



THE NAVIGATORS UK LIMITED

A Company Limited by Guarantee

Company no. 04429021

Charity Registered in England & Wales no. 01099148

Charity Registered in Scotland no. SC038484

ANNUAL REPORT AND ACCOUNTS

31 August 2017

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THE NAVIGATORS UK LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017

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THE NAVIGATORS UK LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

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 2017. The trustees have 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).

Chair's Report

Navigators UK is financially stable and has diversified support. Historically we have had significant unrestricted reserves and therefore have spent three years spending around £45,000 to £75,000 more than our income in order to invest in growing the ministry and meeting key needs. This has been a valuable investment and has reduced our unrestricted reserves closer to the midpoint between the minimum and maximum target levels. We would like to maintain our unrestricted reserves at this midpoint level. As the budget for 2017/18 will again be a deficit budget we have started fundraising in anticipation of a further reduction in unrestricted reserves. This has begun to bear fruit: we have received some gifts from trusts and a number of generous gifts from individuals.

We currently have 86 Navigator self-employed representatives and 21 volunteer Navigator associates. A good number of our representatives and associates are approaching retirement, which could raise ministry and leadership issues over the next few years.

The Scottish student ministries are stable and growing very positively. Over recent years new English student ministries have been started in Aston, Bournemouth, Cambridge and East Anglia, and some of our longer standing English student ministries are exploring new initiatives. Our church ministries are regaining their identity and momentum. The Second Half Living ministry is building a new team and developing materials and resources. A new London House community has been established.

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. Throughout our ministry we will continue our focus on

- knowing, loving and becoming like Christ
- the truth and sufficiency of the scriptures
- the transforming power of the gospel
- the leading and empowering of the Holy Spirit
- expectant faith and persevering prayer

Public Benefit

The trustees have had due regard to the Charity Commission's guidance on public benefit.

Report of the trustees for the year ended 31 August 2017 (continued)

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 both within 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. The South and Scottish quadrants also ran conferences for people involved with the Navigators now and in the past to encourage them in their ministries.
- 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 around 35 people in Scotland and 30 people in England. Two new leaders are being trained to work alongside the National Student Ministry Leader.
- New representatives are offered financial support through a 'matched funding' scheme in their first two years, in which gifts from new donors are matched from central funds up to a cap determined by their budget. This aims to provide support with their initial fundraising.

Report of the trustees for the year ended 31 August 2017 (continued)

- The Foundations for Ministry course continues to provide focused training for new representatives. Extra days that were open to all representatives were added to two of the residentials to cover some of the burning issues of our day.
- Seven new graduates enrolled on our one-year Connect programme and five 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 2017. This was addressed by members of our UK Leadership Team around the theme of journeying together as pilgrims.

Ministry Size

At 31 August 2017 there were 86 representatives and 21 associates associated with Navigators UK, with an additional two new representatives starting in September 2017. Of these, around 30 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 a number of 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 Stirling and Southampton, the Navigators partnered with local churches in the provision of year-long discipling training courses.

Overseas Mission

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

Report of the trustees for the year ended 31 August 2017 (continued)

Special Events

A five-day residential School of Disciplemaking was organised in Scotland, with talks on Isaiah by Mike Treneer, the previous Navigator International President, and was attended by more than 90 students and young graduates.

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

FINANCIAL REVIEW

The balance sheet shows total net assets of £698,150, which is a decrease of £127,886 during 2016/17. The total of unrestricted funds is £528,607, which is a decrease of £72,278 during 2016/17. There are no funds in deficit in the accounts.

Income

Voluntary donations increased to £1,370,754, up by £17,857 (1.3%) compared with last year. Gift aid also increased to £213,752, which was up by £12,110 (6%) 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 was levied on restricted gifts to help fund the national office.

Income from charitable activities has increased in 2016/17 due to an increase in the number of programmes running as well as increased contributions from delegates.

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 £8,054 were made from the Robinson Africa Fund legacy to projects in Africa.

Unrestricted funds (including the 7% administration charge) were used to fund ministries and projects and to cover the central support costs of the national office and governance. These central support costs increased to £200,061, up by £17,257 (9.4%) compared with last year, due to an increase in administration and communications staff as well as costs relating to renovation and repairs to the national office.

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.

Report of the trustees for the year ended 31 August 2017 (continued)

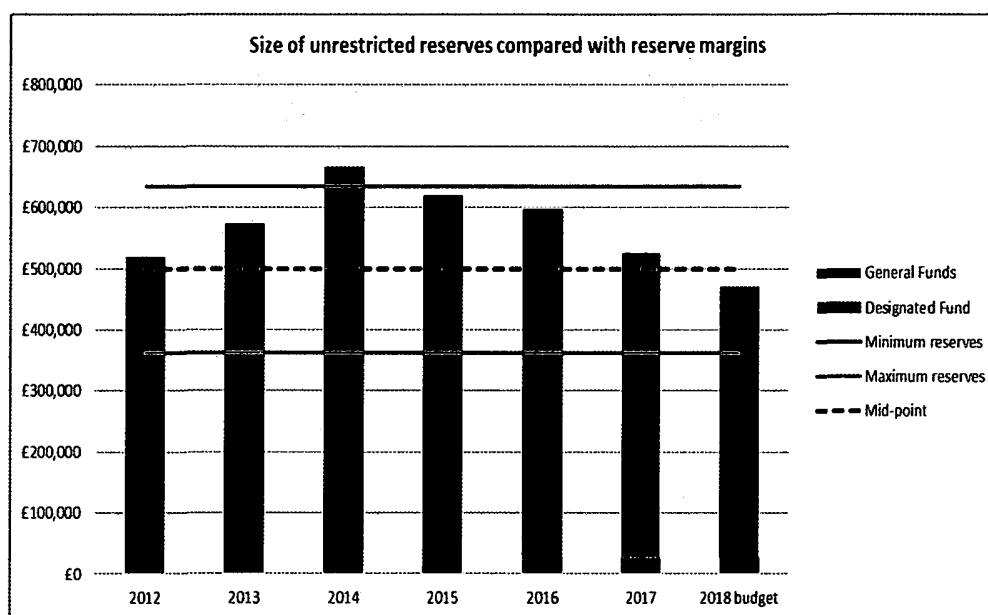
Key elements of our reserve policy:

- Unrestricted free 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 donations and/or related tax relief in order to protect the work of our representatives and enable the Charity to continue operating in the short term whilst evaluating and exercising options for survival or cessation.
- Both minimum and maximum reserve levels are calculated to be used when monitoring performance and setting future budgets. These calculations use varying percentages of next year's budgeted costs for a minimum and maximum time period plus provision for an emergency fund, as set out below.
- Target unrestricted free reserve levels are calculated on the basis of
 - 100% of administration staff costs for 9-12 months
 - 100% of communications and resources staff costs for 4-8 months
 - 90% of non-staff based central administrative costs for 9-12 months
 - 75% of central ministry costs for 6-9 months
 - 60% of average Navigators UK representative support for 3-6 months
 - Emergency support of staff/representatives in exceptional circumstances (minimum £25,000 and maximum £50,000)
- We seek to stay broadly around the midpoint level of this unrestricted free reserve range and to never drop below the minimum.

Our current reserve position and projections:

- Calculated reserves under this policy based on 2017/18 budgeted costs result in a maximum unrestricted reserve level of £635,245 and a minimum unrestricted reserve level of £362,022 (giving a midpoint target of £498,633).
- As unrestricted reserves were £525,282 as at 31 August 2017, the trustees consider that the Charity can continue to reduce such reserves back towards the midpoint target and accordingly have again set a deficit budget of some £55,500 for 2017/18. This budget is broadly balanced in relation to central support costs, with a preplanned increase in the administration charge to 8% from September 2017. We have, however, continued the previous year's trend of increased spending in a number of key ministry and project areas but with a more conservative budget expectation of new giving. It is recognised that 2017/18 will be very important in terms of achieving substantive increases in giving towards ministry and project support from our network of current supporters and Navigator alumni. Failure to achieve such increases will result in reductions in subsequent years' ministry and project budgets.

Report of the trustees for the year ended 31 August 2017 (continued)

**PLANS FOR FUTURE PERIODS**

The student ministries in England are exploring new initiatives. One has developed a social action group to help local Somali children with an after-school reading club. A second is exploring the idea of holding listening groups, to give people space to express themselves.

Ministry in church environments is developing, with a number of practitioner groups sharing their experiences and practices. This year it is hoped to communicate their experiences to a wider group of church leaders.

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. Next year's Big Weekend is under new leadership and will explore the subject of mental health.

Navigator groups for graduates are exploring different ways to remain connected and to provide encouragement in their new environments. The various groups are beginning to meet to share their experiences.

The ministry to people aged 50+ has been expanding and will be piloting materials this coming year.

Increased national funding of around £50,000 per year will be sought in order to enable our current level of spending on national ministries to continue. 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 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 Representative and Pastoral Committee, which met twice this year and currently comprises four 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: Janet Knox left after four years on the Board. We will miss her strong contribution, especially on pastoral matters. We are in discussions with several potential new trustees. We hope to add at least one trustee from Scotland. The Board works well together as it is, but we need to anticipate trustee turnover in the future as a normal course of events.

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.

Report of the trustees for the year ended 31 August 2017 (continued)

The ministries of Navigators UK 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 comprising two trustees and four members of the National Leadership Team was established in 2015/16 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 (NavEurope) and is part of the worldwide Navigator movement, which has its international office in Colorado Springs, USA. The European Director, Bill Sparks, has established his office in our building in Southampton and we provide him with administrative support as well as office space. NavEurope is charged for these facilities and 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 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.

Work has been undertaken by the Finance Committee on financial crime/abuse risks, including a detailed review of the Charity Commission toolkit *Protecting Charities from Harm* on terrorism, fraud and other abuse. The Representative and Pastoral Committee also made good ongoing progress on improving the management of both our overseas travel risk and our safeguarding training/awareness programme. Work has also started on implementation of changes in line with the General Data Protection Regulation in anticipation of the 2018 deadline.

Report of the trustees for the year ended 31 August 2017 (continued)

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Registered in England & Wales No.	01099148
Charity Registered in Scotland No.	SC038484
Company No.	04429021

Registered Office	Turner House 54 The Avenue Southampton SO17 1XQ
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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†
K Glazebrook†
J Knox (to November 2016)†
S Mulholland
S Peters*
S Wroe**†

*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

Report of the trustees for the year ended 31 August 2017 (continued)

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.

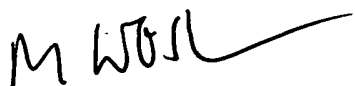
Statement as to Disclosure to our Auditors

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

29/11/17

Opinion

We have audited the financial statements of The Navigators UK Limited (the "Charity") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 in 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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).

Basis for opinion

We conducted our audit in accordance with international Standards in Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable law requirements.

Matters on which we are required to report by exception

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

- sufficient accounting records have not been kept;
- 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 obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going

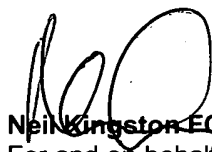
Independent Auditor's Report to the Members of The Navigators UK Limited (continued)

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm This description forms part of our auditor's report.



Neil Kingston FCA (Senior Statutory Auditor)

For and on behalf of Burton Sweet Chartered Accountants and Statutory Auditor
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 29.11.17

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2017 Total £	2016 Total £
Income from:						
Donations and legacies	1	60,016	-	1,524,490	1,584,506	1,554,539
Charitable activities	2	80,129	-	-	80,129	64,057
Other trading activities	3	3,356	-	-	3,356	2,856
Investments		734	-	465	1,199	7,261
TOTAL		144,235	-	1,524,955	1,669,190	1,628,713
Expenditure on:						
Charitable activities	4,5					
Payments to representatives and projects		104,570	3,940	1,447,028	1,555,538	1,466,467
National and regional initiatives		90,008	-	-	90,008	82,505
Training, development and care		96,710	-	-	96,710	68,014
Events		53,685	-	-	53,685	55,629
Raising funds		1,135	-	-	1,135	2,044
TOTAL		346,108	3,940	1,447,028	1,797,076	1,674,659
Net income/(expenditure)	6	(201,873)	(3,940)	77,927	(127,886)	(45,946)
Transfers between funds	11	127,553	5,982	(133,535)	-	-
Net movement in funds	11	(74,320)	2,042	(55,608)	(127,886)	(45,946)
RECONCILIATION OF FUNDS						
Total funds brought forward		575,885	25,000	225,151	826,036	871,982
Total funds carried forward	11	501,565	27,042	169,543	698,150	826,036

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 17 to 23 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2017

	Note	2017		2016	
		£	£	£	£
TANGIBLE FIXED ASSETS	8		3,325		3,607
CURRENT ASSETS					
Stock of literature and merchandise at cost		5,055		1,925	
Prepayments and debtors	9	41,784		29,764	
Savings account		150,000		150,000	
Cash at bank and in hand		509,820		655,276	
		<u>706,659</u>		<u>836,965</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	11,834		14,536	
		<u>11,834</u>		<u>14,536</u>	
NET CURRENT ASSETS			694,825		822,429
TOTAL NET ASSETS			<u>698,150</u>		<u>826,036</u>
STATEMENT OF FUNDS	11				
Restricted funds			169,543		225,151
Unrestricted funds					
General funds			501,565		575,885
Designated funds			27,042		25,000
TOTAL FUNDS			<u>698,150</u>		<u>826,036</u>

Approved by the Trustees on 29/11/17 2017 and signed on their behalf by:

MWOSL

Martin Osborn
Chair of Trustees

The notes on pages 17 to 23 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

		2017 Total funds £	2016 Total funds £
OPERATIONAL CASH FLOWS	Note		
Cash flows for operating activities			
Income from donations and legacies	18 (A1)	1,582,836	1,554,974
Costs of raising funds	18 (B2)	(1,135)	(2,044)
Income from other trading activities	18 (A3)	3,356	2,856
Net inflow for operating activities		1,585,057	1,555,786
Cash flows from operating activities			
Income from charitable activities	18 (A2)	79,287	62,703
Costs of charitable activities	18 (B1)	(1,810,149)	(1,664,115)
Net outflow from operating activities		(1,730,862)	(1,601,412)
Net inflow/(outflow) of operating activities		(145,805)	(45,626)
NON-OPERATIONAL CASH FLOWS			
Investing activities			
Interest from investments	18 (C1)	2,097	8,232
Costs of purchasing fixed assets	18 (C2)	(1,748)	(4,027)
Net inflow from investing activities		349	4,205
Net cash inflow/(outflow) for year	19	(145,456)	(41,421)

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 17 to 23 form part of these financial statements.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2017

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.

There are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern.

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.
- 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. Governance costs are included within support costs.

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 and merchandise 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 2017

1 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2017 Total £	2016 Total £
Donations	52,271	-	1,318,483	1,370,754	1,303,320
Legacies	-	-	-	-	49,577
Tax refunds	7,745	-	206,007	213,752	201,642
	<u>60,016</u>	<u>-</u>	<u>1,524,490</u>	<u>1,584,506</u>	<u>1,554,539</u>

2 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2017 Total £	2016 Total £
Administration subscriptions	9,020	-	-	9,020	8,914
National and regional initiatives	5,107	-	-	5,107	3,159
Training, development and care	28,967	-	-	28,967	14,503
Events	30,000	-	-	30,000	33,150
Provision of office support to European Navigator Region	7,035	-	-	7,035	4,331
	<u>80,129</u>	<u>-</u>	<u>-</u>	<u>80,129</u>	<u>64,057</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2017 Total £	2016 Total £
Rental income	3,356	-	-	3,356	2,856
	<u>3,356</u>	<u>-</u>	<u>-</u>	<u>3,356</u>	<u>2,856</u>

4 EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Central support costs £	2017 Total £	2016 Total £
Payments to representatives and projects	1,450,968	104,570	1,555,538	1,466,467
National and regional initiatives	27,290	62,718	90,008	82,505
Training, development and care	84,294	12,416	96,710	68,014
Events	33,328	20,357	53,685	55,629
	<u>1,595,880</u>	<u>200,061</u>	<u>1,795,941</u>	<u>1,672,615</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 £62,361 were paid to Navigator projects based in UK, Africa and North America. The remaining payments of £1,388,607 consisted of grants to individuals.

5 CENTRAL SUPPORT COSTS

	2017 £	2016 £
Costs relating to staff	111,767	100,224
Costs relating to premises	28,298	21,062
Administration, communications and other charity running costs	49,498	50,875
Costs relating to governance	10,498	10,643
	<u>200,061</u>	<u>182,804</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

6 NET INCOME BEFORE TRANSFERS

This is stated after charging:

	<u>2017</u>	<u>2016</u>
	£	£
Depreciation	2,030	2,249
Auditor's remuneration	5,550	5,442

7 STAFF COSTS AND NUMBERS

	<u>2017</u>	<u>2016</u>
	£	£
Salaries and wages	92,783	84,339
Employer's National Insurance contributions	4,999	4,772
Pension contributions	6,818	6,305
	<u>104,600</u>	<u>95,416</u>

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

The average number of employees was five (2016: four); this equates to a full-time equivalent of four (2016: 3.5).

No employment benefits were paid to key management personnel (2016: none).

8 FIXED ASSETS

	<u>Equipment</u>	<u>Total</u>
	£	£
Cost		
At 1 September 2016	8,994	8,994
Additions	1,748	1,748
At 31 August 2017	<u>10,742</u>	<u>10,742</u>
Depreciation		
At 1 September 2016	5,387	5,387
Charge for the year	2,030	2,030
At 31 August 2017	<u>7,417</u>	<u>7,417</u>
Net book value		
At 31 August 2017	<u>3,325</u>	<u>3,325</u>
At 31 August 2016	<u>3,607</u>	<u>3,607</u>

9 PREPAYMENTS AND DEBTORS

	<u>2017</u>	<u>2016</u>
	£	£
Debtors re income from donations and legacies	18,438	16,768
Debtors re income from charitable activities	1,603	1,116
Debtors re income from investments	188	1,086
Prepayments re costs of charitable activities	21,555	10,794
	<u>41,784</u>	<u>29,764</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2017</u>	<u>2016</u>
	£	£
Deferred income re income from charitable activities	100	455
Creditors/accruals re cost of charitable activities:		
Tax and National Insurance	1,893	1,760
Other creditors	4,291	5,164
Accruals	5,550	7,157
	<u>11,834</u>	<u>14,536</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

11 MOVEMENT IN FUNDS

Note	At 1 Sept 2016 £	Income and gains £	Expenditure and losses £	Transfers between funds £	At 31 Aug 2017 £
UNRESTRICTED FUNDS					
General Funds	575,885	144,235	(346,108)	127,553	501,565
Libby Hinton Fund (designated) (i)	25,000	-	(390)	-	24,610
Tithe Fund (designated) (ii)	-	-	(3,550)	5,982	2,432
	<u>600,885</u>	<u>144,235</u>	<u>(350,048)</u>	<u>133,535</u>	<u>528,607</u>
RESTRICTED FUNDS					
Representative Funds (iii)	134,503	1,499,844	(1,438,974)	(109,018)	86,355
Admin Fund (iv)	-	16,150	-	(16,150)	-
Scottish Admin Fund (v)	-	7,170	-	(7,170)	-
Robinson Africa Fund (vi)	90,183	129	(8,054)	-	82,258
Second Half Living (vii)	-	500	-	(35)	465
Connect (viii)	465	500	-	(500)	465
Other restricted gifts (ix)	-	662	-	(662)	-
	<u>225,151</u>	<u>1,524,955</u>	<u>(1,447,028)</u>	<u>(133,535)</u>	<u>169,543</u>
TOTAL FUNDS	<u>826,036</u>	<u>1,669,190</u>	<u>(1,797,076)</u>	<u>-</u>	<u>698,150</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) **Tithe Fund** holds money designated by the trustees to be used as grants for projects and individuals outside of The Navigators UK Limited in line with the Charity's objectives.
- (iii) **Representative Funds** represent restricted donations to The Navigators UK Limited for the support of individual self-employed Navigator representatives or their ministry funds.
- (iv) **Admin Fund** is a fund to receive restricted donations for administration costs.
- (v) **Scottish Admin Fund** is a fund to receive restricted donations for administration costs associated with events and initiatives in Scotland.
- (vi) **Robinson Africa Fund** is a restricted fund comprising a legacy left to The Navigators UK Limited to be used for work in Africa.
- (vii) **Second Half Living** is a fund to receive restricted donations for Second Half Living initiatives.
- (viii) **Connect** is a fund to receive restricted donations for the Connect graduate training programme.
- (ix) **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 funds set aside by the trustees to be used as grants for projects and individuals outside of The Navigators UK Limited in line with the Charity's objectives from unrestricted general funds into a designated fund.
- **Administration charge transfers:** a levy on donations received transferred from various restricted funds to unrestricted general funds.
- **Ministry transfers:** movement of funds from various restricted funds to unrestricted general funds to contribute towards 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 general funds.

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2017 Total £
Transfer of designated funds	(5,982)	5,982	-	-
Administration charge transfers	103,073	-	(103,073)	-
Ministry transfers	24,401	-	(24,401)	-
General Fund transfers	6,061	-	(6,061)	-
	<u>127,553</u>	<u>5,982</u>	<u>(133,535)</u>	<u>-</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted general funds	Unrestricted designated funds	Restricted funds	Total
	£	£	£	£
Tangible fixed assets	3,325	-	-	3,325
Net current assets	525,282	-	169,543	694,825
Total net assets at 31 August 2017	528,607	-	169,543	698,150

13 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2017 the charitable company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017	2016
	£	£
Within one year	11,977	12,329
Within two to five years	2,020	13,739
	13,997	26,068

Expenditure on the Statement of Financial Activities for the year ended 31 August 2017 relating to these leases was £12,722 (2016: £12,866).

14 TRUSTEES' REMUNERATION

None of the trustees received any remuneration in the year (2016: £nil).

Travel expenses of £2,924 (2016: £3,046) were reimbursed to four trustees (2016: four) and accommodation expenses of £nil (2016: £466) were reimbursed to no trustees. Travel expenses of £643 (2016: £875) were waived by five trustees (2016: five).

15 DONATIONS FROM RELATED PARTIES

Aggregate donations (including tax refunds) received from trustees, key management personnel and their close family members was £22,229 (2016: £14,280).

16 RELATED PARTY TRANSACTIONS

Related party transactions during the year relate to the European Navigator regional organisation known as NavEurope, the charity Friends International and grants made to the self-employed representatives to further the purposes of the charity.

Martin Osborn is a trustee of both The Navigators UK Limited and NavEurope. The Navigators UK Limited paid an annual contribution of £17,034 (2016: £15,777) 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 £7,035 (2016: £4,331) for this help.

Stephen Peters is a trustee of both The Navigators UK Limited and Friends International. The Navigators UK Limited made a gift of £850 from the designated Tithe Fund to Friends International for the support of an individual (2016: £nil).

Stephen Peters is a trustee of The Navigators UK Limited and is a close family member of Timothy Peters, a self-employed representative of the charity. Grants made to Timothy Peters to further the purposes of the charity were £17,384 (2016: £16,123).

Derek Leaf is the Country Leader of The Navigators UK Limited, a role that is considered to be key management personnel, and is a close family member of Eva Leaf. As described in the Trustees Report, the Country Leader operates as a self-employed representative of the charity and as such grants totalling £29,094 were made to the Derek and Eva Leaf to further the purposes of the charity (2016: £25,344).

In addition, Derek Leaf is a close family member of Zanel Leaf, a self-employed representative of the charity. Grants made to Zanel Leaf to further the purposes of the charity were £5,400 (2016: £6,442).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

17 PRIOR YEAR FUND COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

18 RECONCILIATION OF THE STATEMENT OF FINANCIAL ACTIVITIES

	Statement of Financial Activities	Debtors & Prepayments	2017				2016
			Creditors & Accruals	Stock levels	Fixed assets	Cash flow	Cash flow
	£	£	£	£	£	£	£
A1 Income from donations and legacies (Increase)/decrease in debtors	1,584,506	(1,670)				1,582,836	1,554,974
A2 Income from charitable activities (Increase)/decrease in debtors Increase/(decrease) in deferred income	80,129	(487)	(355)			79,287	62,703
A3 Income from other trading activities	3,356					3,356	2,856
B1 Costs of charitable activities Depreciation eliminated (Increase)/decrease in prepayments Increase/(decrease) in creditors and accruals (Increase)/decrease in stocks	(1,795,941) 2,030	(10,761)	(2,347)	(3,130)		(1,810,149)	(1,664,115)
B2 Costs of raising funds	(1,135)					(1,135)	(2,044)
C1 Interest from investments (Increase)/decrease in debtors	1,199	898				2,097	8,232
C2 Costs of purchasing fixed assets					(1,748)	(1,748)	(4,027)
Balance sheet movements		(12,020)	(2,702)	(3,130)	(1,748)	(145,456)	(41,421)

19 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	2017 £	2016 £	Change £
Savings account	150,000	150,000	-
Cash at bank and in hand	509,820	655,276	(145,456)
	659,820	805,276	(145,456)

	2016 £	2015 £	Change £
Savings account	150,000	825,100	(675,100)
Cash at bank and in hand	655,276	21,597	633,679
Cash	805,276	846,697	(41,421)