunds | 7,951               | 194,103           | <b>202,054</b>          | 198,396          |
|             | <u>56,180</u>       | <u>1,436,366</u>  | <u><b>1,492,546</b></u> | <u>1,421,125</u> |

## 2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

|                                   | <b>Unrestricted</b> | <b>Restricted</b> | <b>2013</b>          | <b>2012</b>   |
|-----------------------------------|---------------------|-------------------|----------------------|---------------|
|                                   | <b>£</b>            | <b>£</b>          | <b>Total</b>         | <b>Total</b>  |
|                                   |                     |                   | <b>£</b>             | <b>£</b>      |
| Administration subscriptions      | 9,912               | -                 | <b>9,912</b>         | 10,248        |
| National and regional initiatives | 1,979               | -                 | <b>1,979</b>         | 3,562         |
| Training and development          | 16,885              | -                 | <b>16,885</b>        | 13,251        |
| Events                            | 31,683              | -                 | <b>31,683</b>        | 24,029        |
|                                   | <u>60,459</u>       | <u>-</u>          | <u><b>60,459</b></u> | <u>51,090</u> |

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013 (continued)

## 3 EXPENDITURE ON CHARITABLE ACTIVITIES

|                                   | Direct<br>costs<br>£ | Central<br>support costs<br>£ | 2013<br>Total<br>£ | 2012<br>Total<br>£ |
|-----------------------------------|----------------------|-------------------------------|--------------------|--------------------|
| Payments to beneficiaries         | 1,326,092            | 66,718                        | 1,392,810          | 1,377,463          |
| National and regional initiatives | 24,894               | 22,243                        | 47,137             | 43,085             |
| Training and development          | 43,571               | 13,006                        | 56,577             | 35,909             |
| Events                            | 40,861               | 17,111                        | 57,972             | 43,580             |
| International missions            | 6,563                | 2,967                         | 9,530              | 4,446              |
|                                   | <u>1,441,981</u>     | <u>122,045</u>                | <u>1,564,026</u>   | <u>1,504,483</u>   |

Central support costs are analysed in note 4

Within payments to beneficiaries (direct costs), institutional grants of £58,479 were paid to Navigator projects based in Europe, Africa, North America, Australasia and Asia. The remaining payments to beneficiaries of £1,267,613 consisted of grants to individuals.

## 4 CENTRAL SUPPORT COSTS

|                                                | 2013<br>£      | 2012<br>£      |
|------------------------------------------------|----------------|----------------|
| Costs relating to office staff                 | 59,561         | 54,765         |
| Premises and equipment                         | 23,110         | 26,995         |
| Fees, subscriptions and maintenance contracts  | 4,908          | 4,728          |
| Communications, including communications staff | 19,402         | -              |
| General administration costs                   | 15,064         | 15,697         |
|                                                | <u>122,045</u> | <u>102,185</u> |

Central support costs were divided on the basis of staff time. Communications costs were divided using the following percentages: National and regional initiatives 30%, Training and development 30%, Events 30%, International missions 10%. All other office costs were divided as follows: Payments to beneficiaries 65%, National and regional initiatives 16%, Training and development 7%, Events 11%, International missions 1%.

## 5 GOVERNANCE COSTS

|                                 | Unrestricted<br>£ | Restricted<br>£ | 2013<br>Total<br>£ | 2012<br>Total<br>£ |
|---------------------------------|-------------------|-----------------|--------------------|--------------------|
| Audit fee                       | 4,356             | -               | 4,356              | 4,260              |
| Trustee costs                   | 2,884             | -               | 2,884              | 3,324              |
| Statutory and professional fees | 1,023             | -               | 1,023              | 457                |
|                                 | <u>8,263</u>      | <u>-</u>        | <u>8,263</u>       | <u>8,041</u>       |

## 6 NET INCOME BEFORE TRANSFERS

This is stated after charging

|                        | 2013<br>£    | 2012<br>£    |
|------------------------|--------------|--------------|
| Depreciation           | 656          | 517          |
| Auditor's remuneration | 4,356        | 4,260        |
|                        | <u>5,012</u> | <u>4,777</u> |

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013 (continued)

## 7 STAFF COSTS AND NUMBERS

|                                             | 2013<br>£     | 2012<br>£     |
|---------------------------------------------|---------------|---------------|
| Salaries and wages                          | 61,454        | 46,242        |
| Employer's National Insurance contributions | 5,776         | 4,380         |
| Pension contributions                       | 4,609         | 3,534         |
|                                             | <u>71,839</u> | <u>54,156</u> |

No employee received emoluments of more than £60,000 p a

The average number of full-time equivalent employees was three (2012 two)

## 8 FIXED ASSETS

|                           | Freehold<br>property<br>£ | Equipment<br>£ | Total<br>£    |
|---------------------------|---------------------------|----------------|---------------|
| <b>Cost</b>               |                           |                |               |
| At 1 September 2012       | 51,803                    | 11,343         | 63,146        |
| Disposals                 | -                         | (3,103)        | (3,103)       |
| Additions                 | -                         | 2,622          | 2,622         |
| At 31 August 2013         | <u>51,803</u>             | <u>10,862</u>  | <u>62,665</u> |
| <b>Depreciation</b>       |                           |                |               |
| At 1 September 2012       | -                         | 11,343         | 11,343        |
| Depreciation on disposals | -                         | (3,103)        | (3,103)       |
| Charge for the year       | -                         | 656            | 656           |
| At 31 August 2013         | <u>-</u>                  | <u>8,896</u>   | <u>8,896</u>  |
| <b>Net book value</b>     |                           |                |               |
| At 31 August 2013         | <u>51,803</u>             | <u>1,966</u>   | <u>53,769</u> |
| At 31 August 2012         | 51,803                    | -              | 51,803        |

The Navigators have an equity holding (40%) in one freehold property (49 Dorchester Avenue, Cardiff). The other party has purchased the property with the assistance of a mortgage. The property is the subject of a legal charge in relation to this mortgage.

The Trustees have not adopted a policy of revaluation of fixed assets. However, the property was valued in 2013 by independent chartered surveyors at £335,000.

## 9 PREPAYMENTS AND DEBTORS

|                              | 2013<br>£     | 2012<br>£     |
|------------------------------|---------------|---------------|
| Prepayments                  | 6,821         | 5,765         |
| Debtors and accrued interest | 53,423        | 25,095        |
|                              | <u>60,244</u> | <u>30,860</u> |

## 10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

|                             | 2013<br>£     | 2012<br>£    |
|-----------------------------|---------------|--------------|
| Tax and National Insurance  | 2,049         | 2,584        |
| Other creditors             | 21,739        | 359          |
| Accruals                    | 5,451         | 4,760        |
| Amounts received in advance | 175           | 650          |
|                             | <u>29,414</u> | <u>8,353</u> |

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013 (continued)

## 11 MOVEMENT IN FUNDS

|                                  |        | Balance at<br>1 Sept 2012 | Incoming<br>resources | Resources<br>expended | Transfers        | Balance at<br>31 Aug 2013 |
|----------------------------------|--------|---------------------------|-----------------------|-----------------------|------------------|---------------------------|
|                                  | Note   | £                         | £                     | £                     | £                | £                         |
| <b>UNRESTRICTED FUNDS</b>        |        |                           |                       |                       |                  |                           |
| General Fund                     |        | 570,798                   | 135,416               | (247,012)             | 168,994          | 628,196                   |
| Stock Reserves Fund (designated) | (i)    | 244                       | -                     | -                     | (244)            | -                         |
|                                  |        | <u>571,042</u>            | <u>135,416</u>        | <u>(247,012)</u>      | <u>168,750</u>   | <u>628,196</u>            |
| <b>RESTRICTED FUNDS</b>          |        |                           |                       |                       |                  |                           |
| Beneficiary Funds                | (ii)   | 100,265                   | 1,441,007             | (1,313,750)           | (102,713)        | 124,809                   |
| Benevolent Fund                  | (iii)  | 25,816                    | -                     | -                     | (25,816)         | -                         |
| Robinson Africa Fund             | (iv)   | 148,783                   | 3,607                 | (11,802)              | -                | 140,588                   |
| Training and development         |        |                           |                       |                       |                  |                           |
| Foundations for Ministry         | (v)    | 3,407                     | 48                    | -                     | (2,066)          | 1,389                     |
| Connect                          | (vi)   | 465                       | 500                   | -                     | (500)            | 465                       |
| Events                           |        |                           |                       |                       |                  |                           |
| Big Weekend                      | (vii)  | 1,845                     | 3,757                 | -                     | (3,499)          | 2,103                     |
| Other restricted gifts           | (viii) | -                         | 423                   | -                     | (423)            | -                         |
| Reserve Fund                     | (ix)   | 33,733                    | -                     | -                     | (33,733)         | -                         |
|                                  |        | <u>314,314</u>            | <u>1,449,342</u>      | <u>(1,325,552)</u>    | <u>(168,750)</u> | <u>269,354</u>            |
| <b>TOTAL FUNDS</b>               |        | <u>885,356</u>            | <u>1,584,758</u>      | <u>(1,572,564)</u>    | <u>-</u>         | <u>897,550</u>            |

Transfers shown are net movements between funds and consist of four main types

- **Administration charge transfers** a levy on donations received transferred from various restricted funds to the General Fund
- **Ministry transfers** movement of funds from various restricted funds to the General Fund to contribute towards project expenditure in line with their restrictions
- **Incorrectly restricted free reserves** transfer of free reserves held in the restricted Reserve Fund and the restricted Benevolent Fund that on review by the Trustees were shown to have been incorrectly described as restricted in the past
- **General Fund transfers** donations that in the past have been restricted and have been redirected by the donor to unrestricted funds

|                                      | Unrestricted<br>£ | Restricted<br>£  | 2013<br>Total<br>£ |
|--------------------------------------|-------------------|------------------|--------------------|
| Administration charge transfers      | 96,542            | (96,542)         | -                  |
| Ministry transfers                   | 10,952            | (10,952)         | -                  |
| Incorrectly restricted free reserves | 59,549            | (59,549)         | -                  |
| General Fund transfers               | 1,707             | (1,707)          | -                  |
|                                      | <u>168,750</u>    | <u>(168,750)</u> | <u>-</u>           |

- (i) The **Stock Reserves Fund** (designated) was set aside by the Trustees to meet the cost of sales of resource materials published by the Chanty
- (ii) **Beneficiary Funds** represent restricted donations to The Navigators for the support of individual self-employed Navigator representatives or their ministry funds
- (iii) The **Benevolent Fund** is a restricted fund to be used for benevolent grants for the special needs of self-employed Navigator representatives. Following an investigation of the source of these funds, the Trustees determined that it had been incorrectly categorised as restricted and it was combined with the General Fund on 31 August 2013
- (iv) The **Robinson Africa Fund** is a restricted fund to receive a legacy left to The Navigators to be used for work in Africa
- (v) **Foundations for Ministry** is a fund to receive restricted donations for subsidising places on a 3-year training programme for the development of UK Navigator representatives. Transfers out represent the movement of these restricted gifts to the General Fund to subsidise the costs of running the programme
- (vi) **Connect** is a fund to receive restricted donations for the Connect graduate training programme. Transfers out represent the movement of these restricted gifts to the General Fund to subsidise the costs of running the programme
- (vii) **Big Weekend** is a fund to receive restricted donations towards Big Weekend conferences. Transfers out represent the movement of these restricted gifts to the General Fund to subsidise the costs of running the conferences
- (viii) **Other restricted gifts** represent small restricted donations made towards specific events or national initiatives. Transfers out represent the movement of these restricted gifts to the General Fund to be used in line with their restrictions
- (ix) The **Reserve Fund** is a restricted fund to cover an adverse economic environment or to wind up the charity. Following an investigation of the source of these funds, the Trustees determined that it had been incorrectly categorised as restricted and it was combined with the General Fund on 31 August 2013

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013 (continued)

## 12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                                    | General<br>Fund<br>£ | Designated<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>£     |
|------------------------------------|----------------------|--------------------------|--------------------------|----------------|
| Tangible fixed assets              | 53,769               | -                        | -                        | 53,769         |
| Net current assets                 | 574,427              | -                        | 269,354                  | 843,781        |
| Total net assets at 31 August 2013 | <u>628,196</u>       | <u>-</u>                 | <u>269,354</u>           | <u>897,550</u> |

## 13 TRUSTEES' REMUNERATION

None of the Trustees received any remuneration in the year (2012 £nil)

Travel expenses of £2,006 (2012 £1,496) were reimbursed to six Trustees (2012 six)

## 14 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2013 the charitable company had annual commitments under non-cancellable operating leases as follows

|                               | 2013<br>£     | 2012<br>£    |
|-------------------------------|---------------|--------------|
| Operating leases which expire |               |              |
| Within one year               | 1,512         | 15,000       |
| Within two to five years      | <u>11,820</u> | <u>1,320</u> |

## 15 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2012 none)