



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 2022

THE NAVIGATORS UK LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

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Report of the trustees for the year ended 31 August 2022

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 2022. 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 has been financially stable and has had diversified support. We were not significantly impacted financially by Covid-19 but it has hindered our student and church ministries. 2021/22 has been a period of recovery and high investment – especially in supporting new reps with matched funding. We also welcomed a new country leader who has requested significant investment to broaden our ministries.

Historically we have had significant unrestricted reserves and therefore had spent eight years setting deficit budgets in our mission fund. This was in order to invest in growing the ministry and meeting key needs.

In 2021/22 our reserves would have ended the year just below the maximum point except for the notification of a legacy which we expect to arrive in 2022/23 but in accordance with accounting practice has been recognised as income this year. The trustees have therefore budgeted in 2022/23 for another year of significant investment in our mission. We anticipate this will take us towards the mid-point of our reserves position. As we wish to sustain and grow this level of central activities going forward we will increase our fundraising next year to ensure our increased level of expenditure is sustainable.

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.

The house legacy, from an associate, that we received in 2021/22 came with a significant financial legacy. This house is an important 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. The significant cash legacy has been placed in a designated fund to support a programme of much-needed maintenance on the house. We are being hampered a little by the unavailability and high cost of builders in London. The house should also generate, in the medium term, a net cash surplus from rent minus expenses.

Six new representatives and three new associates joined over the course of the year. A number of people finished their time with the Navigators and we will miss their great contribution but wish them great blessing – well done good and 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.

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 funds for the Charity that can be used to support the costs of their ministries; the Charity can provide them with information packs and fundraising materials to help them in this.

Report of the trustees for the year ended 31 August 2022 (continued)

Fundraising to support central Charity costs is co-ordinated by a core group including members of the NLT and staff members and overseen by the trustees' Finance Committee. The Charity does not use commercial fundraisers. This year 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 overseas trips to provide younger Christians with experience of living and working in a cross-cultural context.
- 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

The Hidden reality: We tend to mark organisations according to certain activities: events, numbers, certain measurable activities. The Navigators do those things but at the core is a team of Representatives, and many others, who do a significant and often hidden work of relationally investing into the lives of individual people in many hidden ways and seemingly unremarkable ways - helping them grow in their faith and life. This is a work that often goes unnoticed but is perhaps the most dominant activity of the charity. Thousands of lives have been transformed by this relational work.

Support and Development of Navigator Representatives and Movement

- The **National Leadership Team (NLT)** is seeking to bring strategic direction to the UK work and the Regional Teams are looking after the 'Fields' of operations in England and Wales and Scotland and Northern Ireland. The Regional Teams provide training days and weekends and ensure overseer support of individual Reps. These teams provide encouragement and stimulation towards pioneering and the working out of our calling in local contexts. The Scotland and Ireland Regional Team is also supporting the starting of a new Navigators work in the Republic of Ireland in the next 6-12 months.

Report of the trustees for the year ended 31 August 2022 (continued)

- **National events** are critical to our work and this year saw the re-launch (post Covid) of the National Conference. It attracted over 140 people for a weekend in May 2022 and was a hugely successful launch of the concept of the Alongsider Movement. In addition, we have been developing the NavNetwork online conference which happens at least three times a year and has attracted nearly 200 people to each event.
- This year has seen the establishing of a **Core Support team (CST)** that combines the paid employees with representatives drawn from the NLT. This is in order for the CST to provide support to strategic leadership initiatives. The CST provide excellent standards of administrative and financial control as well as critical communications work for the charity. They are spearheading many of our strategic 'change projects' alongside the National Leadership.
- A **National Training Coordinator** oversees the NavEquip and Connect programmes, which provide key training/development for those doing the 'intern' year (Connect) and those doing the NavEquip programmes including Trainee Reps. This year five people are going through the year-long Connect programme and another 15 through NavEquip in its various year cohorts.
- We have a new **Mission Partner Development team (MPD)** that seeks to strategically support Reps in their raising funds to support their ministries. This is supported by a matched funding programme that matches 25% of new regular donations in year one of being a Rep and 12.5% of new donations in year two. Through these systems we have been able to effectively support six new people entering Christian ministry despite the challenging financial landscape.
- We have specialist **Networks**. One is focused on those who are working in Student Ministry, which includes monthly specialised training content. Another is a Church Ministries team that is seeking to help people work out our calling in local churches. This includes a bi-monthly cohort call. We also have an Entrepreneurs Community that has monthly cohort calls and had its first weekend away training event in April 2022 which attracted over 30 businesses.
- The **International Missions Team**, seeks to mobilise people to have a heart for the Nations through short term programmes. After two years where travel was curtailed by Covid, in 2022 we had four summer programmes which were organised to Turkey, Norway, Poland and Slovakia involving 42 participants.

Student Ministry

This is still our largest ministry platform. We have around 400 students involved in our various ministries across the UK. The aim, as always, is that we deeply invest in these students so that strong foundations of faith and life are established that will enable them to stand tall and help them to be able to be a blessing to others. This is a generation who are hungry for mentoring and help. Post-Covid we have seen a hunger for the kind of relational ministry that the Navigators specialises in and we have seen many of our groups grow.

A number of events happened this academic year aimed at investing in the student generation. These included a number of student retreats and events to support those currently engaged in student ministry and emerging leaders.

Second Half Living Ministry

Second half living has been seeking to finalise resources and materials in order to launch out and serve the wider church. Under new leadership they are exploring developing a whole new cohort of 'trainers' who can take the material across the UK. They are also developing partnerships with others in the church in this strategic area of helping people navigate the challenges of the second half of life. Multiple churches and groups throughout the UK have been part of trialling the resources.

International Missions/European investment

We continue to develop and support a network of people who are taking their jobs overseas. We have a team of two UK people who provide oversight and support to this network. Many of our Reps are also involved in investing in the European Navigators work. As a Partnering Country, the Navigators UK have a lot of people and resources that are invaluable in developing the Navigators work in other European countries. For example, our UK Student Leader provided leadership to the European Student Network

Report of the trustees for the year ended 31 August 2022 (continued)

(stepping down in September 2022) and a former UK Country Leader provides support to the other European partnering Country Leaders.

Ministry Size

At 31 August 2022 there were 45 associates and 77 representatives working with the Navigators UK, including six new representatives and three new associates who joined us over the course of the year. Of these, around 25-30 ministered to university students in eleven UK cities, with a particular ministry to international students in some of these universities. Other representatives are involved in the leadership of the projects described above and ministering in their local communities.

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 two new books were published and a Navigator journal was produced. Total online sales consisted of 2,261 books written by UK Navigators, 343 books from other writers and 1,326 leaflets.

FINANCIAL REVIEW

The balance sheet shows total net assets of £2,101,524, a reduction of £53,362 during 2021/22. There are no funds in deficit in the accounts.

This year saw the full year of direct operation of the London House by the charity. The income produced by the house and a cash legacy which was received from the donor of the house have been held within a designated fund to allow effective monitoring of the costs of operating the house. This year a significant investment has been made from the fund for a programme of repairs to the fabric of the house.

Income

Voluntary donations were £1,344,723 (2021: £1,234,620). In addition the charity also received legacies of £44,997 (2021: £74,686) and gift aid recovered of £193,637 (2020: £177,716). This represents an increase of 6% in voluntary income excluding legacies, largely attributable to the generous response of our donors to appeals to support our work with victims of the invasion of Ukraine.

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 ongoing national economic challenges, 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 has made short-term discretionary grants to these representatives.

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 £229,356, an increase of £12,140 (5.6%) compared with last year. A deficit of £14,567 in central services expenditure over income was funded from the Central Services designated fund established in 2020 as a result of a legacy.

Investment Policy

The majority of investments are maintained in a low-risk liquid position with competitive interest. During the year the trustees reviewed their investment policy in the light of rising inflation and decided to invest £175,000 in the CCLA COIF Ethical Investment Fund to better protect the charity's strategic reserves from inflation. The

Report of the trustees for the year ended 31 August 2022 (continued)

placement of the remaining funds has been reviewed to maximise interest rates and is now divided between the CCLA COIF Charity Deposit Fund, two 90-day notice accounts protected by the government Financial Services Compensation Scheme and the remainder held with the charity's principal bankers. The amount invested, the spread over institutions and the interest rates earned are regularly reviewed by the Finance Committee of the Board.

Reserves Policy

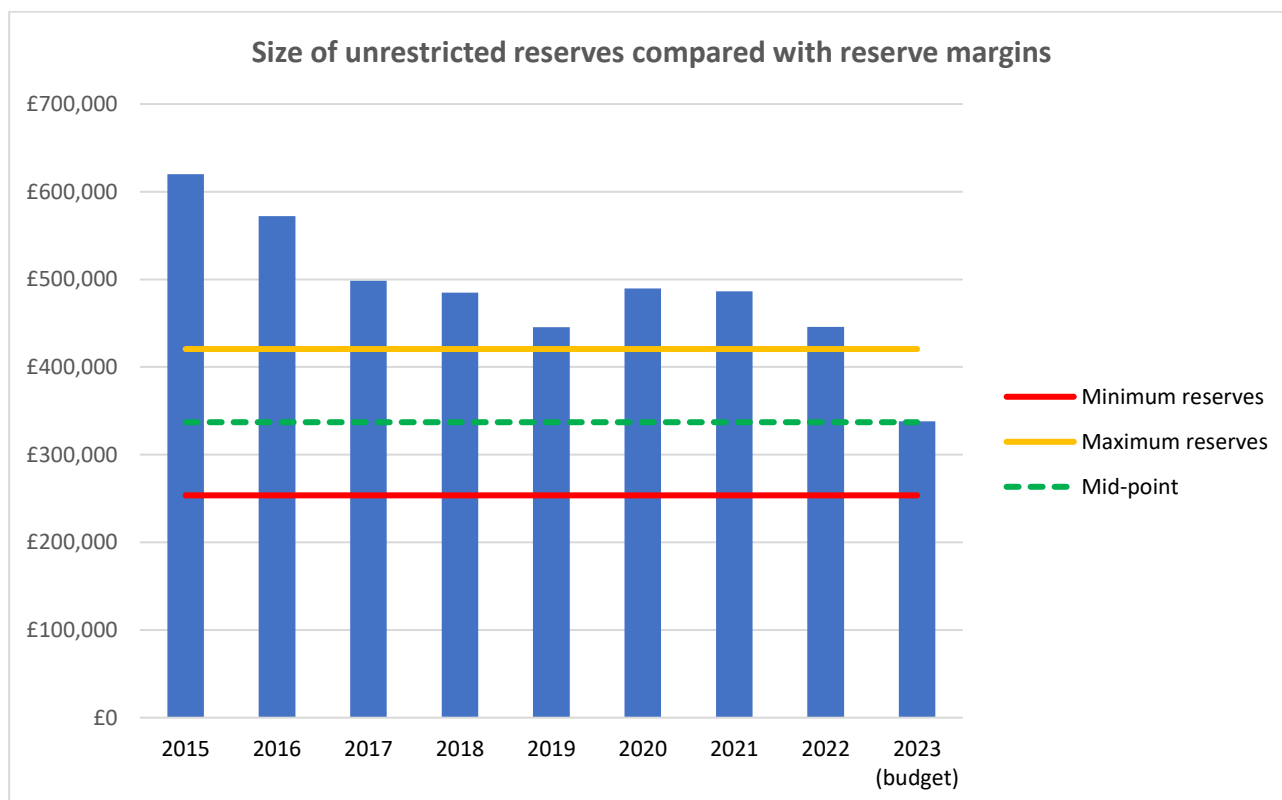
Unrestricted funds are held in general funds to meet the costs of future ministries and projects and to underwrite current activities. Monitoring of reserve levels, resultant budget setting and review of actual financial performance are reviewed by both the Finance Committee and the Board. The Finance Committee will review the reserves policy in the coming financial year to evaluate whether changes are possible given the positive impact the legacy of the London House has had on the Charity's balance sheet.

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 2022/23 budgeted costs result in a maximum unrestricted reserve level of £420,516 and a minimum unrestricted reserve level of £253,605 (giving a midpoint target of £337,061).
- At the end of 2021/22 free reserves stood at £445,918. A deficit budget for 2022/23 has therefore been set which is forecast to bring reserve levels down to £337,952 at the end of the financial year.



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

This month marks just over 12 months since the new country leader has been in post. There are significant changes proposed for the future of the movement including:

- Strengthening and building of all the existing ministry platforms
- The launching of a new programme that enables people to 'join' us in order that they can be resourced and supported in living out our calling in all the contexts they find themselves – this is aimed at both those who have had previous Navigators experience and those who have not had this but want to partner with us in working out our calling in their contexts.
- We are developing a new communications strategy that enables us to communicate better with the wider 'movement' and the younger generations, including a new website and other platforms of communication.
- We are exploring the planting of multiple 'communities' of alongsiders both in local churches and in other contexts throughout the UK and are providing a training focus to enable this to happen.
- We are looking at strengthening our national finances to enable us to effectively fulfil our vision into the next generation and a fundraising campaign is planned for the end of 2022 with the aim of encouraging more supporters to make a regular donation to the Mission Fund to provide a secure foundation to maintain and grow our core work once reserves reach their mid-point.
- We are seeking to recruit more people back into the Navigators who have experience and expertise to help us make the move to serve a much wider constituency.

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. Potential trustees are interviewed by at least two board members and two references are taken up prior to their appointment. 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 comprised 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 last year and comprised four trustees and a 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 one new trustee 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. 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, Finance Manager and Office Assistant 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.

Navigators UK belongs to the European Navigator region (NavEurope) and is part of the worldwide Navigator partnership, 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

Report of the trustees for the year ended 31 August 2022 (continued)

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 impact of the cost of living crisis on donations, the impact of Covid-19 on relational ministry and current legislative uncertainties around the definitions of employment status.

A process of monitoring income levels for both individual representatives and central funds was put in place during the Covid-19 process and this has been kept in place to allow early identification of any significant reduction in donations due to the current economic situation.

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 2022 (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)*† (resigned 1/11/22)
S Wroe*† (Chair from 1/11/22)
L de Caestecker
H Heron†
S-M Kueh*
A Jones†
A Craig (from 20/04/2022)

*Finance committee
†Representative and pastoral committee

Country Leader

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

Simon Wroe – Chair

Date 07/12/2022

Opinion

We have audited the financial statements of The Navigators UK Limited (the "Charity") for the year ended 31 August 2022 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 2022 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.

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

Independent Auditors' Report for the year ended 31 August 2022 (continued)

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.

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

Independent Auditors' Report for the year ended 31 August 2022 (continued)

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 charity, 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 charity's legal advisors.

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.

Independent Auditors' Report for the year ended 31 August 2022 (continued)

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: 7/12/2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted general funds	Unrestricted designated funds	Restricted funds	2022 Total	2021 Total
Note		£	£	£	£	£
Income from:						
Donations and legacies	2	69,326	15,994	1,498,037	1,583,357	1,487,022
Charitable activities	3	85,060	47,614	-	132,674	43,468
Disposal of fixed asset	8	-	200	-	200	-
Investments		1,750	-	-	1,750	557
TOTAL		156,136	63,808	1,498,037	1,717,981	1,531,047
Expenditure on:						
Charitable activities	4					
Payments to representatives and projects		96,489	8,211	1,341,485	1,446,185	1,351,780
National and regional initiatives		146,928	56,016	1,136	204,080	132,188
Training, development and care		50,078	894	-	50,972	14,998
Events		60,558	-	-	60,558	24,464
Raising funds	4	11,497	-	-	11,497	1,439
TOTAL		365,550	65,121	1,342,621	1,773,292	1,524,869
Unrealised gains on investments	9	1,949	-	-	1,949	-
Net income/(expenditure)	6	(207,465)	(1,313)	155,416	(53,362)	6,178
Transfers between funds	12	167,093	(29,780)	(137,313)	-	-
Net movement in funds	12	(40,372)	(31,093)	18,103	(53,362)	6,178
RECONCILIATION OF FUNDS						
Total funds brought forward	12	486,290	1,512,604	155,992	2,154,886	2,148,708
Total funds carried forward	12	445,918	1,481,511	174,095	2,101,524	2,154,886

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 18.

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

BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022		2021	
		£	£	£	£
TANGIBLE FIXED ASSETS	8		1,392,927		1,388,414
INVESTMENT ASSETS	9		176,949		-
CURRENT ASSETS					
Stock of literature and merchandise at cost		7,903		5,670	
Prepayments and debtors	10	72,558		127,669	
Savings accounts and Charity Deposit Fund		320,142		436,054	
Cash at bank and in hand		146,240		213,763	
		<u>546,843</u>		<u>783,156</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	11	(15,195)		(16,684)	
		<u>(15,195)</u>		<u>(16,684)</u>	
NET CURRENT ASSETS			531,648		766,472
TOTAL NET ASSETS			<u>2,101,524</u>		<u>2,154,886</u>
STATEMENT OF FUNDS					
Restricted funds	13		174,095		155,992
Unrestricted funds					
General funds	13		445,918		486,290
Designated funds	13		1,481,511		1,512,604
TOTAL FUNDS	13		<u>2,101,524</u>		<u>2,154,886</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 7th December 2022 and signed on their behalf by:

.....
S. Wroe

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 Total funds £	2021 Total funds £
OPERATIONAL CASH FLOWS			
Cash flows for operating activities			
Income from donations and legacies	20 (A1)	1,629,598	1,434,865
Costs of raising funds	20 (B2)	(11,497)	(1,439)
Net inflow for operating activities		1,618,101	1,433,426
Cash flows from operating activities			
Income from charitable activities	20 (A2)	132,067	41,854
Costs of charitable activities	20 (B1)	(1,753,794)	(1,503,581)
Net outflow from operating activities		(1,621,727)	(1,461,727)
Net inflow/(outflow) of operating activities		(3,626)	(28,185)
NON-OPERATIONAL CASH FLOWS			
Investing activities			
Interest from investments	20 (C1)	1,744	514
Costs of purchasing fixed assets	20 (C2)	(6,753)	(1,454)
Sale of fixed asset	20 (C3)	200	-
Purchase of investment asset	20 (C4)	(175,000)	-
Net inflow/(outflow) from investing activities		(179,809)	(940)
Net cash inflow/(outflow) for year	20	(183,435)	(29,125)

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2022

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 in accordance with the historical cost convention (except for investments which have been included at fair value) and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice as it 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.

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
- Real Property - Due to the current policy of investing significantly in the fabric of the Charity's London House the trustees believe it is appropriate not to make a depreciation charge on this property. However new solar panels have been installed which are being depreciated at 5% p.a. straight line.

f. Stock

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

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 2022

2 INCOME FROM DONATIONS AND LEGACIES

	2022				2021			
	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	Total £	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	Total £
Donations	34,003	-	1,310,720	1,344,723	53,148	500	1,180,972	1,234,620
Legacies	29,003	15,994	-	44,997	2,750	71,936	-	74,686
Tax refunds	6,320	-	187,317	193,637	6,204	-	171,512	177,716
	<u>69,326</u>	<u>15,994</u>	<u>1,498,037</u>	<u>1,583,357</u>	<u>62,102</u>	<u>72,436</u>	<u>1,352,484</u>	<u>1,487,022</u>

3 INCOME FROM CHARITABLE ACTIVITIES

	2022				2021			
	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	Total £	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	Total £
Administration subscriptions	7,720	-	-	7,720	7,333	-	-	7,333
National and regional initiatives	13,410	47,614	-	61,024	7,926	5,666	-	13,592
Training, development and care	23,106	-	-	23,106	3,583	-	-	3,583
Events and trips	28,740	-	-	28,740	5,838	-	-	5,838
Rental income from NavEurope	4,498	-	-	4,498	4,615	-	-	4,615
Provision of office support to NavEurope	7,586	-	-	7,586	8,507	-	-	8,507
	<u>85,060</u>	<u>47,614</u>	<u>-</u>	<u>132,674</u>	<u>37,802</u>	<u>5,666</u>	<u>-</u>	<u>43,468</u>

4 EXPENDITURE ON CHARITABLE ACTIVITIES AND RAISING FUNDS

	2022			2021		
	Direct costs £	Central support costs £	Total £	Direct costs £	Central support costs £	Total £
Charitable activities						
Payments to representatives & projects	1,372,295	73,890	1,446,185	1,261,454	90,326	1,351,780
National and regional initiatives	96,927	107,153	204,080	31,237	100,951	132,188
Training, development and care	40,108	10,864	50,972	6,117	8,881	14,998
Events and trips	33,911	26,647	60,558	8,271	16,193	24,464
Raising funds	695	10,802	11,497	574	865	1,439
	<u>1,543,936</u>	<u>229,356</u>	<u>1,773,292</u>	<u>1,307,653</u>	<u>217,216</u>	<u>1,524,869</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.

National and regional initiatives includes central support costs related to work of the European Navigator Region (£12,084).

Within payments to representatives & projects (direct costs), institutional grants of £92,854 (2021: £54,710) were paid to Navigator projects in UK, Africa and North America. The remaining payments of £1,279,441 (2021: £1,206,744) consisted of grants to individuals.

5 CENTRAL SUPPORT COSTS

	2022 £	2021 £
Costs relating to staff	134,353	127,145
Costs relating to premises	22,443	23,449
Administration, communications and other charity running costs	63,366	58,889
Costs relating to governance	9,194	7,733
	<u>229,356</u>	<u>217,216</u>

6 NET INCOME BEFORE TRANSFERS

This is stated after charging:

	2022 £	2021 £
Depreciation	2,240	15,381
Auditor's remuneration	7,800	6,600

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

7 STAFF COSTS AND NUMBERS

	2022	2021
	£	£
Salaries and wages	114,827	109,012
Employer's national insurance contributions	5,679	5,950
Pension contributions	8,905	8,943
	<u>129,411</u>	<u>123,905</u>

No employee received emoluments of more than £60,000 p.a.
The average number of employees was five (2021: four).
No employment benefits were paid to key management personnel (2021: none).

8 FIXED ASSETS

	Equipment	Property	Total
	£	£	£
Cost			
At 1 September 2021	11,303	1,400,000	1,411,303
Disposals	(8,624)	-	(8,624)
Additions	2,599	4,154	6,753
At 31 August 2022	<u>5,278</u>	<u>1,404,154</u>	<u>1,409,432</u>
Depreciation			
At 1 September 2021	8,889	14,000	22,889
Depreciation on disposals	(8,624)	-	(8,624)
Charge for the year	2,032	208	2,240
At 31 August 2022	<u>2,297</u>	<u>14,208</u>	<u>16,505</u>
Net book value			
At 31 August 2022	<u>2,981</u>	<u>1,389,946</u>	<u>1,392,927</u>
At 31 August 2021	<u>2,414</u>	<u>1,386,000</u>	<u>1,388,414</u>

A surplus of £200 on disposal of one item of IT equipment was generated through sale.

9 INVESTMENT ASSETS

	2022
	£
At 1 September 2021	-
Purchases	
37,626.32 CCLA Charities Ethical Investment Fund Accumulation Units	175,000
Unrealised Gain	
CCLA Charities Ethical Investment Fund Accumulation Units	1,949
At 31 August 2022	<u>176,949</u>

10 PREPAYMENTS AND DEBTORS

	2022	2021
	£	£
Debtors re income from donations and legacies	58,068	104,309
Debtors re income from charitable activities	1,282	594
Debtor re cost of charitable activities	226	379
Debtors re income from investments	105	99
Prepayments re costs of charitable activities	12,877	22,288
	<u>72,558</u>	<u>127,669</u>

The difference in debtors from donations and income is largely due to a legacy debtor of £68,135 in 2021.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Deferred income re income from charitable activities	357	429
Creditors/accruals re cost of charitable activities:		
Tax and national insurance	1,986	1,643
Other creditors	5,025	7,688
Accruals	7,827	6,924
	<u>15,195</u>	<u>16,684</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

12 MOVEMENT IN FUNDS

Prior year comparatives are disclosed in note 19.

		At 1 Sept 2021	Income and gains	Expenditure and losses	Transfers between funds	At 31 Aug 2022
	Note	£	£	£	£	£
UNRESTRICTED FUNDS						
General Funds		486,290	158,085	(365,550)	167,093	445,918
Libby Hinton Fund (designated)	(i)	20,170	-	(894)	-	19,276
Tithe Fund (designated)	(ii)	5,093	-	(8,211)	4,454	1,336
Fixed Assets Fund (designated)	(iii)	1,388,416	200	-	4,311	1,392,927
Central Services Fund (designated)	(iv)	40,820	2	-	(29,345)	11,477
London House Fund (designated)	(v)	58,105	63,606	(56,016)	(9,200)	56,495
		<u>1,998,894</u>	<u>221,893</u>	<u>(430,671)</u>	<u>137,313</u>	<u>1,927,429</u>
RESTRICTED FUNDS						
Representative Funds	(vi)	97,091	1,466,040	(1,340,244)	(114,534)	108,353
Admin Fund	(vii)	-	15,708	-	(15,708)	-
Scottish Admin Fund	(viii)	5,843	720	-	-	6,563
Robinson Africa Fund	(ix)	47,043	-	(1,241)	-	45,802
Second Half Living	(x)	3,817	-	(1,118)	-	2,699
Connect	(xi)	920	-	-	(920)	-
Student Ministries	(xii)	-	30	-	(30)	-
Church Ministries	(xiii)	1,136	98	(18)	(8)	1,208
Other restricted gifts	(xiv)	142	5,441	-	(5,313)	270
Other restricted grants	(xv)	-	10,000	-	(800)	9,200
		<u>155,992</u>	<u>1,498,037</u>	<u>(1,342,621)</u>	<u>(137,313)</u>	<u>174,095</u>
TOTAL FUNDS		<u>2,154,886</u>	<u>1,719,930</u>	<u>(1,773,292)</u>	<u>-</u>	<u>2,101,524</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.
- (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 Fund (designated)** 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.
- (xv) **Other restricted grants** represents a grant received from the Ardbarron Trust towards Navigator work in Ireland that will be expended in Financial Year 2022/23

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	2022 Total
	£	£	£	£
Transfer of designated funds	29,780	(29,780)	-	-
Administration charge transfers	109,644	-	(109,644)	-
Ministry transfers	22,736	-	(22,736)	-
General Fund transfers	4,933	-	(4,933)	-
	<u>167,093</u>	<u>(29,780)</u>	<u>(137,313)</u>	<u>-</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
Tangible fixed assets	1,392,927	-	1,392,927	1,388,414
Investment assets	176,949	-	176,949	-
Net current assets	357,553	174,095	531,648	766,471
Total net assets at 31 August 2022	<u>1,927,429</u>	<u>174,095</u>	<u>2,101,524</u>	<u>2,154,885</u>

14 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2022 the charitable company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Within one year	21,712	24,311
Within two to five years	23,138	4,035
	<u>44,850</u>	<u>28,346</u>

Expenditure on the Statement of Financial Activities for the year ended 31 August 2022 relating to these leases was £25,418 (2021: £25,663).

15 TRUSTEES' REMUNERATION

None of the trustees received any remuneration in the year (2021: £nil).

£209 travel expenses were reimbursed to two trustees (2021: £nil).

16 DONATIONS FROM RELATED PARTIES

Aggregate donations (including tax refunds) received from trustees, key management personnel and their close family members was £30,825 (2021: £15,237).

17 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 £17,088 (2021: £21,161).

At the start of the financial year Philip Boydell became Country Leader of The Navigators UK Limited, a role that is considered to be key management personnel, and is a close family member of Rosalyn Boydell. As described in the Trustees Report, the Country Leader operates as a self-employed representative of the charity and as such grants totalling £75,160 were made to Philip and Rosalyn Boydell to further the purposes of the charity.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

18 PRIOR YEAR FUND COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

19 PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS

	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 Fund (designated)	(v)	-	73,802	(10,129)	(5,568)	58,105
		<u>1,987,111</u>	<u>178,524</u>	<u>(289,454)</u>	<u>122,713</u>	<u>1,998,894</u>
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
		<u>161,597</u>	<u>1,352,523</u>	<u>(1,235,415)</u>	<u>(122,713)</u>	<u>155,992</u>
TOTAL FUNDS		<u>2,148,708</u>	<u>1,531,047</u>	<u>(1,524,869)</u>	<u>-</u>	<u>2,154,886</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) London House Fund (designated) 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 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 restricted funds to unrestricted 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)	-
	<u>143,989</u>	<u>(21,276)</u>	<u>(122,713)</u>	<u>-</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

20 RECONCILIATION OF THE STATEMENT OF FINANCIAL ACTIVITIES

	Statement of Financial Activities	Debtors & Prepayments	2022			2021
			Creditors & Accruals	Stock levels	Cash flow	Cash flow
	£	£	£	£	£	£
A1 Income from donations and legacies	1,583,357					
(Increase)/decrease in debtors		46,241			1,629,598	1,434,865
A2 Income from charitable activities	132,674					
(Increase)/decrease in debtors		(535)				
Increase/(decrease) in deferred income			(72)		132,067	41,854
B1 Costs of charitable activities	(1,761,795)					
Depreciation charged	2,240					
(Increase)/decrease in prepayments		9,411				
Increase/(decrease) in creditors and accruals			(1,417)			
(Increase)/decrease in stocks				(2,233)	(1,753,794)	(1,503,465)
B2 Costs of raising funds	(11,497)				(11,497)	(1,439)
C1 Interest from investments	1,750					
(Increase)/decrease in debtors		(6)			1,744	514
C2 Costs of purchasing fixed assets	(6,753)				(6,753)	(1,454)
C3 Surplus from disposal of fixed asset	200				200	-
C4 Purchase of investment asset	(175,000)				(175,000)	-
Balance sheet movements		55,111	(1,489)	(2,233)	(183,435)	(29,125)

21 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	2022	2021	Change
	£	£	£
Savings account and CCLA	320,142	436,054	(115,912)
Cash at bank and in hand	146,240	213,763	(67,523)
	466,382	649,817	(183,435)

	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)