



THE NAVIGATORS UK LIMITED

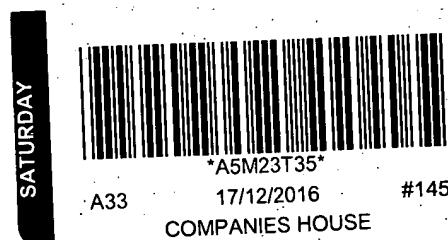
A Company Limited by Guarantee

Company no. 4429021

Charity Registered in England & Wales no. 1099148
Charity Registered in Scotland no. SC038484

ANNUAL REPORT AND ACCOUNTS

31 August 2016



THE NAVIGATORS UK LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

CONTENTS

	Page
Report of the Trustees	
Objectives and Activities	1
Achievements and Performance	2
Financial Review	4
Plans for Future Periods	6
Structure, Governance and Management	6
Reference and Administrative Information	9
Statement of Trustees' Responsibilities	10
Independent Auditor's Report to the Trustees	11-12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Accounting Policies	16
Notes to the Accounts	17-22

The trustees present their annual report and audited financial statements of The Navigators UK Limited ('the Charity' or 'Navigators UK') for the year ended 31 August 2016. The trustees have this year adopted the provisions of the Statement of Recommended Practice applicable to charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) (effective 1 January 2015).

Chair's Report

Navigators UK is financially stable and has diversified support. Historically we have had significant reserves and therefore have spent three years agreeing deficit budgets to invest in growing the ministry and meeting key needs. We are finding many opportunities to minister and are now at a point where we need to place more emphasis on fundraising in order to meet new needs and continue to invest in valuable initiatives. The budget for 2016/17 will again be a deficit budget.

We have continued our initiatives to meet legal requirements around safeguarding children and vulnerable adults and are looking at best practice for safety and security whilst travelling.

The Navigator student ministry in Scotland is prospering but we are looking at ways of strengthening the English student ministries and taking up new opportunities in London, Cambridge, Exeter and Bournemouth. We are working at rebuilding church-based ministries throughout the UK and are taking forward our ministry to Christians aged 50+.

This is the second year that the national work of the Charity has been organised in quadrants. These are working well in Scotland and the South and are progressing in the East and West.

OBJECTIVES AND ACTIVITIES

The main objective of the Charity is the advancement of the Christian religion in the UK and overseas through evangelism, teaching, mentoring, training and the production and distribution of materials. 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.'

Our core values and vision have been identified and these provide the foundation for our strategy for ministry.

Public Benefit

The trustees have had due regard to the Charity Commission's guidance on public benefit and in particular the supplementary public guidance on the advancement of religion for the public benefit.

Key Strategies

The key strategies employed to achieve our main objectives for the public benefit are:

- To see people constantly growing in their practical knowledge of Jesus founded on what the Bible teaches so that their lives are being changed.
- To see this personal transformation having an impact on those around them so others are drawn into this same way of living out of personal encounters with God.

- To enable those who join this ministry to be trained both in greater depth of understanding and in ways of sharing their lives with others so they in turn would have a similar impact.

Activities

The Charity's principal activities to achieve our charitable objectives for the public benefit are:

- The support of self-employed Navigator representatives who are funded by donations made for their ministries. Within the UK these representatives are currently helping people to live out and pass on the Christian faith in a variety of contexts and situations, including university students, those in their early working life who have graduated from our student ministries, those beyond 50 years of age, and church small groups and leaders. Some of our representatives do similar work in other countries, mostly in Europe but also in Africa, the US and Asia.
- National and regional initiatives that build on the work of individual representatives, including the development of new discipleship resources for use within both the Navigator movement and by individuals and churches, and the provision of short-term mission trips abroad.
- Initiatives for the training, development and care of Navigator representatives, including an internship graduate programme, and a Foundations for Ministry course for all new representatives.
- Events to connect and envision friends and supporters, and conferences for students and recent graduates.

ACHIEVEMENTS AND PERFORMANCE**Support and Development of Navigator Representatives**

- Quadrant leaders worked to develop the representatives in their region, providing support and training.
- A Missions Team provided care and oversight for those ministering overseas.
- A National Student Ministry Leader offered training for students and representatives involved in the student ministries. Two training weekends for emerging leaders were attended by 35 people in Scotland and 21 people in England.
- A two-year review of the Foundations for Ministry programme was completed, and nine representatives and associates were enrolled on the revised and updated course, which consists of two-day residentials and personal assignments. This programme continues to provide focused training for new representatives.
- Eleven new graduates enrolled on our one-year Connect programme and three from the previous year underwent a second year of training and development.
- Our central support team continued to provide excellent standards of administration and financial control as well as improvements to our website and an increased emphasis on resource development and communications.
- Our annual weekend conference for all representatives was held in May 2016. This was addressed by members of our UK Leadership Team around the theme of experiencing the love of Jesus and passing on that love to others.

Ministry Size

At 31 August 2016 there were 80 representatives associated with Navigators UK, with an additional four new representatives starting in September 2016. Of these, 30 representatives ministered to university students in nine UK cities, with additional ministry to international students in some of these as well as in two further cities.

Student Ministry

Approximately 400 students have been ministered to across nine different cities. The aim has been to establish foundations in their lives that will not only stand the turmoil of 21st century life, but would put these students in a good place to support and help others in the same way.

Second Half Living Ministry

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.

Church-Based Ministry

Links have been established with a number of churches to assist them in discipling. 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. In Southampton, the Navigators partnered with a local church in the provision of a year-long School of Missional Disciplemaking course.

Overseas Mission

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

Five short-term mission trips were organised to Europe in the past year, providing teambuilding and training in discipleship and outreach for those attending and ministering both practically and spiritually to those from other cultures.

Special Events

A five-day residential School of Disciplemaking was organised in Scotland, with talks on the life of Peter from Hans Bayer of the Covenant Seminary in Missouri, and was attended by more than 80 students and young graduates.

The Big Weekend, a residential conference for students and recent graduates reflecting on God's view of greatness, entitled The Limitation Game, was held in Blackpool and was attended by more than 150 people.

FINANCIAL REVIEW

The balance sheet shows total net assets of £826,036, which is a decrease of £45,946 during 2015/16. The total of unrestricted funds is £600,885, which is a decrease of £21,019 during 2015/16. There are no funds in deficit in the accounts.

Income

Voluntary donations increased to £1,352,897, up by £92,275 (7%) compared with last year; part of this increase was due to the receipt of a single unbudgeted legacy of £49,577. Gift aid continued to decrease, falling to £201,642, which was down £2,895 (1%) compared with last year. 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 increased in 2015/16, primarily due to income from the provision of office support to the European Navigator region.

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 £17,275 were made from the Robinson Africa Fund legacy to 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 increased to £182,804, up by £29,050 (19%) compared with last year, primarily due to additional full-year costs as a result of an increase in staff resources for communications and resource development as well as costs relating to property renovation and repairs.

Investment Policy

Investments are maintained in a low-risk liquid position with competitive interest. Funds are currently held partially in an instant-access charity savings account, with the majority of funds being held in a deposit account with our bank. The amount invested, the spread over institutions and the interest rates earned are regularly reviewed by the Finance Committee of the Board.

Reserve Policy

Unrestricted funds are held in general funds to meet the costs of future ministries and projects and to underwrite current activities.

Our reserve policy is reviewed annually by the trustees. Monitoring of reserve levels, resultant budget setting and review of actual financial performance are reviewed by both the Finance Committee and the Board.

Key elements of our reserve policy:

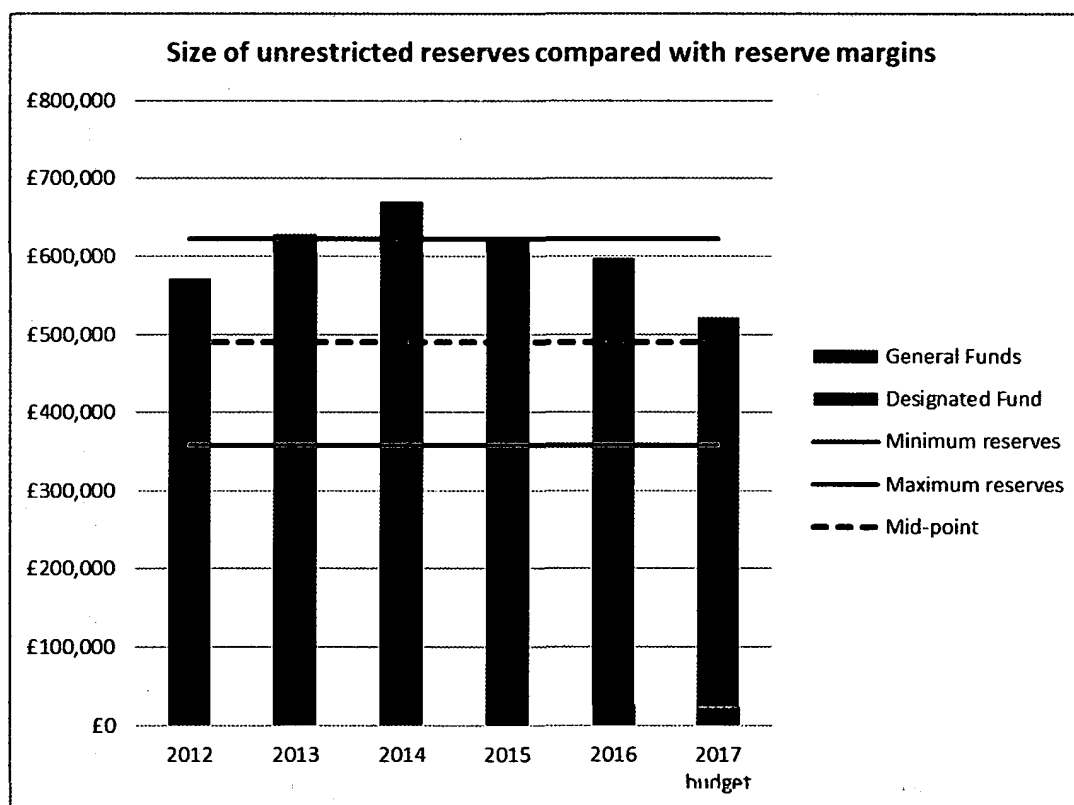
- Unrestricted reserves (defined as all unrestricted funds including designated funds but excluding fixed asset related reserves) are held to protect against a sudden and catastrophic fall in restricted donations and/or related tax relief in order to protect our representatives and enable the Charity to continue operating in the short term whilst evaluating and exercising options for survival or cessation.
- Both a minimum and maximum reserve level are calculated to be used when monitoring performance and setting future budgets.

Report of the trustees for the year ended 31 August 2016 (continued)

- We seek to stay broadly over a 3-year rolling period around the midpoint level of this unrestricted reserve range and to never drop below the minimum.
- Unrestricted reserve levels are calculated on the basis of providing 100% of central support costs and 75% of central ministry costs for a minimum of 9 months and a maximum of 12 months, as well as 60% of Navigator UK representative support for a minimum of 3 months and a maximum of 6 months. In addition to these sums, a minimum of £25,000 and a maximum of £50,000 have been included for emergency support of staff or representatives in exceptional circumstances.

Our current reserve position and projections:

- Calculated reserves under this policy based on 2016/17 budgeted costs result in a maximum unrestricted reserve level of £623,000 and a minimum unrestricted reserve level of £358,000 (giving a midpoint target of £490,000).
- As unrestricted reserves were approximately £597,000 as at 31 August 2016, the trustees consider that the Charity should continue to reduce such reserves back towards the midpoint target and accordingly have again set a deficit budget of some £70,000 for 2016/17.
- This 2016/17 budget has continued the previous year's trend of increased spending in a number of ministry areas and includes assumptions of some £33,000 increased fundraising directly related to specific ministries from our supporter base. Should this additional gift income support not materialise it is recognised that in subsequent years the ministry budgets will require some curtailment of spending.



PLANS FOR FUTURE PERIODS

Plans for the future recognise the changing environment in which we minister. This has led to a need for the splitting of the national ministry into quadrants and giving freedom to the different quadrants to develop ministry around the gifting of their personnel and the specific needs of the region. This process of regional development is to continue, with an emphasis on helping the individual representatives to flourish in their ministry situations.

Plans for the future recognise that Navigators UK has for many years had a low profile in the broader national ministry scene. We are beginning to address this situation by developing some publications that reflect our strengths and increasing our presence at national Christian conventions.

The work of the Navigators is continuing to develop in Europe and Navigators UK is being increasingly involved in the European region through sharing expertise and mentoring. Despite Brexit, this will continue to be a feature in the future.

The Big Weekend and School of Disciplemaking conferences continue to be significant opportunities for the development of our work as they seek to help participants bridge the gap between our culture and a Bible-based framework for life.

Following the successful conclusion of a review of representative training, it is hoped that we will have a greater emphasis on developing ministry among graduates and those aged 50+.

Increased national funding will be sought to assist the development of our national ministries. In particular, we are looking to continue the training and development of new generations of labourers, our matched-funding project (which helps new representatives make the transition from paid employment to gift income support), the development of new materials and publications suitable for in a changing culture, and the provision of vital administrative support across the UK to allow ministry initiatives to develop and flourish.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document**

Navigators UK is a company limited by guarantee with charitable status. 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.

Appointment of Trustees

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 as observers before being invited to join the Board. 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.

Organisation

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, which met three times last year and currently comprises three trustees, with responsibility for budget setting, monitoring of income and expenditure and the overview of the year-end accounts and audit. The Board has also established a Pastoral and Representative Committee, which met twice this year and currently comprises five trustees; this committee deals with pastoral matters relating to representatives in order to better aid the fulfilment of trustee responsibility in these important areas.

During the year one trustee has resigned and two have been appointed. Linda de Caestecker resigned after four years of representing Scotland on the Board. We will miss her strong and steady contribution. We welcome Dawn Brathwaite to the Board, who brings strong legal experience, as well as Simon Wroe, who has previously served as National Administrator with the Navigators and has a strong understanding of the ethos and administration of Navigators UK.

The Board see it as part of their responsibility to be in direct contact with the representatives around the UK in order to be aware of the developments in the ministry and the needs and opportunities that arise. To that end, the location of Board meetings has been rotated to visit different towns and cities through the year, with time set aside to meet the representatives in the various locations. In addition, trustees are encouraged to attend Navigator events and meetings around the UK to have contact with representatives and supporters.

Operational responsibility for the ministry of the Charity is entrusted to the Country Leader, supported by a National Leadership Team. The Country Leader and all the other Navigator representatives are self-employed and work in association with the Charity to provide ministry services to enable the Charity to fulfil its objectives and related activities. Such services are set out in formal ministry agreements, which are regularly reviewed. The Charity employs an Office Manager and Finance Manager to provide central administration and financial control, and two other staff who have responsibility for managing and delivering the Charity's communications to representatives, supporters, trustees and the wider community and the production of resources.

The Navigators UK ministries are organised on the basis of four geographical quadrants, plus supplemental roles related to international missions and certain national responsibilities to better meet ministry challenges and opportunities.

A National Fundraising Team has been instituted in 2015/16 comprising two trustees and four members of the National Leadership Team with the objective of managing central fundraising initiatives to support specific ministries.

The trustees are thankful for the leadership of Navigators UK provided by the Country Leader Derek Leaf and his wife Eva. They are a deeply gifted couple and it has been a great encouragement to team with them over this year.

Navigators UK belongs to the European Navigator region and is part of the worldwide Navigator movement, which has its international office in Colorado Springs, USA. This year we have been able to share our administrative experience with the European Navigator regional organisation known as NavEurope by providing office support. The aims and objectives of NavEurope are very similar to those of Navigators UK but they work in a wider European context.

Related Parties

None of the trustees receive remuneration or other benefit from their work with the Charity. The opportunity to declare any potential conflicts of interest is presented at the commencement of each Board meeting.

Risk Management

The trustees continue to seek to identify the major risks to which the organisation is exposed and ensure that risk is managed to a satisfactory level. Risks are identified and reviewed during the regular programme of Board and Board Committee meetings, where existing and new ministry activities, financial developments and regulatory changes are considered in the context of the risk they bring to the organisation. Once identified, risks are formally documented within a Risk Register and, where appropriate, controls are implemented so as to seek to reduce the residual risk to an acceptable level commensurate with the Charity's resources.

In assessing our risk exposure to ongoing funding, the trustees are thankful for the 85% of our current income that is given by our core of supporters explicitly for the purpose of supporting named representatives across the various ministry areas. This partnership in our work is both precious and requires continual attention, with particular focus on the establishment of a strong support base for new representatives joining us.

The trustees have a specific concern regarding the other 15% of total income that funds central ministry activities and helps to fund administration costs. If it continues at current levels, such giving is considered insufficient to sustain the number and scale of key initiatives commenced in recent years. Such initiatives focus on representative development (including matched funding), the Connect internship programme, subsidies for key events and new resource development.

The Charity is accordingly embarking on a strategy of building supporter awareness of this issue, developing fundraising capability through a new National Fundraising Team, learning from the skillsets of the Navigators worldwide and seeking to reach out appropriately over the next 12 months to both our current committed supporters as well as those with past connections. The trustees view this major fundraising initiative as part of our Christian faith journey carried out within the context of sound financial management.

Report of the trustees for the year ended 31 August 2016 (continued)

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Registered in England & Wales No. 1099148
Charity Registered in Scotland No. SC038484
Company No. 4429021

Registered Office
Turner House
54 The Avenue
Southampton
SO17 1XQ

Key Management Personnel

Key management personnel comprise the trustees and the Country Leader.

Trustees

The trustees, who are also directors for the purposes of Company law, who served during the year and since the year end are:

M Osborn (Chair)*†
D Brathwaite (from November 2015)
L de Caestecker† (to April 2016)
K Glazebrook†
J Knox†
S Mulholland†
S Peters*
S Wroe*† (from November 2015)

*Finance committee

†Representative and pastoral committee

Country Leader

D Leaf

Advisors**Bank**

NatWest plc
64 High Street
New Malden
Surrey
KT3 4HB

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Auditors

Burton Sweet
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol
BS48 1UR

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.

Statement as to Disclosure to our Auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, 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



Martin Osborn – Chair

Date

24/11/16

We have audited the financial statements of The Navigators UK Limited for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2016 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

Independent Auditor's Report to the Members of The Navigators UK Limited (continued)

- 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;



Neil Kingston FCA
Senior Statutory Auditor

For and on behalf of Burton Sweet Chartered Accountants, Statutory Auditor

*The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR*

Date: 24.11.16

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 2016 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2016 Total £	2015 Total £ restated
Income from:						
Donations and legacies	1	111,783	-	1,442,756	1,554,539	1,465,159
Charitable activities	2	64,057	-	-	64,057	61,566
Other trading activities	3	2,856	-	-	2,856	2,856
Investments		5,654	-	1,607	7,261	8,505
TOTAL		184,350	-	1,444,363	1,628,713	1,538,086
Expenditure on:						
Charitable activities	4,5					
Payments to representatives and projects		98,140	-	1,368,327	1,466,467	1,388,191
National and regional initiatives		82,505	-	-	82,505	66,879
Training, development and care		68,014	-	-	68,014	60,473
Events		55,629	-	-	55,629	69,543
Raising funds		2,044	-	-	2,044	335
TOTAL		306,332	-	1,368,327	1,674,659	1,585,421
Net income/(expenditure)	6	(121,982)	-	76,036	(45,946)	(47,335)
Transfers between funds	11	75,963	25,000	(100,963)	-	-
Net movement in funds	11	(46,019)	25,000	(24,927)	(45,946)	(47,335)
RECONCILIATION OF FUNDS						
Total funds brought forward		621,904	-	250,078	871,982	919,317
Total funds carried forward	11	575,885	25,000	225,151	826,036	871,982

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.

Prior year fund comparatives are disclosed in note 17.

The notes on pages 16 to 22 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2016

	Note	2016		2015	
		£	£	£	£
TANGIBLE FIXED ASSETS	8		3,607		1,829
CURRENT ASSETS					
Stock of literature at cost		1,925		2,846	
Prepayments and debtors	9	29,764		33,114	
Savings account		150,000		825,100	
Bank balances		<u>655,276</u>		<u>21,597</u>	
		836,965		882,657	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	<u>14,536</u>		<u>12,504</u>	
		14,536		12,504	
NET CURRENT ASSETS			822,429		870,153
TOTAL NET ASSETS			<u>826,036</u>		<u>871,982</u>
STATEMENT OF FUNDS	11				
Restricted funds			225,151		250,078
Unrestricted funds					
General funds			575,885		621,904
Designated funds			25,000		-
TOTAL FUNDS			<u>826,036</u>		<u>871,982</u>

Approved by the Trustees on 24/11/16 2016 and signed on their behalf by:



Martin Osborn
Chair of Trustees

The notes on pages 16 to 22 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

		2016 Total funds £	2015 Total funds £
OPERATIONAL CASH FLOWS	Note		
Cash flows for operating activities			
Income from donations and legacies	18 (A1)	1,554,974	1,484,190
Costs of raising funds	18 (B2)	(2,044)	(335)
Income from other trading activities	18 (A3)	2,856	2,856
Net inflow for operating activities		1,555,786	1,486,711
Cash flows from operating activities			
Income from charitable activities	18 (A2)	62,703	62,164
Costs of charitable activities	18 (B1)	(1,664,115)	(1,586,027)
Net inflow from operating activities		(1,601,412)	(1,523,863)
Net inflow/(outflow) of operating activities		(45,626)	(37,152)
NON-OPERATIONAL CASH FLOWS			
Investing activities			
Interest from investments	18 (C1)	8,232	9,302
Costs of purchasing fixed assets	18 (C2)	(4,027)	-
Net cash inflow/(outflow) for year		(41,421)	(27,850)

Charity law prohibits the use of net cash flows on any restricted fund to offset net cash outflows on any fund outside of its own purposes, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

The notes on pages 16 to 22 form part of these financial statements.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2016

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 Charity is a public benefit entity. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, Financial Reporting Standard FRS102 and the Charities Statement of Recommended Practice FRS102 based thereon.

b. Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. Unrestricted designated funds are unrestricted funds set aside 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. Income

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

- Income from donations and legacies 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.
- Income from investments 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 unrestricted general funds.

d. Expenditure

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.

- Expenditure related to raising funds comprises the costs associated with attracting voluntary income.
- Expenditure related to charitable activities comprises those costs incurred by the Charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Central support costs are allocated to the different charitable activities on the basis of estimated time spent by the support 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

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.

Upon transfer to the FRS102, some of the comparatives have been restated.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

1 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2016 Total £	2015 Total £
Donations	54,677	-	1,248,643	1,303,320	1,260,622
Legacies	49,577	-	-	49,577	-
Tax refunds	7,529	-	194,113	201,642	204,537
	<u>111,783</u>	<u>-</u>	<u>1,442,756</u>	<u>1,554,539</u>	<u>1,465,159</u>

2 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2016 Total £	2015 Total £
Administration subscriptions	8,914	-	-	8,914	8,337
National and regional initiatives	3,159	-	-	3,159	2,262
Training, development and care	14,503	-	-	14,503	12,706
Events	33,150	-	-	33,150	38,261
Provision of office support to European Navigator Region	4,331	-	-	4,331	-
	<u>64,057</u>	<u>-</u>	<u>-</u>	<u>64,057</u>	<u>61,566</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2016 Total £	2015 Total £
Rental income	2,856	-	-	2,856	2,856
	<u>2,856</u>	<u>-</u>	<u>-</u>	<u>2,856</u>	<u>2,856</u>

4 EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Central support costs £	2016 Total £	2015 Total £ restated
Payments to representatives and projects	1,368,327	98,140	1,466,467	1,388,191
National and regional initiatives	27,608	54,897	82,505	66,879
Training, development and care	56,609	11,405	68,014	60,473
Events	37,267	18,362	55,629	69,543
	<u>1,489,811</u>	<u>182,804</u>	<u>1,672,615</u>	<u>1,585,086</u>

Central support costs are analysed in note 5.

Central support costs were divided on the basis of support staff time, with the split between charitable activities for each member of staff reflecting the particular activities they are involved with.

Within payments to representatives and projects (direct costs), institutional grants of £59,469 were paid to Navigator projects based in Europe, Africa, North America and Asia. The remaining payments of £1,308,858 consisted of grants to individuals.

5 CENTRAL SUPPORT COSTS

	2016 £	2015 £ restated
Costs relating to staff	100,224	92,109
Premises costs	21,062	20,976
Administration, communications and other charity running costs	50,875	32,728
Governance	10,643	7,941
	<u>182,804</u>	<u>153,754</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016 (continued)

6 NET INCOME BEFORE TRANSFERS

This is stated after charging:

	2016	2015
	£	£
Depreciation	2,249	1,241
Auditor's remuneration	5,442	4,584

7 STAFF COSTS AND NUMBERS

	2016	2015
	£	£
Salaries and wages	84,339	76,832
Employer's National Insurance contributions	4,772	5,469
Pension contributions	6,305	6,039
	<u>95,415</u>	<u>88,340</u>

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

The average number of full-time equivalent employees was 3.5 (2015: 3.0).

No employment benefits were paid to key management personnel (2015: none).

8 FIXED ASSETS

	Equipment	Total
	£	£
Cost		
At 1 September 2015	8,645	8,645
Disposals	(3,678)	(3,678)
Additions	4,027	4,027
At 31 August 2016	<u>8,994</u>	<u>8,994</u>
Depreciation		
At 1 September 2015	6,816	6,816
Depreciation on disposals	(3,678)	(3,678)
Charge for the year	2,249	2,249
At 31 August 2016	<u>5,387</u>	<u>5,387</u>
Net book value		
At 31 August 2016	<u>3,607</u>	<u>3,607</u>
At 31 August 2015	<u>1,829</u>	<u>1,829</u>

9 PREPAYMENTS AND DEBTORS

	2016	2015
	£	£
		restated
Debtors re income from donations and legacies	16,768	17,203
Debtors re income from charitable activities	1,116	436
Debtors re income from investments	1,086	2,057
Prepayments re costs of charitable activities	10,794	13,418
	<u>29,764</u>	<u>33,114</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
		restated
Deferred income re income from charitable activities	455	1,129
Creditors/accruals re cost of charitable activities:		
Tax and National Insurance	1,760	1,564
Other creditors	5,164	5,227
Accruals	7,157	4,584
	<u>14,536</u>	<u>12,504</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016 (continued)

11 MOVEMENT IN FUNDS

		At 1 Sept 2015	Income and gains	Expenditure and losses	Transfers between funds	At 31 Aug 2016
	Note	£	£	£	£	£
UNRESTRICTED FUNDS						
General Funds		621,904	184,350	(306,332)	75,963	575,885
Libby Hinton Fund (designated)	(i)	-	-	-	25,000	25,000
		<u>621,904</u>	<u>184,350</u>	<u>(306,332)</u>	<u>100,963</u>	<u>600,885</u>
RESTRICTED FUNDS						
Representative Funds	(ii)	142,974	1,442,458	(1,351,051)	(99,878)	134,503
Robinson Africa Fund	(iii)	106,639	819	(17,275)	-	90,183
Connect	(iv)	465	500	-	(500)	465
Big Weekend	(v)	-	162	-	(162)	-
Other restricted gifts	(vi)	-	423	-	(423)	-
		<u>250,078</u>	<u>1,444,362</u>	<u>(1,368,326)</u>	<u>(100,963)</u>	<u>225,151</u>
TOTAL FUNDS		<u><u>871,982</u></u>	<u><u>1,628,712</u></u>	<u><u>(1,674,658)</u></u>	<u><u>-</u></u>	<u><u>826,036</u></u>

- (i) **Libby Hinton Fund** holds part of a legacy that has been designated by the trustees for the provision of counselling, spiritual direction and retreats.
- (ii) **Representative Funds** represent restricted donations to The Navigators UK Limited for the support of individual self-employed Navigator representatives or their ministry funds.
- (iii) The **Robinson Africa Fund** is a restricted fund comprising a legacy left to The Navigators UK Limited to be used for work in Africa.
- (iv) **Connect** is a fund to receive restricted donations for the Connect graduate training programme.
- (v) **Big Weekend** is a fund to receive restricted donations for the Big Weekend conferences.
- (vi) **Other restricted gifts** represent small restricted donations for specific events or national initiatives.

Transfers shown are net movements between funds and consist of:

- **Transfer of designated funds:** movement of part of a legacy from unrestricted general funds into a designated fund.
- **Administration charge transfers:** a levy on donations received transferred from various restricted funds to General Funds.
- **Ministry transfers:** movement of funds from various restricted funds to General Funds to contribute towards project expenditure in line with their restrictions.
- **General Fund transfers:** donations that in the past have been restricted and have been redirected by the donor to unrestricted funds.

	Unrestricted general funds	Unrestricted designated funds	Restricted	2016 Total
	£	£	£	£
Transfer of designated funds	(25,000)	25,000	-	-
Administration charge transfers	97,507	-	(97,507)	-
Ministry transfers	1,009	-	(1,009)	-
General Fund transfers	2,447	-	(2,447)	-
	<u>75,963</u>	<u>25,000</u>	<u>(100,963)</u>	<u>-</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016 (continued)

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted general funds	Unrestricted designated funds	Restricted	Total
	£	£	£	£
Tangible fixed assets	3,607	-	-	3,607
Net current assets	597,278	-	225,151	822,429
Total net assets at 31 August 2016	<u>600,885</u>	<u>-</u>	<u>225,151</u>	<u>826,036</u>

13 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2016 the charitable company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £	2015 £
Within one year	12,329	12,089
Within two to five years	13,739	25,498
	<u>26,068</u>	<u>37,587</u>

Expenditure on the Statement of Financial Activities for the year ended 31 August 2016 relating to these leases was £12,866 (2015: £12,421).

14 TRUSTEES' REMUNERATION

None of the trustees received any remuneration in the year (2015: £nil).

Travel expenses of £3,046 (2015: £1,511) were reimbursed to four trustees (2015: five), and accommodation expenses of £446 (2015: none) were reimbursed to one trustee. Travel expenses of £875 (2015: £747) were waived by five trustees (2015: seven).

15 DONATIONS FROM TRUSTEES

Aggregate donations (including gift aid) received from trustees and their close family members was £12,629 (2015: £29,285).

16 RELATED PARTY TRANSACTIONS

The only related party transactions during the year relate to the European Navigator regional organisation known as NavEurope (2015: none).

Martin Osborn is a trustee of both The Navigators UK Limited and NavEurope.

The Navigators UK Limited paid an annual contribution of £15,777 (2015: £14,430) to NavEurope based on a percentage of donations received for people and projects based in Europe. The support staff of The Navigators UK Limited provide administrative support to NavEurope and NavEurope paid The Navigators UK Limited £4,331 (2015: zero) for this help.

At 31 August 2016, The Navigators UK Limited had made a prepayment of £794 to NavEurope relating to the 2016-17 financial year.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016 (continued)

17 PRIOR YEAR FUND COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted general funds	Unrestricted designated funds	Restricted funds	2015 Total
	£	£	£	£
	restated			restated
Income from:				
Donations and legacies	56,200	-	1,408,959	1,465,159
Charitable activities	61,566	-	-	61,566
Other trading activities	2,856	-	-	2,856
Investments	6,672	-	1,833	8,505
TOTAL	127,294	-	1,410,792	1,538,086
Expenditure on:				
Charitable activities				
Payments to representatives	81,754	-	1,306,437	1,388,191
National and regional initiatives	66,879	-	-	66,879
Training, development and care	60,473	-	-	60,473
Events	69,543	-	-	69,543
Raising funds	335	-	-	335
TOTAL	278,984	-	1,306,437	1,585,421
Net income/(expenditure)	(151,690)	-	104,355	(47,335)
Transfers between funds	103,831	-	(103,831)	-
Net movement in funds	(47,859)	-	524	(47,335)
RECONCILIATION OF FUNDS				
Total funds brought forward	669,763	-	249,554	919,317
Total funds carried forward	621,904	-	250,078	871,982

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016 (continued)

18 RECONCILIATION OF THE STATEMENT OF FINANCIAL ACTIVITIES

		2016				2015
	Statement of Financial Activities	Debtors & Prepayments	Creditors & Accruals	Stock levels	Fixed assets	Cash flow
	£	£	£	£	£	£
A1 Income from donations and legacies	1,554,539					
Decrease in debtors		435				1,554,974
						1,484,190
A2 Income from charitable activities	64,057					
Increase in debtors		(680)				
Increase/(decrease) in deferred income			(674)			62,703
						62,164
A3 Income from other trading activities	2,856					2,856
						2,856
B1 Costs of charitable activities	(1,672,615)					
Depreciation eliminated	2,249					
(Increase)/decrease in prepayments		2,624				
Increase in creditors and accruals			2,706			
Decrease in stocks				921		(1,664,115)
						(1,586,027)
B2 Costs of raising funds	(2,044)					(2,044)
						(335)
C1 Interest from investments	7,261					
Decrease in debtors		971				8,232
						9,302
C2 Costs of purchasing fixed assets					(4,027)	(4,027)
						-
Balance sheet movements		<u>3,350</u>	<u>2,032</u>	<u>921</u>	<u>(4,027)</u>	<u>(41,421)</u>
						(27,850)

19 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	2016	2015	Change
	£	£	£
Cash	805,276	846,697	(41,421)

	2015	2014	Change
	£	£	£
Cash	846,697	874,547	(27,850)