



**THE NAVIGATORS UK LIMITED**

**A Company Limited by Guarantee**

**Company no. 04429021**

**Charity Registered in England & Wales no. 1099148**

**Charity Registered in Scotland no. SC038484**

**ANNUAL REPORT AND ACCOUNTS**

**31 August 2020**

**THE NAVIGATORS UK LIMITED**

**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020**

**CONTENTS**

	<b>Page</b>
<b>Report of the Trustees</b>	
Objectives and Activities	<b>1</b>
Achievements and Performance	<b>3</b>
Financial Review	<b>5</b>
Plans for Future Periods	<b>7</b>
Structure, Governance and Management	<b>7</b>
Reference and Administrative Information	<b>10</b>
Statement of Trustees' Responsibilities	<b>11</b>
<b>Independent Auditor's Report to the Trustees</b>	<b>12</b>
<b>Statement of Financial Activities</b>	<b>15</b>
<b>Balance Sheet</b>	<b>16</b>
<b>Statement of Cash Flows</b>	<b>17</b>
<b>Accounting Policies</b>	<b>18</b>
<b>Notes to the Accounts</b>	<b>19-25</b>

## **THE NAVIGATORS UK LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020**

---

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 2020. 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 six years setting deficit budgets in order to invest in growing the ministry and meeting key needs. In 2019/20 we received significant gifts that have taken us back over our target maximum reserves. This is very timely in putting us in a good position to weather the CV-19 storm.

Covid-19 heavily impacted ministry and leadership from March 2020 onwards due to reduced access to people and reduced capacity where Navigator representatives needed to school children at home. We have not seen any significant reduction in financial support to our representatives but we are monitoring the situation closely. We will use reserves to make very short-term discretionary grants to support any representative who gets into severe financial difficulty whilst they fundraise or find alternative ministries.

We have received a legacy of a house from someone who had a long-term involvement with the Navigators. This is a significant asset and a great centre for ministry in London. We are fully committed to maintaining the house in its discipling ministry out of respect and gratitude to the donor. The house will also generate, in the medium term, a net cash surplus from rent minus expenses.

The budget for 2019/20 will again be a deficit budget. We have ceased any significant central fundraising because of our strong cash position.

At 31 August 2020 we had 80 Navigator self-employed representatives and 37 volunteer Navigator associates.

#### **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

**Report of the trustees for the year ended 31 August 2020 (continued)**

---

**Public Benefit**

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

**Fundraising Activity**

The Charity's fundraising approach is based on building personal relationships with donors and potential donors, inspiring those who share our goals to want to partner in our work both financially and through prayer. Self-employed Navigator representatives are responsible for raising their own financial support; the Charity can provide them with information packs and fundraising materials to help them in this.

Fundraising to support central Charity costs is normally overseen by the National Fundraising Team, which comprises two trustees and members of the National Leadership Team. The Charity does not use commercial fundraisers. There has been minimal new central fundraising activity due to our strong financial situation.

Supporters are thanked appropriately and their data is kept secure. We do not sell or share supporter data for marketing purposes. We have not received any complaints about our fundraising activity.

**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 reflect Jesus' love for others.
- To see this personal transformation having an impact on those around them so others are drawn into this same way of living out that love for others as a consequence of their own personal encounters with God.
- To enable those who join this ministry to be trained both in a 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, those of different cultures living in the UK, and church small groups and leaders. Some of our representatives do similar work in other countries, mostly in Europe but also in Africa, the USA 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 a graduate programme called Connect, and a NavEquip course for those wishing to develop a longer term association with the Navigators UK.
- Events to connect and envision friends and supporters, and conferences for students and recent graduates.

## ACHIEVEMENTS AND PERFORMANCE

### Support and Development of Navigator Representatives

- The two region organisational approach has developed well over this year. The Scotland and Ireland Region is developing many new initiatives. The situation in the England and Wales Region is more complex and they are working on how best to organise in a way that best supports the development of the mission.
- A Missions Team provided care and oversight for those ministering overseas. They also oversee our international summer missions. This year a couple who have been serving for many years in France have returned to the UK for a sabbatical and redeployment.
- A National Student Ministry Leader offered training for students and representatives involved in the student ministries. Two leaders were being trained to work alongside the National Student Ministry Leader; however one has moved on and we are working to develop a replacement.
- 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 limit of 25% of their budget in the first year and 12.5% in the second. This aims to provide support with their initial fundraising.
- The NavEquip course is being developed as a replacement for the Foundations for Ministry (FFM) course. Building on the material and approach of FFM, this is a two-year developmental programme which aims to help people in all walks of life develop as disciples in their context. It is suitable for those in secular roles and those training to be Navigator representatives, for whom this will form the first two of three years of representative training.
- Eight new graduates enrolled on our one-year Connect programme and one 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 Finance Manager will be retiring soon and we are actively seeking a replacement.
- Our annual weekend conference for all representatives was held in May 2020. The original programme had to be postponed due to Covid-19, with a shorter conference being held online instead, which included a motivational message from the International President.

### Ministry Size

At 31 August 2020 there were 37 associates and 80 representatives associated with Navigators UK, including three new representatives and three new associates who joined us over the course of the year. Of these, around 40 ministered to university students in eleven UK cities, with a particular ministry to international students in some of these. The future for university ministry and international student ministry is currently uncertain because of Covid-19 restrictions; we are running an online campaign to develop new connections with students.

### 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 21<sup>st</sup> century life, but would put these students in a good place to support and help others in the same way. In the light of the Covid-19 restrictions, there has been a shift to connecting online.

**Report of the trustees for the year ended 31 August 2020 (continued)**

---

As many students have been dealing with mental health issues connected to or exacerbated by Covid-19, much of the ministry has moved to providing support to such students.

**Crossing Cultures UK**

The ministry of Crossing Cultures UK seeks to help people who live in the UK but who do not consider themselves part of the host culture. Those involved engage in dialogue for mutual understanding on issues of faith and life in the UK.

**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. During the year Covid-19 brought an end to meeting with new contacts, although existing groups were able to move online. A pilot group has begun to work out how best to launch the workshops and groups online. This has brought an advantage in terms of connecting people from overseas who normally would have been unable to participate.

**20s and 30s**

The 20s 30s ministry seeks to help people transitioning from education into the working world. Whereas the student ministries help people to engage with how the world works and their part in it, this ministry is more practical as the issues of life hit home and questions are raised about how faith relates to such circumstances. An effort is beginning to bring the disparate groups together so that they can learn from one another.

**Church-Based Ministry**

Links have been established with a number of churches to assist them in discipling. A group of people who have experience bringing a discipling emphasis to churches has come together to develop a tailored approach and materials that can be offered to churches. 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 Leicester and Southampton, the Navigators have partnered with local churches in the provision of year-long discipling training courses.

**Overseas Mission**

During 2019/20, eight representatives regularly support and coach nationals in various countries; Covid-19 brought an end to regular travel overseas so these representatives continue with their contacts through online methods. A further seven representatives live overseas.

Due to Covid-19 all of our short-term summer mission trips were cancelled. This was a great loss, but efforts were turned instead to supporting young people who were trying to work out how to adapt to the lock down.

**Special Events**

A five-day residential School of Discipling was organised in Scotland. However, because of Covid-19 it had to be replaced by a three-day online conference led by members of the Scotland and Ireland Leadership Team. It was disappointing to be online, but groups in England

**Report of the trustees for the year ended 31 August 2020 (continued)**

---

were also able to engage with it for the first time. Some groups set up for that conference have continued online.

The Big Weekend, a residential conference for students and recent graduates, was held in Blackpool and was attended by more than 100 people. This year it looked at the subject of echochambers, with talks by Jackie Hird aimed at helping people listen to those around them.

**FINANCIAL REVIEW**

The balance sheet shows total net assets of £2,148,708, which is an increase of £1,515,318 during 2019/20. The majority of this increase is a house in London that was left to The Navigators UK Ltd in a legacy as a gift in kind. Ownership of this house has not yet passed to the Charity so it appears in the accounts as a debtor. The house has been included at a value to the Charity of £1,400,000, based on the probate valuation for HMRC. There are no funds in deficit in the accounts.

Two new designated funds have been created during 2019/20 – a Fixed Assets Fund to hold the value of fixed assets, and a Central Services Fund, to contribute towards future central support costs.

**Income**

Voluntary donations excluding gifts in kind increased to £1,415,586, a rise of £66,324 (4.9%) compared with last year. A legacy of £122,000 contributed to this increase. Half of this legacy has been designated by the trustees to form the Central Services Fund.

Gift aid decreased to £177,872, a fall of £23,764 (11.8%) compared with last year.

Most of our voluntary income is restricted by the donors to support the ministries of particular Navigator representatives or projects. An 8% administration charge was levied on restricted gifts to help fund the national office.

The trustees are conscious that the Covid-19 pandemic may impact the income of the Charity if a significant number of our donors are unable to continue supporting us due to changes in their financial position. They are actively monitoring the monthly income for the support of individual Navigator representatives and for our general funds. If there are indications that particular Navigator representatives are suffering hardship as a result of a fall in income, the Charity may make short-term discretionary grants to these representatives from the reserves. To date these measures have not been necessary.

**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.

Unrestricted funds (including the 8% 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 were £189,917, a decrease of £10,858 (5.4%) compared with last year.

**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 and a 35-day notice savings account, with the rest of the 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.

**Report of the trustees for the year ended 31 August 2020 (continued)****Reserves Policy**

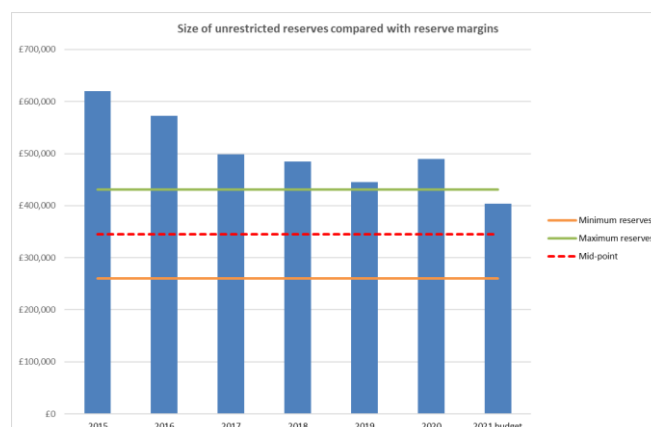
Unrestricted funds are held in general funds to meet the costs of future ministries and projects and to underwrite current activities. Monitoring of reserve levels, resultant budget setting and review of actual financial performance are reviewed by both the Finance Committee and the Board.

Key elements of our reserve policy:

- Unrestricted free reserves (defined as unrestricted funds excluding designated funds) are held to protect against a sudden and catastrophic fall in donations and/or related tax relief. This is 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 and is consistent with good practice.
- 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
  - 30% 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 target reserves under this policy based on 2020/21 budgeted costs result in a maximum unrestricted reserve level of £430,634 and a minimum unrestricted reserve level of £260,507 (giving a midpoint target of £345,571).
- The unrestricted free reserves were £489,512 as at 31 August 2020, which is well above the maximum unrestricted reserve level. The trustees consider that the Charity should therefore reduce the reserves and accordingly have set a deficit budget of approximately £85,500 for 2020/21.





**PLANS FOR FUTURE PERIODS**

The student ministries in the UK are all adapting to the current Covid-19 crisis. At this point that means moving online. An online advertising campaign will encourage the development of new connections with students.

Those in ministry in church environments are meeting to work out an online path to discipling that will be helpful for churches. This includes many hours of seminar material that could be delivered online.

The work of the Navigators is continuing to develop in Europe; Navigators UK, as one of the most developed ministries, is being increasingly involved in the European region through sharing expertise and mentoring.

The Big Weekend and Student Forum conferences have been suspended. Though very successful, these events were overstressing our resources in terms of representative capacity. The focus will instead be placed on a National Student Conference to be held at the beginning of the academic year. This will begin in 2021.

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

Second Half Living, the Navigator ministry to people aged 50+, has responded to Covid-19 by moving existing groups online. It is planning to explore running seminars for a new group this coming year.

A succession process for a new leader is to be run in the middle of next year. We hope to utilise a more collaborative style of leadership selection called a discerning process.

**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 and the Country Leader, 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 three times this year and currently comprises four trustees and a representative; 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, having reached the end of his nine-year allowed involvement. One other trustee also reached the end of their allowed time but the Board of trustees agreed to a one-year extension to aid continuity in these challenging days. Three new trustees have joined and bring many skills and experience, together with a stronger input from Scotland. The Board works well together as it is, but we need to keep anticipating future trustee turnover 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 had been rotated to visit different towns and cities through the year, with time set aside to meet the representatives in the various locations. Covid-19 has brought a temporary halt to this rotation. Trustees are encouraged to attend local Navigator events and meetings to have contact with representatives and supporters when this is possible.

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.

For a number of years the ministries of Navigators UK had been 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. However, the quadrants have now been replaced by two regions – Scotland and Ireland, and England and Wales. This year has been the first year of transition.

A National Fundraising Team comprising two trustees and members of the National Leadership Team was established in 2015/16 with the objective of managing central fundraising initiatives to support specific ministries. The team is not currently functioning because of our strong financial position and the effects of Covid-19.

The trustees are thankful for the continued 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.

The principal risks identified are the financial and ministry impacts of Covid-19, the loss of key office staff and current legislative uncertainties around the definitions of employment status.

In common with many charities with a small number of employees, the loss of key office staff through illness or resignation poses a risk to the day-to-day functioning of the Charity. The trustees have in place measures to detect emerging issues in good time but accept there will still be a residual risk.

In relation to employment status, the trustees have concluded a major review of all our internal documentation relating to procedures and policies affecting the self-employed Navigator representatives and our employed staff. This has been conducted to ensure that we accurately reflect the reality of these different relationships. We have reviewed the latest government tool for assessing self-employed status but it does not appear to be relevant to our Charity.

The trustees continue to ensure a regular focus on our reserve levels as an integral part of our budgeting process.

**Report of the trustees for the year ended 31 August 2020 (continued)**

---

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Charity Registered in England & Wales No.	1099148
Charity Registered in Scotland No.	SC038484
Company No.	04429021

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†  
K Glazebrook†  
S Mulholland  
S Peters\* (to 13/11/2019)  
S Wroe\*\*†  
L de Caestecker (from 2/4/2020)  
H Heron† (from 7/4/2020)  
S-M Kueh (from 23/7/2020)

\*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 (incorporating the strategic report and directors' report) and the financial statements in accordance with 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 Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Signed on behalf of the Board of Trustees

Martin Osborn – Chair

Date

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NAVIGATORS UK LIMITED**

---

**Opinion**

We have audited the financial statements of The Navigators UK Limited (the "Charity") for the year ended 31 August 2020 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 and section 44(1)c of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the 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 2020 and of its income, expenditure and cash flows 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 regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 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 Trustees 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 Charities Accounts (Scotland) Regulations 2006 (as amended) 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 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.

**Independent Auditor's Report to the Trustees of The Navigators UK Limited (continued)****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](http://www.frc.org.uk/apb/scope/private.cfm) This description forms part of our auditor's report.

**Joshua Kingston ACA (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: .....



## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted general funds	Unrestricted designated funds	Restricted funds	2020 Total	2019 Total
Note		£	£	£	£	£
<b>Income from:</b>						
Donations and legacies	1	1,572,604	-	1,420,854	2,993,458	1,550,898
Charitable activities	2	48,696	-	-	48,696	90,238
Other trading activities	3	4,588	-	-	4,588	4,641
Investments		2,078	-	215	2,293	2,108
<b>TOTAL</b>		<b>1,627,966</b>	<b>-</b>	<b>1,421,069</b>	<b>3,049,035</b>	<b>1,647,885</b>
<b>Expenditure on:</b>						
Charitable activities	4,5					
Payments to representatives and projects		101,277	9,456	1,271,662	1,382,395	1,474,920
National and regional initiatives		88,378	-	1,030	89,408	93,813
Training, development and care		23,298	-	-	23,298	55,893
Events		37,188	-	-	37,188	61,557
Raising funds		1,428	-	-	1,428	1,394
<b>TOTAL</b>		<b>251,569</b>	<b>9,456</b>	<b>1,272,692</b>	<b>1,533,717</b>	<b>1,687,577</b>
<b>Net income/(expenditure)</b>	6	1,376,397	(9,456)	148,377	1,515,318	(39,692)
Transfers between funds	11	(1,334,839)	1,478,403	(143,564)	-	-
<b>Net movement in funds</b>	11	<b>41,558</b>	<b>1,468,947</b>	<b>4,813</b>	<b>1,515,318</b>	<b>(39,692)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		447,954	28,652	156,784	633,390	673,082
<b>Total funds carried forward</b>	11	<b>489,512</b>	<b>1,497,599</b>	<b>161,597</b>	<b>2,148,708</b>	<b>633,390</b>

The Charity has no other recognised gains or losses other than the results for the year as set out above.

All the activities of the Charity are classed as continuing.

Prior year fund comparatives are disclosed in note 17.

The notes on pages 17 to 25 form part of these financial statements.

## BALANCE SHEET AS AT 31 AUGUST 2020

		2020		2019	
	Note	£	£	£	£
<b>TANGIBLE FIXED ASSETS</b>	8		2,343		2,574
<b>CURRENT ASSETS</b>					
Stock of literature and merchandise at cost		5,786		6,184	
Prepayments and debtors	9	1,472,491		47,449	
Savings accounts		350,867		150,000	
Cash at bank and in hand		328,075		441,831	
		<u>2,157,219</u>		<u>645,464</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	10	10,854		14,648	
		<u>10,854</u>		<u>14,648</u>	
<b>NET CURRENT ASSETS</b>			2,146,365		630,816
<b>TOTAL NET ASSETS</b>			<u>2,148,708</u>		<u>633,390</u>
<b>STATEMENT OF FUNDS</b>	12				
Restricted funds			161,597		156,784
Unrestricted funds					
General funds			489,512		447,954
Designated funds			1,497,599		28,652
<b>TOTAL FUNDS</b>			<u>2,148,708</u>		<u>633,390</u>

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Approved by the Trustees on .....2020 and signed on their behalf by:

.....  
The notes on pages 17 to 24 form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 Total funds £	2019 Total funds £
<b>OPERATIONAL CASH FLOWS</b>			
<b>Cash flows for operating activities</b>			
Income from donations and legacies	19 (A1)	1,570,801	1,544,426
Costs of raising funds	19 (B2)	(1,428)	(1,394)
Income from other trading activities	19 (A3)	4,588	4,641
<b>Net inflow for operating activities</b>		<b>1,573,961</b>	<b>1,547,673</b>
<b>Cash flows from operating activities</b>			
Income from charitable activities	19 (A2)	49,520	90,905
Costs of charitable activities	19 (B1)	(1,537,663)	(1,694,146)
<b>Net outflow from operating activities</b>		<b>(1,488,143)</b>	<b>(1,603,241)</b>
<b>Net inflow/(outflow) of operating activities</b>		<b>85,818</b>	<b>(55,568)</b>
<b>NON-OPERATIONAL CASH FLOWS</b>			
<b>Investing activities</b>			
Interest from investments	19 (C1)	2,518	2,015
Costs of purchasing fixed assets	19 (C2)	(1,225)	(2,849)
<b>Net inflow from investing activities</b>		<b>1,293</b>	<b>(834)</b>
<b>Net cash inflow/(outflow) for year</b>	20	<b>87,111</b>	<b>(56,402)</b>

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 25 form part of these financial statements.

**ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2020**

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.

The trustees consider that 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. The trustees have considered going concern in the context of the Covid-19 pandemic and its effects on the Charity and the economy.

**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 property donated to the charity in the year as a legacy was recognised in the accounts at value to the Charity (based on the open market value as reported to HMRC by the probate solicitor). 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.
- Income from legacies is recognised when there is entitlement to the income (the charity has been notified of the terms of the will after the death of the benefactor), it is probable that the asset will be receivable and it is measurable.

**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. Assets are initially recognised at cost or value to the Charity, and then held at this value less subsequent depreciation. An annual review for indicators of impairment is carried out on the property of the Charity by the Trustees. 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 - 25% p.a. straight line
- Property - 2% p.a. straight line; land - 0%

**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.

**g. Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

**h. Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**i. Creditors**

Creditors are recognised as soon as there is a legal or constructive obligation committing the Charity to pay out resources. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

**j. Pensions**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity and are independently administered. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

**k. Leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

## 1 INCOME FROM DONATIONS AND LEGACIES

	2020			2019		
	Unrestricted general funds	Restricted funds	Total	Unrestricted general funds	Restricted funds	Total
	£	£	£	£	£	£
Donations	45,603	1,247,983	1,293,586	46,380	1,296,233	1,342,613
Legacies (including gifts in kind)	1,522,000	-	1,522,000	-	6,649	6,649
Tax refunds	5,001	172,871	177,872	6,488	195,148	201,636
	<u>1,572,604</u>	<u>1,420,854</u>	<u>2,993,458</u>	<u>52,868.00</u>	<u>1,498,030.00</u>	<u>1,550,898</u>

Of the legacies reported in 2020, £1,400,000 relates to the gift of a property to the Charity.

## 2 INCOME FROM CHARITABLE ACTIVITIES

	2020			2019		
	Unrestricted general funds	Restricted funds	Total	Unrestricted general funds	Restricted funds	Total
	£	£	£	£	£	£
Administration subscriptions	7,788	-	7,788	8,732	-	8,732
National and regional initiatives	7,412	-	7,412	6,889	-	6,889
Training, development and care	9,862	-	9,862	25,552	-	25,552
Events	14,410	-	14,410	39,412	-	39,412
Provision of office support to European Navigator Region	9,224	-	9,224	9,653	-	9,653
	<u>48,696</u>	<u>-</u>	<u>48,696</u>	<u>90,238</u>	<u>-</u>	<u>90,238</u>

## 3 INCOME FROM OTHER TRADING ACTIVITIES

	2020			2019		
	Unrestricted general funds	Restricted funds	Total	Unrestricted general funds	Restricted funds	Total
	£	£	£	£	£	£
Rental income	4,588	-	4,588	4,641	-	4,641
	<u>4,588</u>	<u>-</u>	<u>4,588</u>	<u>4,641</u>	<u>-</u>	<u>4,641</u>

## 4 EXPENDITURE ON CHARITABLE ACTIVITIES AND RAISING FUNDS

	2020			2019		
	Direct costs	Central support costs	Total	Direct costs	Central support costs	Total
	£	£	£	£	£	£
Charitable activities						
Payments to representatives and projects	1,290,534	91,861	1,382,395	1,376,659	98,261	1,474,920
National and regional initiatives	21,281	68,127	89,408	22,791	71,022	93,813
Training, development and care	13,802	9,496	23,298	45,854	10,039	55,893
Events	17,590	19,598	37,188	40,950	20,607	61,557
Raising funds	593	835	1,428	548	846	1,394
	<u>1,343,800</u>	<u>189,917</u>	<u>1,533,717</u>	<u>1,486,802</u>	<u>200,775</u>	<u>1,687,577</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 £45,738 (2019: £48,140) were paid to Navigator projects based in UK, Africa and North America. The remaining payments of £1,244,796 (2019: £1,328,519) consisted of grants to individuals.

## 5 CENTRAL SUPPORT COSTS

	2020	2019
	£	£
Costs relating to staff	117,494	121,784
Costs relating to premises	22,706	22,865
Administration, communications and other charity running costs	42,064	47,214
Costs relating to governance	7,653	8,912
	<u>189,917</u>	<u>200,775</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

**6 NET INCOME BEFORE TRANSFERS**

This is stated after charging:

	<u>2020</u>	<u>2019</u>
	£	£
Depreciation	1,456	2,156
Auditor's remuneration	6,342	5,970

**7 STAFF COSTS AND NUMBERS**

	<u>2020</u>	<u>2019</u>
	£	£
Salaries and wages	101,774	103,550
Employer's national insurance contributions	4,556	6,744
Pension contributions	8,158	7,971
	<u>114,488</u>	<u>118,265</u>

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

The average number of employees was four (2019: five).

No employment benefits were paid to key management personnel (2019: none).

**8 FIXED ASSETS**

	<u>Equipment</u>	<u>Total</u>
	£	£
<b>Cost</b>		
At 1 September 2019	11,246	11,246
Disposals	(2,622)	(2,622)
Additions	1,225	1,225
At 31 August 2020	<u>9,849</u>	<u>9,849</u>
<b>Depreciation</b>		
At 1 September 2019	8,672	8,672
Depreciation on disposals	(2,622)	(2,622)
Charge for the year	1,456	1,456
At 31 August 2020	<u>7,506</u>	<u>7,506</u>
<b>Net book value</b>		
At 31 August 2020	<u>2,343</u>	<u>2,343</u>
At 31 August 2019	<u>2,574</u>	<u>2,574</u>

**9 PREPAYMENTS AND DEBTORS**

	<u>2020</u>	<u>2019</u>
	£	£
Debtors re income from donations and legacies	1,452,152	29,495
Debtors re income from charitable activities	12	991
Debtors re income from investments	56	281
Prepayments re costs of charitable activities	20,271	16,682
	<u>1,472,491</u>	<u>47,449</u>

Of the debtors re income from donations and legacies reported in 2020, £1,400,000 relates to the gift of a property to the Charity, the title of which has not yet passed to the Charity. Once the title has passed to the Charity this will be recorded as a fixed asset.

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2020</u>	<u>2019</u>
	£	£
Deferred income re income from charitable activities	1,082	1,237
Creditors/accruals re cost of charitable activities:		
Tax and national insurance	1,654	3,129
Other creditors	1,818	4,312
Accruals	6,300	5,970
	<u>10,854</u>	<u>14,648</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

## 11 MOVEMENT IN FUNDS

Prior year comparatives are disclosed in note 18.

Note	At 1 Sept 2019 £	Income and gains £	Expenditure and losses £	Transfers between funds £	At 31 Aug 2020 £
<b>UNRESTRICTED FUNDS</b>					
General Funds	447,954	1,627,966	(251,569)	(1,334,839)	<b>489,512</b>
Libby Hinton Fund (designated) (i)	22,418	-	(1,456)	-	<b>20,962</b>
Tithe Fund (designated) (ii)	6,234	-	(8,000)	15,060	<b>13,294</b>
Fixed Assets Fund (designated) (iii)	-	-	-	1,402,343	<b>1,402,343</b>
Central Services Fund (designated) (iv)	-	-	-	61,000	<b>61,000</b>
	<u>476,606</u>	<u>1,627,966</u>	<u>(261,025)</u>	<u>143,564</u>	<u><b>1,987,111</b></u>
<b>RESTRICTED FUNDS</b>					
Representative Funds (v)	83,493	1,388,490	(1,271,325)	(112,525)	<b>88,133</b>
Admin Fund (vi)	-	26,856	-	(26,856)	<b>-</b>
Scottish Admin Fund (vii)	4,403	720	-	-	<b>5,123</b>
Robinson Africa Fund (viii)	62,126	215	(337)	-	<b>62,004</b>
Second Half Living (ix)	4,047	-	(236)	-	<b>3,811</b>
Connect (x)	460	500	-	(500)	<b>460</b>
Student Ministries (xi)	2,000	-	(794)	-	<b>1,206</b>
Church Ministries (xii)	255	450	-	155	<b>860</b>
Other restricted gifts (xiii)	-	3,838	-	(3,838)	<b>-</b>
	<u>156,784</u>	<u>1,421,069</u>	<u>(1,272,692)</u>	<u>(143,564)</u>	<u><b>161,597</b></u>
<b>TOTAL FUNDS</b>	<u>633,390</u>	<u>3,049,035</u>	<u>(1,533,717)</u>	<u>-</u>	<u><b>2,148,708</b></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 associated with other Navigator organisations worldwide in line with the Charity's objectives.
- (iii) **Fixed Assets Fund** is a fund designated by the trustees to hold the value of fixed assets and the value of a property legacy awaiting transfer of the title to the Charity.
- (iv) **Central Services Fund** holds part of a legacy that has been designated by the trustees to contribute towards central support costs.
- (v) **Representative Funds** represent restricted donations to The Navigators UK Limited for the support of individual self-employed Navigator representatives or their ministry funds.
- (vi) **Admin Fund** is a fund to receive restricted donations for administration costs.
- (vii) **Scottish Admin Fund** is a fund to receive restricted donations for administration costs associated with events and initiatives in Scotland.
- (viii) **Robinson Africa Fund** is a restricted fund comprising a legacy left to The Navigators UK Limited to be used for work in Africa.
- (ix) **Second Half Living** is a fund to receive restricted donations for Second Half Living initiatives.
- (x) **Connect** is a fund to receive restricted donations for the Connect graduate training programme.
- (xi) **Student Ministries** is a fund to receive restricted donations for Student Ministries initiatives.
- (xii) **Church Ministries** is a fund to receive restricted donations for Church Ministries initiatives.
- (xiii) **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 for specific purposes from unrestricted general funds into designated funds.
- **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 £	2020 Total £
Transfer of designated funds	(1,478,403)	1,478,403	-	-
Administration charge transfers	101,295	-	(101,295)	-
Ministry transfers	31,792	-	(31,792)	-
General Fund transfers	10,477	-	(10,477)	-
	<u>(1,334,839)</u>	<u>1,478,403</u>	<u>(143,564)</u>	<u>-</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

## 12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2020 Total
	£	£	£
Tangible fixed assets	2,343	-	2,343
Net current assets	1,984,768	161,597	2,146,365
Total net assets at 31 August 2020	1,987,111	161,597	2,148,708

At 31 August 2019, total net assets were £633,390, of which £630,816 were net current assets held by unrestricted funds (£474,032) and restricted funds (£156,784). The remaining £2,574 were tangible fixed assets held by unrestricted funds.

## 13 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020 the charitable company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Within one year	24,089	23,856
Within two to five years	34,724	4,818
More than five years	-	-
	58,813	28,674

Expenditure on the Statement of Financial Activities for the year ended 31 August 2020 relating to these leases was £25,545 (2019: £17,373).

## 14 TRUSTEES' REMUNERATION

None of the trustees received any remuneration in the year (2019: £nil).

Travel expenses of £341 (2019: £1,044) were reimbursed to three trustees (2019: five). Travel expenses of £69 (2019: £290) were waived by two trustees (2019: three).

## 15 DONATIONS FROM RELATED PARTIES

Aggregate donations (including tax refunds) received from trustees, key management personnel and their close family members was £30,379 (2019: £16,491).

## 16 RELATED PARTY TRANSACTIONS

Related party transactions during the year relate to grants made to the self-employed representatives to further the purposes of the charity.

Stephen Peters was a trustee of The Navigators UK Limited until November 2019 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 £19,995 (2019: £17,311).

Helen Heron became a trustee of The Navigators UK Limited in April 2020 and is a close family member of Kat Shepherd, a self-employed representative of the charity. Grants made to Kat Shepherd to further the purposes of the charity were £10,754 (2019: £12,160).

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 £31,693 were made to the Derek and Eva Leaf to further the purposes of the charity (2019: £22,640).

In addition, Derek Leaf is a close family member of both Hannah and Zanel Leaf, who have in the past been self-employed representatives of the charity. Grants made to Hannah Leaf to further the purposes of the charity were zero (2019: £5,484) and grants made to Zanel Leaf to further the purposes of the charity were zero (2019: £7,044).



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

## 17 PRIOR YEAR FUND COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2019 Total £
<b>Income from:</b>				
Donations and legacies	52,868	-	1,498,030	1,550,898
Charitable activities	90,238	-	-	90,238
Other trading activities	4,641	-	-	4,641
Investments	1,916	-	192	2,108
<b>TOTAL</b>	<b>149,663</b>	<b>-</b>	<b>1,498,222</b>	<b>1,647,885</b>
<b>Expenditure on:</b>				
Charitable activities				
Payments to representatives and projects	108,527	1,170	1,365,223	1,474,920
National and regional initiatives	92,929	-	884	93,813
Training, development and care	55,893	-	-	55,893
Events	61,557	-	-	61,557
Raising funds	1,394	-	-	1,394
<b>TOTAL</b>	<b>320,300</b>	<b>1,170</b>	<b>1,366,107</b>	<b>1,687,577</b>
<b>Net income/(expenditure)</b>	<b>(170,637)</b>	<b>(1,170)</b>	<b>132,115</b>	<b>(39,692)</b>
Transfers between funds	131,886	5,288	(137,174)	-
<b>Net movement in funds</b>	<b>(38,751)</b>	<b>4,118</b>	<b>(5,059)</b>	<b>(39,692)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	486,705	24,534	161,843	673,082
<b>Total funds carried forward</b>	<b>447,954</b>	<b>28,652</b>	<b>156,784</b>	<b>633,390</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

## 18 PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS

	Note	At 1 Sept 2018 £	Income and gains £	Expenditure and losses £	Transfers between funds £	At 31 Aug 2019 £
<b>UNRESTRICTED FUNDS</b>						
General Funds		486,705	149,663	(320,300)	131,886	447,954
Libby Hinton Fund (designated)	(i)	23,588	-	(1,170)	-	22,418
Tithe Fund (designated)	(ii)	946	-	-	5,288	6,234
		<u>511,239</u>	<u>149,663</u>	<u>(321,470)</u>	<u>137,174</u>	<u>476,606</u>
<b>RESTRICTED FUNDS</b>						
Representative Funds	(iii)	93,185	1,479,809	(1,365,223)	(124,278)	83,493
Admin Fund	(iv)	-	10,801	-	(10,801)	-
Scottish Admin Fund	(v)	3,683	720	-	-	4,403
Robinson Africa Fund	(vi)	61,934	192	-	-	62,126
Second Half Living	(vii)	281	-	(884)	4,650	4,047
Connect	(viii)	2,760	500	-	(2,800)	460
Student Ministries	(ix)	-	100	-	1,900	2,000
Church Ministries	(x)	-	1,000	-	(745)	255
Matched Funding	(xi)	-	5,000	-	(5,000)	-
Other restricted gifts	(xii)	-	100	-	(100)	-
		<u>161,843</u>	<u>1,498,222</u>	<u>(1,366,107)</u>	<u>(137,174)</u>	<u>156,784</u>
<b>TOTAL FUNDS</b>		<u>673,082</u>	<u>1,647,885</u>	<u>(1,687,577)</u>	<u>-</u>	<u>633,390</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) **Student Ministries** is a fund to receive restricted donations for Student Ministries initiatives.
- (x) **Church Ministries** is a fund to receive restricted donations for Church Ministries initiatives.
- (xi) **Matched Funding** is a fund to receive restricted donations to help fund the Matched Funding initiative for new Navigator representatives.
- (xii) **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
- **General Fund transfers:** donations that in the past have been restricted and have been redirected by the donor to unrestricted general

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	2019 Total £
Transfer of designated funds	(5,288)	5,288	-	-
Administration charge transfers	112,235	-	(112,235)	-
Ministry transfers	22,420	-	(22,420)	-
General Fund transfers	2,519	-	(2,519)	-
	<u>131,886</u>	<u>5,288</u>	<u>(137,174)</u>	

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

## 19 RECONCILIATION OF THE STATEMENT OF FINANCIAL ACTIVITIES

	2020					2019
	Statement of	Debtors &	Creditors &	Stock levels	Cash flow	Cash flow
	Financial Activities	Prepayments	Accruals			
	£	£	£	£	£	£
<b>A1 Income from donations and legacies</b>	2,993,458					
(Increase)/decrease in debtors		(1,422,657)			1,570,801	1,544,426
<b>A2 Income from charitable activities</b>	48,696					
(Increase)/decrease in debtors		979				
Increase/(decrease) in deferred income			(155)		49,520	90,905
<b>A3 Income from other trading activities</b>	4,588				4,588	4,641
<b>B1 Costs of charitable activities</b>	(1,532,289)					
Depreciation eliminated	1,456					
(Increase)/decrease in prepayments		(3,589)				
Increase/(decrease) in creditors and accruals			(3,639)			
(Increase)/decrease in stocks				398	(1,537,663)	(1,694,146)
<b>B2 Costs of raising funds</b>	(1,428)				(1,428)	(1,394)
<b>C1 Interest from investments</b>	2,293					
(Increase)/decrease in debtors		225			2,518	2,015
<b>C2 Costs of purchasing fixed assets</b>	(1,225)				(1,225)	(2,849)
<b>Balance sheet movements</b>		<b>(1,425,042)</b>	<b>(3,794)</b>	<b>398</b>	<b>87,111</b>	<b>(56,402)</b>

## 20 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	2020	2019	Change
	£	£	£
Savings account	350,867	150,000	200,867
Cash at bank and in hand	328,075	441,831	(113,756)
	678,942	591,831	87,111

	2019	2018	Change
	£	£	£
Savings account	150,000	150,000	-
Cash at bank and in hand	441,831	498,233	(56,402)
	591,831	648,233	(56,402)