



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 2021

THE NAVIGATORS UK LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

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Report of the trustees for the year ended 31 August 2021

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 2021. 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. We have not been significantly impacted financially by COVID-19 but it has hindered our student and church ministries. Other ministries have progressed positively during the pandemic and we have also published a number of useful resources.

Historically we have had significant unrestricted reserves and therefore have spent seven years trying to set deficit budgets in our general fund. This was in order to invest in growing the ministry and meeting key needs. However COVID-19 prevented physical meetings and the full budget was not spent.

In 2020/21 we continued to receive significant gifts that have taken us back over our target maximum reserves. Therefore we will again be setting a deficit budget for 2021/22 to invest heavily in our ministry.

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 disciple making ministry out of respect and gratitude to the donor. We are also expecting a significant cash legacy with the house. This will be placed in a designated fund to support a programme of planned maintenance on the house. The house will also generate, in the medium term, a net cash surplus from rent minus expenses.

Three new representatives and four new associates joined over the course of the year. A number of people retired and we will miss their great contribution but wish them great blessing – well done good & faithful servants!

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 2021 (continued)

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.
- Helping people of all ages withstand the turmoil of 21st Century life by developing greater emotional and spiritual resilience.

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 and self-funding associates, 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 and associates, 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

In April 2021 a new Country Leader was appointed through a process of nomination, and then the holding of an online selection conference with representatives and the board of the UK Navigators. There has been successful transition to the new Country leader.

Support and Development of Navigator Representatives and Associates

- The two region organisational approach has developed well over this year. The Scotland and Ireland Region is developing many new initiatives including developing some work in the Republic of Ireland in the next few years. The situation in the England and Wales Region is developing with a new England and Wales team appointed in Sept 2021 to develop the work and bring a sense of shared calling and mission to the work.

Report of the trustees for the year ended 31 August 2021 (continued)

- A Missions Team provided care and oversight for those ministering overseas. They also oversee our international summer missions. This year a couple from Latvia have returned to the UK for a time of sabbatical and re-assignment, and another representative from overseas is currently taking a sabbatical. Two other couples are in early stages of exploring moving overseas with the Navigators.
- A National UK Student Network Leader offered training for students, representatives and associates involved in the student ministries. A team around this leader has been established to develop the work in England and Wales and Scotland and Ireland regions - including a new student Network lead in England and Wales.
- 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 which is designed to equip people to live out their faith through all arenas of life has gone through its first pilot year with 12 participants and now over 20 people are involved in the second pilot year. The aim is a course that is accessible to people in full time work as well as those currently serving as representatives.
- Seven new graduates participated in on our one-year Connect programme and three underwent a second year of training and development as part of NavEquip 1 training.
- 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. We have appointed a new finance manager and he has proved a hugely successful addition to the team for the charity.
- Our annual weekend conference for all representatives and associates was held in May 2021. Due to COVID-19 it was held online but was a very inspiring time for all involved.

Ministry Size

At 31 August 2021 there were 45 associates and 75 representatives associated with Navigators UK, including three new representatives and four 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.

Student Ministry

Approximately 400 students have been ministered to across a number of different cities. The aim in what we do is depth of investment in individuals in order to establish foundations in their lives that will not only stand the turmoil of the 21st century, but would put these students in a good place to support and help others in the same way. Our vision is to invest in the few for the sake of the many. We believe depth is the key to long term impact in life.

In the light of the COVID-19 restrictions, there has been a shift to connecting online and throughout this whole year ministry has continued to be affected by the pandemic. The adaptability and creativity of the ministries in the light of restrictions has been admirable. Like the previous year – COVID-19 has had a real impact on the mental health of many of the students and the ministries have sought to support students appropriately in these circumstances.

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 engaging in dialogue for mutual understanding on issues of faith and life in the UK. This portion of the ministry has utilised online platforms over this past year to provide training in crossing cultures to a wider UK and European audience.

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. COVID-19

curtailed the possibility of doing face-to-face gatherings and they piloted some groups online. Study booklets are nearing their final drafts and the team are exploring training a cohort of leaders around the UK.

20s and 30s (Life long labouring)

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. Over this year a learning community gathered to share vision and creative ideas about how to develop people in this age bracket most effectively and a number of groups have been pioneered across the UK as a result. A new initiative has been developed in Scotland and Ireland where they have developed NavNetwork –training that has reached over 300 people in its first year in online events and is developing into regional hubs of people focused on how to build deep foundations of faith in Christians and communicate the relevance of the Christian faith into our culture in a way that makes sense.

Church-Based Ministry

This ministry has seen a transition of leadership to a new 'interim' leader over the past year. COVID-19 has affected some of the ongoing work with church leaders that was happening across the UK – with most churches just coping with the reality of life during a pandemic. A clear focus for this group has emerged of investing in those who are seeking to serve within their local churches. We continue to have strategic partnerships with local churches across the UK including in student ministry, training (Southampton) and numerous other places where representatives and associates of the Navigators make significant contributions in areas of leadership, preaching, training and small groups.

Overseas Mission

During 2020/21, eight representatives regularly supported and coached nationals in various countries; COVID-19 brought an end to regular travel overseas so these representatives continue with their contacts through online methods. Over this period seven individuals served overseas and a number of others explored moving there in the next few years.

Due to COVID-19 all of our short-term summer mission trips were again cancelled. This was a great loss.

Special Events

A five-day summer school residential in Scotland was again cancelled because of COVID-19 and this was replaced by an online event which was attended by 80 people from across Scotland. In the second part of the year in person residential events took place for women in ministry in Scotland, the wider Scottish team and student workers from across the country.

Publications

The production and distribution of resources to support discipleship and the understanding of the Christian faith has always been a significant aspect of our work. The majority of publications we distribute are short books written by our representatives and editorial team. Over the year one new book was published and two further books were written and published in September of 2021. Despite the pandemic impacting our ability to sell books face to face, online sales saw books sales of 794 written by UK Navigators, 105 books from other writers and 1,078 leaflets.

Report of the trustees for the year ended 31 August 2021 (continued)

FINANCIAL REVIEW

The balance sheet shows total net assets of £2,154,886, an increase of £6,178 during 2020/21. There are no funds in deficit in the accounts.

This year saw the completion of the transfer of the London House, left to the Navigators in a legacy to allow the continuation of the ministry to young professionals based there. The house is therefore now accounted for as a tangible fixed asset as opposed to a debtor on the 2019/20 accounts. We have also been notified of a cash legacy from the same donor and the trustees have set up a designated fund to receive this money and rental income from the house with a view to ensuring that an ongoing process of repair and maintenance can be undertaken without drawing on the charity's current unrestricted funds and any operational surplus reviewed and applied for the wider work of the charity.

Income

Voluntary donations excluding gifts in kind were £1,309,306 (2020: £1,415,586), this figure includes legacies of £74,686 (2020: £122,000). Gift aid received was £177,716 (2020: £177,872). This represents a fall of 4.5% in voluntary income excluding legacies.

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.

Despite the COVID-19 pandemic the overall picture is one of stability and the trustees are very grateful for the faithful generosity of our supporters. They are continuing to actively monitor 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 £217,216, an increase of £27,299 (14.4%) compared with last year. This increase was largely due to increased expenditure on IT to support remote working and a temporary increase in staff costs as staff members overlapped during the handover of a post. A deficit of £23,980 in central services expenditure over income was funded from the Central Services designated fund established last year as a result of a legacy.

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 accounts with varying notice periods up to 90 days, 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.

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:

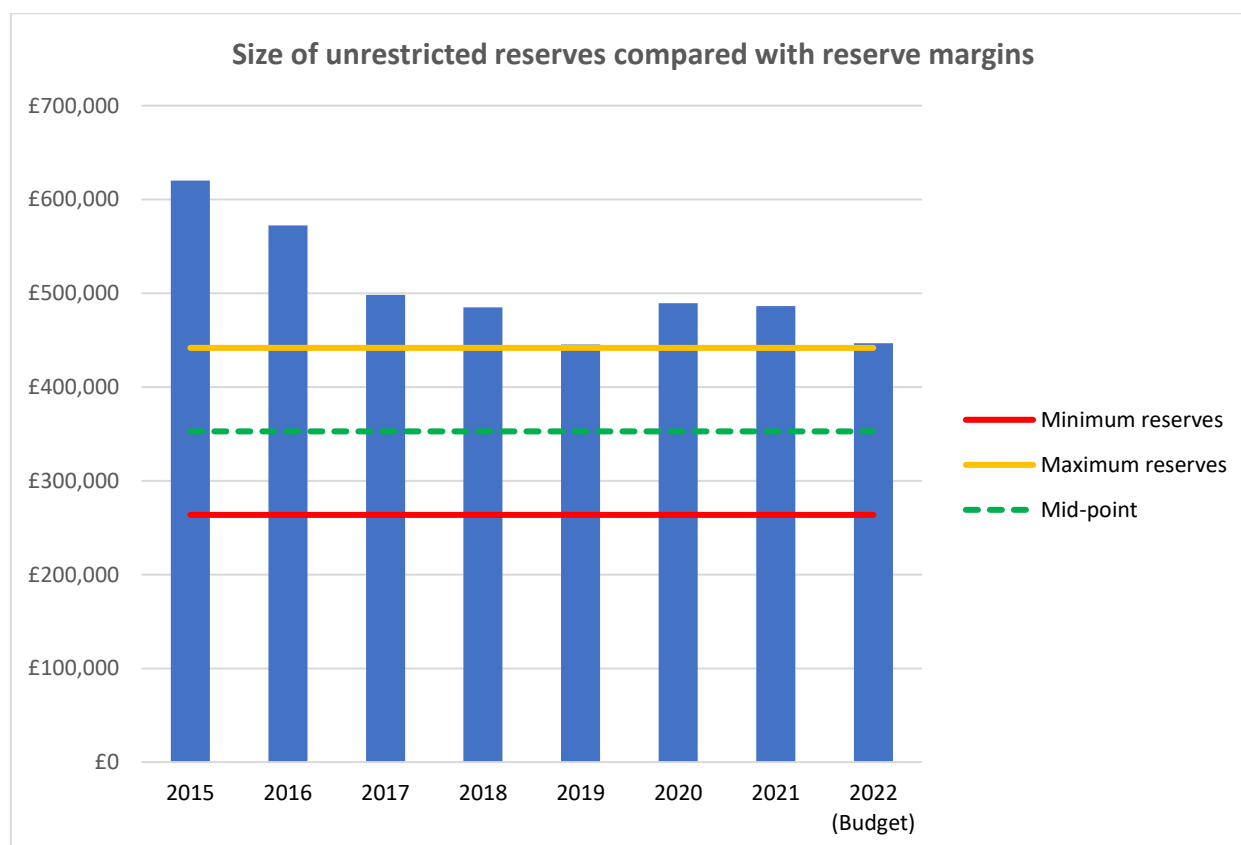
- Unrestricted free reserves (defined as unrestricted funds excluding designated funds) are held to protect against a sudden and catastrophic fall in donations and/or related tax relief. This is in order to protect the work of our representatives and enable the Charity to continue operating in the short term whilst evaluating and exercising options for survival or cessation and is consistent with good practice.

Report of the trustees for the year ended 31 August 2021 (continued)

- 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 2021/22 budgeted costs result in a maximum unrestricted reserve level of £441,732 and a minimum unrestricted reserve level of £263,616 (giving a midpoint target of £352,674).
- The impact of the COVID-19 pandemic led to an underspend against this year's general fund budget and therefore the unrestricted free reserves remain above the maximum level at £486,290 as of 31 August 2021 (2020: £489,512). The trustees consider that the Charity should therefore reduce the reserves and accordingly have set a deficit budget of approximately £69,500 for 2021/22.



Going Concern

In the light of the continuing generous support of our donors and the charity's strong balance sheet and reserves, the trustees are confident it is appropriate to prepare the annual accounts on a going concern basis.

PLANS FOR FUTURE PERIODS

The student ministries are moving back into face-to-face ministry. How students re-engage post-covid is a question moving forward but the representatives and associates are seeking creative ways to work with people.

The ministry to those working in local church contexts is continuing to work with local church leaders but is also seeking to focus on connecting with people who are already doing this kind of ministry within local churches.

The work of the Navigators is continuing to develop in Europe. There is a new European team with representatives from the UK as part of it. The Navigators UK provides resources and support to this wider work of the Navigators.

A new National Student Conference was planned for September 2021 and delayed until Feb 2022 due to continued Covid-19 restrictions. We are planning this conference for Feb 2022 but we await to see how Covid will continue to affect large conference planning this year.

A new UK Navigators Entrepreneurs community has been pioneered – investing in the spiritual development of Christian business owners. A new conference for 30 people is planned for January 2022.

The Scotland and Ireland Navigators continue to explore developing some work in the Republic of Ireland with a leader of that potential work arriving in January 2022.

Second Half Living, the Navigator ministry to people aged 50+, is completing its resources and materials this year and will be piloting new groups and leaders training.

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) 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, representatives and associates 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 national conference.

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 (although for most of the year this was two) 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 three trustees and Susan Watson (a representative and member of the NLT); this committee deals with pastoral matters relating to representatives and associates in order to better aid the fulfilment of trustee responsibility in these important areas.

During the year two trustees resigned, having reached the end of their terms of office. Kevin Glazebrook had served two 9 year terms and has done great service to the Navigators as a trustee and as a rep before then.

Report of the trustees for the year ended 31 August 2021 (continued)

We will miss his solid contribution. We will also miss the very practical, skilled and challenging contribution of Dawn Brathwaite as she enters retirement. One new trustee, Alistair Jones, was appointed.

The Board see it as part of their responsibility to be in direct contact with the representatives and associates 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 representatives and associates 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, associates 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 NLT is supplemented by two regional leadership teams, one covering Scotland and Ireland, the other England and Wales. 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, associates, supporters, trustees and the wider community and the production of resources.

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 faithful and committed leadership of Navigators UK provided by the Country Leader Derek Leaf and his wife Eva over the last seven years and are looking forward to working closely with Phil Boydell, the incoming country leader.

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 loss of access to the physical office site or to key data, the impact of Covid-19 on relational ministry 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 continued to review the legislation and recent court judgements and have taken professional advice.

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 2021 (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
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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† (to 7/04/2021)
K Glazebrook† (to 7/04/2021)
S Wroe*†
L de Caestecker
H Heron†
S-M Kueh*
A Jones† (from 18/11/2020)

*Finance committee
†Representative and pastoral committee

Country Leader

D Leaf (to 31/08/2021)
P. Boydell (from 01/09/2021)

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 Ltd
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 24/11/2021

Independent auditor's report to the members 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 2021 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 2021 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditors Report for the year ended 31 August 2021 (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 Auditors Report for the year ended 31 August 2021 (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance through the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Independent Auditors Report for the year ended 31 August 2021 (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Joshua Kingston ACA (Senior Statutory Auditor)

For and on behalf of Burton Sweet Limited

Statutory Auditor

The Clock Tower

5 Farleigh Court

Old Weston Road

Flax Bourton

Bristol BS48 1UR

Date: 24/11/2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted general funds	Unrestricted designated funds	Restricted funds	2021 Total	2020 Total
	Note	£	£	£	£	£
Income from:						
Donations and legacies	1	62,102	72,436	1,352,484	1,487,022	2,993,458
Charitable activities	2	37,802	5,666	-	43,468	53,284
Investments		518	-	39	557	2,293
TOTAL		100,422	78,102	1,352,523	1,531,047	3,049,035
Expenditure on:						
Charitable activities	3					
Payments to representatives and projects		101,257	16,400	1,234,123	1,351,780	1,382,395
National and regional initiatives		106,767	24,129	1,292	132,188	89,408
Training, development and care		13,706	1,292	-	14,998	23,298
Events		24,464	-	-	24,464	37,188
Raising funds		1,439	-	-	1,439	1,428
TOTAL		247,633	41,821	1,235,415	1,524,869	1,533,717
Net income/(expenditure)	5	(147,211)	36,281	117,108	6,178	1,515,318
Transfers between funds	10	143,989	(21,276)	(122,713)	-	-
Net movement in funds	10	(3,222)	15,005	(5,605)	6,178	1,515,318
RECONCILIATION OF FUNDS						
Total funds brought forward		489,512	1,497,599	161,597	2,148,708	633,390
Total funds carried forward	10	486,290	1,512,604	155,992	2,154,886	2,148,708

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 16.

The notes on pages 18 to 25 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2021

	Note	2021		2020	
		£	£	£	£
TANGIBLE FIXED ASSETS	7		1,388,414		2,343
CURRENT ASSETS					
Stock of literature and merchandise at cost		5,670		5,786	
Prepayments and debtors	8	127,669		1,472,491	
Savings accounts		436,054		350,867	
Cash at bank and in hand		213,763		328,075	
		<u>783,156</u>		<u>2,157,219</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	9	(16,684)		10,854	
		<u>(16,684)</u>		<u>10,854</u>	
NET CURRENT ASSETS			766,472		2,146,365
TOTAL NET ASSETS			<u>2,154,886</u>		<u>2,148,708</u>
STATEMENT OF FUNDS	10				
Restricted funds			155,992		161,597
Unrestricted funds					
General funds			486,290		489,512
Designated funds			1,512,604		1,497,599
TOTAL FUNDS			<u>2,154,886</u>		<u>2,148,708</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 24th November 2021 and signed on their behalf by:

Martin Osborn
Chair

The notes on pages 18 to 25 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 Total funds £	2020 Total funds £
OPERATIONAL CASH FLOWS			
Cash flows for operating activities			
Income from donations and legacies	18 (A1)	1,434,865	1,575,389
Costs of raising funds	18 (B2)	(1,439)	(1,428)
Net inflow for operating activities		1,433,426	1,573,961
Cash flows from operating activities			
Income from charitable activities	18 (A2)	41,854	49,520
Costs of charitable activities	18 (B1)	(1,503,465)	(1,537,663)
Net outflow from operating activities		(1,461,611)	(1,488,143)
Net inflow/(outflow) of operating activities		(28,185)	85,818
NON-OPERATIONAL CASH FLOWS			
Investing activities			
Interest from investments	18 (C1)	514	2,518
Costs of purchasing fixed assets	18 (C2)	(1,454)	(1,225)
Net inflow from investing activities		(940)	1,293
Net cash inflow/(outflow) for year	19	(29,125)	87,111

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 18 to 25 form part of these financial statements.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2021

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 prior 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 (a full year's depreciation is calculated in the year of purchase and none in the year of disposal):

- 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 2021

1 INCOME FROM DONATIONS AND LEGACIES

	2021				2020			
	Unrestricted general funds	Unrestricted designated funds	Restricted funds	Total	Unrestricted general funds	Unrestricted designated funds	Restricted funds	Total
	£	£	£	£	£	£	£	£
Donations	53,148	500	1,180,972	1,234,620	45,603	-	1,247,983	1,293,586
Legacies (including gifts in kind)	2,750	71,936	-	74,686	1,522,000	-	-	1,522,000
Tax refunds	6,204	-	171,512	177,716	5,001	-	172,871	177,872
	<u>62,102</u>	<u>72,436</u>	<u>1,352,484</u>	<u>1,487,022</u>	<u>1,572,604</u>	<u>-</u>	<u>1,420,854</u>	<u>2,993,458</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

	2021				2020			
	Unrestricted general funds	Unrestricted designated funds	Restricted funds	Total	Unrestricted general funds	Unrestricted designated funds	Restricted funds	Total
	£	£	£	£	£	£	£	£
Administration subscriptions	7,333	-	-	7,333	7,788	-	-	7,788
National and regional initiatives	7,926	5,666	-	13,592	7,412	-	-	7,412
Training, development and care	3,583	-	-	3,583	9,862	-	-	9,862
Events	5,838	-	-	5,838	14,410	-	-	14,410
Rental income from European Navigator Region	4,615	-	-	4,615	4,588	-	-	4,588
Provision of office support to European Navigator Region	8,507	-	-	8,507	9,224	-	-	9,224
	<u>37,802</u>	<u>5,666</u>	<u>-</u>	<u>43,468</u>	<u>53,284</u>	<u>-</u>	<u>-</u>	<u>53,284</u>

3 EXPENDITURE ON CHARITABLE ACTIVITIES AND RAISING FUNDS

	2021			2020		
	Direct costs	Central support costs	Total	Direct costs	Central support costs	Total
	£	£	£	£	£	£
Charitable activities						
Payments to representatives and projects	1,261,454	90,326	1,351,780	1,290,534	91,861	1,382,395
National and regional initiatives	31,237	100,951	132,188	21,281	68,127	89,408
Training, development and care	6,117	8,881	14,998	13,802	9,496	23,298
Events	8,271	16,193	24,464	17,590	19,598	37,188
Raising funds	574	865	1,439	593	835	1,428
	<u>1,307,653</u>	<u>217,216</u>	<u>1,524,869</u>	<u>1,343,800</u>	<u>189,917</u>	<u>1,533,717</u>

Central support costs are analysed in note 4.

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. National and regional initiatives includes central support costs related to work of the European Navigator Region (£13,122).

Within payments to representatives and projects (direct costs), institutional grants of £54,710 (2020: £45,738) were paid to Navigator projects based in UK, Africa and North America. The remaining payments of £1,206,744 (2020: £1,244,796) consisted of grants to individuals.

4 CENTRAL SUPPORT COSTS

	2021	2020
	£	£
Costs relating to staff	127,145	117,494
Costs relating to premises	23,449	22,706
Administration, communications and other charity running costs	58,889	42,064
Costs relating to governance	7,733	7,653
	<u>217,216</u>	<u>189,917</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

5 NET INCOME BEFORE TRANSFERS

This is stated after charging:

	<u>2021</u>	<u>2020</u>
	£	£
Depreciation	15,381	1,456
Auditor's remuneration	6,600	6,342

6 STAFF COSTS AND NUMBERS

	<u>2021</u>	<u>2020</u>
	£	£
Salaries and wages	109,012	101,774
Employer's national insurance contributions	5,950	4,556
Pension contributions	8,943	8,158
	<u>123,905</u>	<u>114,488</u>

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

The average number of employees was four (2020: four).

No employment benefits were paid to key management personnel (2020: none).

7 FIXED ASSETS

	<u>Equipment</u>	<u>Property</u>	<u>Total</u>
	£	£	£
Cost			
At 1 September 2020	9,849	-	9,849
Disposals	-	-	-
Additions	1,454	1,400,000	1,401,454
At 31 August 2021	<u>11,303</u>	<u>1,400,000</u>	<u>1,411,303</u>
Depreciation			
At 1 September 2020	7,506	-	7,506
Depreciation on disposals	-	-	-
Charge for the year	1,383	14,000	15,383
At 31 August 2021	<u>8,889</u>	<u>14,000</u>	<u>22,889</u>
Net book value			
At 31 August 2021	<u>2,414</u>	<u>1,386,000</u>	<u>1,388,414</u>
At 31 August 2020	<u>2,343</u>	<u>-</u>	<u>2,343</u>

8 PREPAYMENTS AND DEBTORS

	<u>2021</u>	<u>2020</u>
	£	£
Debtors re income from donations and legacies	104,309	1,452,152
Debtors re income from charitable activities	594	12
Debtor re cost of charitable activities	379	-
Debtors re income from investments	99	56
Prepayments re costs of charitable activities	22,288	20,271
	<u>127,669</u>	<u>1,472,491</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 had not yet passed to the Charity. Title has passed to the Charity during the financial year and it has now been recorded as a fixed asset (see note 7).

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2021</u>	<u>2020</u>
	£	£
Deferred income re income from charitable activities	429	1,082
Creditors/accruals re cost of charitable activities:		
Tax and national insurance	1,643	1,654
Other creditors	7,688	1,818
Accruals	6,924	6,300
	<u>16,684</u>	<u>10,854</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

10 MOVEMENT IN FUNDS

Prior year comparatives are disclosed in note 17.

Note	At 1 Sept 2020 £	Income and gains £	Expenditure and losses £	Transfers between funds £	At 31 Aug 2021 £
UNRESTRICTED FUNDS					
General Funds	489,512	100,422	(247,633)	143,989	486,290
Libby Hinton Fund (designated) (i)	20,962	500	(1,292)	-	20,170
Tithe Fund (designated) (ii)	13,294	-	(16,400)	8,199	5,093
Fixed Assets Fund (designated) (iii)	1,402,343	-	(14,000)	73	1,388,416
Central Services Fund (designated) (iv)	61,000	3,800	-	(23,980)	40,820
London House (designated) (v)	-	73,802	(10,129)	(5,568)	58,105
	1,987,111	178,524	(289,454)	122,713	1,998,894
RESTRICTED FUNDS					
Representative Funds (vi)	88,133	1,333,236	(1,219,123)	(105,155)	97,091
Admin Fund (vii)	-	13,024	-	(13,024)	-
Scottish Admin Fund (viii)	5,123	720	-	-	5,843
Robinson Africa Fund (ix)	62,004	39	(15,000)	-	47,043
Second Half Living (x)	3,811	100	(86)	(8)	3,817
Connect (xi)	460	1,000	-	(540)	920
Student Ministries (xii)	1,206	-	(1,206)	-	-
Church Ministries (xiii)	860	300	-	(24)	1,136
Other restricted gifts (xiv)	-	4,104	-	(3,962)	142
	161,597	1,352,523	(1,235,415)	(122,713)	155,992
TOTAL FUNDS	2,148,708	1,531,047	(1,524,869)	-	2,154,886

- (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) **London House (designated) Fund** holds a legacy relating to the London House and rental income. The fund has been designated to allow monitoring of the costs of operating and maintaining the property.
- (vi) **Representative Funds** represent restricted donations to The Navigators UK Limited for the support of individual self-employed Navigator representatives or their ministry funds.
- (vii) **Admin Fund** is a fund to receive restricted donations for administration costs.
- (viii) **Scottish Admin Fund** is a fund to receive restricted donations for administration costs associated with events and initiatives in Scotland.
- (ix) **Robinson Africa Fund** is a restricted fund comprising a legacy left to The Navigators UK Limited to be used for work in Africa.
- (x) **Second Half Living** is a fund to receive restricted donations for Second Half Living initiatives.
- (xi) **Connect** is a fund to receive restricted donations for the Connect graduate training programme.
- (xii) **Student Ministries** is a fund to receive restricted donations for Student Ministries initiatives.
- (xiii) **Church Ministries** is a fund to receive restricted donations for Church Ministries initiatives.
- (xiv) **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 £	2021 Total £
Transfer of designated funds	21,276	(21,276)	-	-
Administration charge transfers	98,118	-	(98,118)	-
Ministry transfers	17,694	-	(17,694)	-
General Fund transfers	6,901	-	(6,901)	-
	143,989	(21,276)	(122,713)	-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2021 Total
	£	£	£
Tangible fixed assets	1,388,414	-	1,388,414
Net current assets	610,479	155,992	766,471
Total net assets at 31 August 2021	1,998,893	155,992	2,154,885

At 31 August 2021, total net assets were £2,154,886, of which £766,471 were net current assets held by unrestricted funds (£610,479) and restricted funds (£155,992). The fixed asset balance of £1,388,415 is split between the property gifted to the charity last year (£1,386,600) included within designated funds and £2,415 of equipment included in unrestricted general funds.

12 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2021 the charitable company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Within one year	24,311	24,089
Within two to five years	4,035	34,724
	28,346	58,813

Expenditure on the Statement of Financial Activities for the year ended 31 August 2020 relating to these leases was £25,662.81 (2020: £25,545).

13 TRUSTEES' REMUNERATION

None of the trustees received any remuneration in the year (2020: £nil).

No travel expenses were reimbursed (2020: £341 to three trustees) or waived (£2020: £69 by two trustees) due to meetings being held online as a result of the pandemic.

14 DONATIONS FROM RELATED PARTIES

Aggregate donations (including tax refunds) received from trustees, key management personnel and their close family members was £15,237.25 (2020: £30,379).

15 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.

Helen Heron is a trustee of The Navigators UK Limited 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 £21,161 (2020: £10,754).

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 £21,534 were made to the Derek and Eva Leaf to further the purposes of the charity (2020: £31,693).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

16 PRIOR YEAR FUND COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

17 PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS

MOVEMENT IN FUNDS

Note	At 1 Sept 2019 £	Income and gains £	Expenditure and losses £	Transfers between funds £	At 31 Aug 2020 £
UNRESTRICTED FUNDS					
General Funds	447,954	1,627,966	(251,569)	(1,334,839)	489,512
Libby Hinton Fund (designated) (i)	22,418	-	(1,456)	-	20,962
Tithe Fund (designated) (ii)	6,234	-	(8,000)	15,060	13,294
Fixed Assets Fund (designated) (iii)	-	-	-	1,402,343	1,402,343
Central Services Fund (designate) (iv)	-	-	-	61,000	61,000
	476,606	1,627,966	(261,025)	143,564	1,987,111
RESTRICTED FUNDS					
Representative Funds (v)	83,493	1,388,490	(1,271,325)	(112,525)	88,133
Admin Fund (vi)	-	26,856	-	(26,856)	-
Scottish Admin Fund (vii)	4,403	720	-	-	5,123
Robinson Africa Fund (viii)	62,126	215	(337)	-	62,004
Second Half Living (ix)	4,047	-	(236)	-	3,811
Connect (x)	460	500	-	(500)	460
Student Ministries (xi)	2,000	-	(794)	-	1,206
Church Ministries (xii)	255	450	-	155	860
Other restricted gifts (xiii)	-	3,838	-	(3,838)	-
	156,784	1,421,069	(1,272,692)	(143,564)	161,597
TOTAL FUNDS	633,390	3,049,035	(1,533,717)	-	2,148,708

- (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)	-
	(1,334,839)	1,478,403	(143,564)	-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

18 RECONCILIATION OF THE STATEMENT OF FINANCIAL ACTIVITIES

	Statement of Financial Activities	Debtors & Prepayments	2021			2020
			Creditors & Accruals	Stock levels	Cash flow	Cash flow
	£	£	£	£	£	£
A1 Income from donations and legacies	1,487,022					
(Increase)/decrease in debtors		(52,157)			1,434,865	1,575,389
A2 Income from charitable activities	43,468					
(Increase)/decrease in debtors		(961)				
Increase/(decrease) in deferred income			(653)		41,854	49,520
B1 Costs of charitable activities	(1,523,430)					
Depreciation eliminated	15,383					
(Increase)/decrease in prepayments		(2,017)				
Increase/(decrease) in creditors and accruals			6,483			
(Increase)/decrease in stocks				116	(1,503,465)	(1,537,663)
B2 Costs of raising funds	(1,439)				(1,439)	(1,428)
C1 Interest from investments	557					
(Increase)/decrease in debtors		(43)			514	2,518
C2 Costs of purchasing fixed assets	(1,454)				(1,454)	(1,225)
Balance sheet movements		(55,178)	5,830	116	(29,125)	87,111

The 2020 debtors figure included a £1,400,000 gift in kind, realisation of which did not affect cash flow.

19 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	2021	2020	Change
	£	£	£
Savings account	436,054	350,867	85,187
Cash at bank and in hand	213,763	328,075	(114,312)
	649,817	678,942	(29,125)

	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