



BY APPOINTMENT TO THE KING OF KINGS
SERVING YOUNG PEOPLE
FOR OVER ONE HUNDRED YEARS

**URBAN
SAINTS**



Annual Report and Financial Statements for The Crusaders' Union

31st December 2016

Company number: 07771037

Charity Registration: 1144923 in England and Wales, SCO39313 in Scotland

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1. TRUSTEES' REPORT

The Trustees present their statutory report together with the financial statements of The Crusaders' Union for the year ended 31 December 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

This is the Annual Report and Financial Statements for The Crusaders' Union operating under the name of Urban Saints. The company was incorporated on 12 September 2011.

COMPANY NUMBER

07771037 in England and Wales

CHARITY REGISTRATION NUMBERS

1144923 in England and Wales

SCO39313 in Scotland

REGISTERED AND PRINCIPAL OFFICES

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BANKERS

Lloyds Bank, 36 Chequer Street, St Albans, Hertfordshire, AL1 3YQ

AUDITORS

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

TRUSTEES

The following served during 2016 and, except where stated, were in post at the time of this report:

Brendan Bromley

Avice Hall

Claire Murphy (Chair of Trustees)

Anthony Obayori

Patrick Overy *resigned 31st December 2016*

Mark Russell

Jackie Smith

Neil Walker

Cara Wightman

Hannah Howgill *appointed 23rd April 2016, resigned 31st December 2016*

OFFICERS

Chair of Trustees – Claire Murphy

Chief Executive Officer – Matt Summerfield *became President 1st January 2017*

Chief Executive Officer – Richard Langmead *started 1st January 2017*

Company Secretary – Mark Arnold

Hon. Treasurer – Glyn MacAulay FCA

SUB COMMITTEES

Scottish Leadership Team
Executive Irish Committee
Welsh Steering Group

The members of the Finance and Audit Group (F&A) are:

Jon Bailey ACMA
Terry Lewis FCA
Glyn MacAulay FCA
Ken Morgan FCA
Patrick Overy MA
Jeff Russell *appointed January 2017*



Spree in the Borders 2016.

2. WHO WE ARE

Background and objective

Since 1906 The Crusaders' Union, now operating as Urban Saints, has been reaching out to children and young people with the good news of Jesus Christ. We are passionate about working with children and young people, helping them to realise their full God-given potential as they journey from childhood to adulthood.

The objective of The Crusaders' Union is to teach young people about the Lord Jesus Christ as presented in the Bible, with a view to them developing a personal faith in Christ and an effective Christian life of service. This objective shall be carried out in particular by:

- a) Sharing the Good News of Jesus Christ
- b) Development of leaders and young people
- c) Providing facilities for training, residential experiences and other events

All activities are carefully assessed for risk and therefore provide safe and fun environments for the development of children and young people. Through The Crusaders' Union, the social and spiritual wellbeing of the person is being developed during their younger years. Therefore, the Trustees consider that all of the aims and objectives detailed in this report combine to benefit the public.

The public benefit of The Crusaders' Union activities is far reaching into all areas of the country and a diversity of communities. Children, young people and leaders are connecting with the organisation in a positive way; and the organisation in turn is having a huge impact on children and young people, as it has done for more than 100 years, training and equipping them for all walks of life both at home and abroad.

Accordingly, the Trustees believe that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission.

Our Dream

...is to release a radical movement of young people, committed to taking the good news of Jesus Christ to every generation.

Our Passion

...is to help young people live lives of faith, hope and love through Jesus Christ.

Our Values

...are commitment to Jesus Christ and the word of God revealed through the Scriptures.

These are outworked through our values of...

Riotous FUN – because being a Christian is not dull and boring. We believe that followers of Jesus should experience a life of real and profound enjoyment.

Adventurous FAITH – since Jesus doesn't invite His followers to 'play it safe'. He calls people into a radical lifestyle that embraces risk and faces danger, all the while serving wholeheartedly to effect change in the world as God has purposed.

Genuine FRIENDSHIP – because we do not have to 'go it alone'. We recognise our need of each other and are following Jesus in company with true friends.

Life in all its FULLNESS – since God wants us to be fully alive. We embrace a life of learning and growing in order to realise our God-given potential through a healthy rhythm of rest, play and work.

3. STRATEGY, ACHIEVEMENTS AND PERFORMANCE IN 2016

Throughout 2016 we have been active in continuing with ongoing ministry, as well as planning for the future of the movement as we prepare for the next stage of our ministry. These two aspects were described as:

1. *'Simmering' the present*: Continuing with core ministry areas.
2. *'Shaping' the future*: Further understanding what God is saying, and then acting on it.

Simmering the present

Some highlights from the ongoing core ministry areas for 2016 were as follows:

- 1,468 groups connected to us and using Energize, our online teaching toolkit (2015:- 1,380)
- 9,765 children and young people participated in Urban Saints experiences (2015: - 9,857)
- 4,093 leaders trained across the UK and Ireland (2015: - 4,840)
- A strong year at Westbrook with 9,581 bed nights. (2015: - 9,250)

It has been great seeing the continued increase in the number of groups connecting with Urban Saints through use of Energize resources as well as seeing children, young people and leaders taking part in experiences and mission as well as attending training courses. Numbers attending some of these activities were slightly under target due to a focus on 'Shaping the future' (see below).

Shaping the future

Work continued in 2016 on answering the six strategic questions **Why do we exist? How do we behave? What do we do? How will we succeed? What is most important now? Who will do what?**

The process to answer these questions has been deliberately paced to ensure that the very best outcomes for the movement and those it serves are achieved.

4. PLANS AND TARGETS FOR 2017

As part of the 'Shaping the Future' process, Urban Saints appointed a new CEO, Richard Langmead, with the previous CEO Matt Summerfield taking on the new role of President. Richard started in January 2017. The new CEO is taking time to evaluate the organisation and will build on the progress of the last two years through the 'Shaping the Future' process to form the new vision and strategy for the next few years up to the end of 2020.

The new vision will include these three key goals for 2020:

- In 2020 Urban Saints will have a clear national identity, known for the discipleship of young people through weekly groups, annual camps and overseas mission.
- In 2020 a culture of prayer, well-being and inclusivity will wash across all we do. Urban Saints groups will be characterised by a sense of Adventure, Mission and Justice.
- In 2020, Urban Saints leaders and young people will feel inspired, supported, empowered, and self-motivated ready to be disciple-makers actively seeking opportunities to lead, serve, evangelise and change the world.

The new strategy will include these four strategic 'pillars':

- Groups - developing new volunteer-led groups across the UK inside and outside of the church, supported by great camps, great leaders, great resources.
- International - developing overseas discipleship trips, integrating these hand-in-glove with groups and schools work.
- Energize - maximising the impact and profitability of Energize (our online resources presence); developing material for schools, outreach and the international scene.
- Identity and belonging - creating a clear sense of belonging and identity; to be an Urban Saint means you belong. We are all inclusive and believe in the well-being of everyone.

More detail regarding this new vision and strategy will be communicated through the first half of the year.

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was formed in 1906 and incorporated on the 12th September 2011. Trustees are directly elected by Members of The Crusaders' Union at an Annual General Meeting (AGM) or by postal ballot, to serve for a period of 3 years. Under the current constitution, no Trustee may serve for a consecutive total of more than 12 years before taking at least a one-year sabbatical. A new Chair and two Vice-Chairs were appointed by the Trustees to serve from 1st January 2013, with a minimum period of three years in post. The Chair was re-elected to serve for a further three years from 1st January 2017 and a new Vice-Chair has also been brought onto the Board.

Prospective Trustees must be Members of The Crusaders' Union, and can be nominated to stand for election to the Board in one of two ways:

1. They can be nominated by two other Members. A communication is sent annually to every voting Member asking for nominations to be submitted for this;
2. Members can be nominated by the Board of Trustees.

In either case nominees go forward for election via a vote at an Annual General Meeting or through a postal/electronic ballot. If a nominated Member receives sufficient votes (over 50% of the votes cast) they are elected as a Trustee usually for a period of three years.

Prospective Trustees receive an information pack that lets them know what the duties and responsibilities are that they will be accountable for. Elected Trustees go through an induction training process so that they can quickly become familiar with the operating practices of the Board of Trustees.

As The Crusaders' Union operates in Scotland, the Trustees have a registration with the Office of the Scottish Charity Regulator (OSCR) as a Cross Border Charity under the registration number SCO39313. The Crusaders' Union also operates in both Northern Ireland and the Republic of Ireland, and has confirmed interest in registering with the Charity regulators in both countries.

Salaries for all staff, including key management personnel are reviewed and any changes agreed as part of the annual budget process. Salaries are benchmarked against other similar charities.

Statement of risks and uncertainties

The Trustees examine the major risks that the Charity faces each financial year, when preparing and updating the strategic plan and budget. The Charity has developed systems, such as monthly reports, to monitor and control these risks and to mitigate any impact that they may have on the organisation in the future. The Crusaders' Union has a 'risk register' that identifies and assesses the risks to which it is subject. This register is reviewed on a regular basis by the Leadership Team, the Finance and Audit Group and the Board of Trustees. The Trustee Directors are satisfied that systems are in place to manage the major risks arising in the organisation.

Examples of potential risks are that the Charity does not meet the needs of young people in a changing world or that leaders are not equipped and resourced for their work with young people. The launch of the new version of the Energize web resources has helped address them as has the work on 'Shaping the future'.

6. FINANCIAL REVIEW

The Crusaders' Union closed the 2016 financial year with a surplus for the year of £297,022 (2015 surplus of 90,558). This included profit on sale of assets of £462,281 and so excluding this the deficit was £165,259. A deficit budget had been set for 2016 due to the planned use of restricted and designated funds. Extra costs were incurred in 2016 over and above the deficit budget due to restructuring.

Funds totalling £3,416,784 (2015-£3,155,980) have been designated, or set aside, by the Trustees for specific purposes. Most of this relates to property and fixed assets and these funds are not available to support the day to day ministry.

The total Restricted funds amounted to £92,660 at the end of 2016 (2015: - £42,686). Restricted funds are where the money can only be applied for particular purposes. The details can be found in **Note 13.18**.

Reserves policy and financial position

Our reserves policy is to maintain a level of reserves that gives adequate time to address changes that might be needed to charitable activities or staffing issues. The level of reserves required is subject to the needs, risks, and operating environment being considered each year as part of the budget process. The Trustees have stated that the General Funds should be in the range of £300,000 - £375,000. The General Fund at 31 December 2016 was £413,560 which was above this target range. This included a significant legacy debtor which was received in February 2017.

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of The Crusaders' Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to ensure that the charitable company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by: *JORNEY NUSSELL*

Trustee



Approved by the Trustees on:

8/07/2017

8. INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the Trustees and Members of The Crusaders' Union

We have audited the financial statements of The Crusaders' Union for the year ended 31 December 2016, which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'

This report is made solely to the Charity's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charity's Trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charity's Members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity, the Charity's Members as a body and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the Trustees, who are also the Directors of the charitable company for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditors
130 Wood Street
London
EC2V 6DL

20/7/17

Buzzacott LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

9. STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2016	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME					
Donations and Legacies	13.1	902,511	162,519	1,065,030	1,259,150
Income Earned from Charitable Activities					
Crusaders' Union group, area, region activities	13.2	345,182	-	345,182	418,474
Residential Centres and Core Activities (Holidays, Events, Rebuild)	13.3	988,988	-	988,988	1,049,156
Volunteer support	13.3	330,833	-	330,833	304,825
Other Income					
Profit on sale of assets		462,281	-	462,281	-
Interest receivable		1,798	-	1,798	1,646
Investment income		6,991	-	6,991	6,632
Total Income		3,038,584	162,519	3,201,103	3,039,883
EXPENDITURE					
Cost of Raising Funds	13.4	184,564	-	184,564	180,669
Expenditure on Charitable Activities					
Crusaders' Union group, area, region activities	13.2	345,825	-	345,825	409,401
Residential Centres and Core Activities (Holidays, Events, Rebuild)	13.5	1,247,587	4,309	1,251,896	1,329,696
Volunteer Support	13.6	751,042	109,256	860,298	929,325
Communications and Design		172,329	-	172,329	125,858
International Development		89,169	-	89,169	74,376
Total Expenditure		2,790,516	113,565	2,904,081	3,049,325
Net income/(expenditure) before gains and losses on investments		248,068	48,954	297,022	(9,442)
Net gains on investments		-	-	-	100,000
Net income/(expenditure) for the year		248,068	48,954	297,022	90,558
Transfers between funds		(1,020)	1,020	-	-
Net movement in Funds		247,048	49,974	297,022	90,558
Total funds brought forward 1 January		3,683,296	42,686	3,725,982	3,635,424
Balance carried forward 31 December		3,930,344	92,660	4,023,004	3,725,982

Where applicable the comparative figures for each fund are shown in the notes to the accounts. Where there is no note the figures are unrestricted in 2016 and 2015.

10. BALANCE SHEET

As at 31 December	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Tangible fixed assets	13.10	2,396,474			2,063,242
Investment property		265,000			265,000
Programme related investments	13.11	280,000			280,000
			2,941,474		2,608,242
CURRENT ASSETS					
Stocks	13.12	12,096		10,835	
Debtors	13.13	407,450		329,432	
Cash at banks and in hand held by groups and areas	13.14	317,716		336,605	
Other cash at banks and in hand	13.14	522,375		590,482	
		1,259,637		1,267,354	
LIABILITIES					
Creditors amounts falling due within one year	13.15	(178,107)		(149,614)	
Net current assets			1,081,530		1,117,740
Total assets less current liabilities			4,023,004		3,725,982
Creditors amounts falling due after one year			-		-
Total net assets			4,023,004		3,725,982
FUNDS					
Unrestricted funds					
General funds	13.16		413,560		527,316
Designated funds	13.16		575,310		547,738
Property and fixed assets fund	13.16		2,841,474		2,508,242
Revaluation fund			100,000		100,000
Restricted funds	13.17		92,660		42,686
Total Charity funds			4,023,004		3,725,982

Approved by the Trustees of The Crusaders' Union (company number 07771037 in England and Wales) and signed on their behalf by: *JEFFREY RUSSELL*

Trustee



Approved by the Trustees on:

8/07/2017

11. CASHFLOW STATEMENT

	2016 £	2015 £
Cash flows from operating activities		
Net cash provided by (used in) operating activities	(171,311)	(140,204)
Cash flows from investing activities		
Dividends, interest and rent from investments	8,789	8,278
Proceeds from the sale of property, plant and equipment	505,031	-
Purchase of property, plant and equipment	(436,036)	(14,339)
Proceeds from sale of investments	-	-
Purchase of investments	-	-
Net cash provided by (used in) investing activities	77,784	(6,061)
Change in cash and cash equivalents in the reporting period	(93,527)	(146,265)
Cash and cash equivalents at the beginning of the reporting period	927,087	1,072,623
Change in cash and cash equivalents due to exchange rate movements	6,531	729
Cash and cash equivalents at the end of the reporting period	840,091	927,087

	2016 £	2015 £
Net movement in funds for the reporting period	297,022	90,558
Adjustments for:		
Depreciation charges	60,054	56,663
Dividends, interest and rents from investments	(8,789)	(8,278)
Exchange rate movement	(6,531)	(729)
Revaluation of investment property	-	(100,000)
Profit on sale of fixed assets	(462,281)	-
(Increase)/Decrease in stocks	(1,261)	(739)
(Increase)/Decrease in debtors	(78,018)	(157,447)
Increase/(Decrease) in creditors	28,493	(20,232)
Net cash provided by (used in) operating activities	(171,311)	(140,204)

	2016 £	2015 £
Cash in hand	680,111	666,128
Notice deposits	159,980	260,959
Total cash and cash equivalents	840,091	927,087

12. PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) have been followed in the preparation of these financial statements.

INCOME

Income is recognised in the period in which the Charity is entitled to receipt if it is probable that the income will be received and the amount can be measured with reasonable certainty. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

EXPENDITURE AND THE BASIS OF APPORTIONING COSTS

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT that cannot be recovered. Expenditure comprises the following:

- a. The costs of raising funds including salaries, direct costs and overheads associated with generating voluntary income.
- b. The costs of charitable activities comprising expenditure on the Charity's primary charitable purposes as described in the Trustees' Report. Such costs relate to:
 - Residential Centres
 - Core Activities (Events, Residentials, Service Opportunities)
 - The Crusaders' Union Groups, Areas and Region activities
 - Volunteer Support
 - Communications and Design
 - International Development

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned over the charitable activities. In order to carry out the primary purposes of the Charity it is necessary to provide support to the activities in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment as well as governance costs. These costs are allocated on the basis of time, number of staff, area of office or actual use.

- c. Group and area financial statements are incorporated based on the year end of the group.

PROGRAMME RELATED INVESTMENTS

These are shown in the Balance Sheet at cost, net of any impairment charge. Any gain or loss arising from disposal or impairment is credited or charged to the Statement of Financial Activities.

STOCKS

Stocks of publications and consumables for resale are valued at the lower of cost and net realisable value.

DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

CASH AT BANK AND IN HAND

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt.

FUND ACCOUNTING

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects. They include funds representing property and other tangible fixed assets which could not be realised

without curtailing the activities of the Charity.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

PENSION COSTS

Contributions in respect of the group personal money purchase pension scheme are charged to the statement of financial activities in the year in which they are due, representing the full value of the Charity's liability

TANGIBLE FIXED ASSETS

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Functional freehold property

The Charity's policy is to provide depreciation against the cost of freehold buildings to the extent that it is envisaged that their realisable value at the end of their useful life will be lower than the original cost. For the majority of the Charity's freehold property the Trustees do not believe that it is appropriate to provide depreciation due to the very long anticipated lives of the buildings, and the realisable value is in excess of the value in the financial statements. It is also likely that any such charge would be regarded as immaterial.

Where it is determined that it is appropriate to make a provision for depreciation, this is provided in equal instalments over the property's anticipated useful life, which is between 25 and 50 years.

Impairment reviews are conducted on an annual basis. If any asset is found to have a carrying value materially higher than the building's recoverable amount it is written down accordingly. Freehold land is not depreciated.

Some properties are carried at valuations from the time when FRS15 "Tangible Fixed Assets" was implemented, which have been retained by the Charity and treated as deemed cost under section 35 of FRS 102.

Other tangible fixed assets

These are capitalised and depreciated at the following annual rates based on cost in order to write them off over their estimated useful lives:

- | | |
|--------------------------|----------------------|
| • Building improvements | 5% to 10% per annum |
| • Furniture and fittings | 10% to 20% per annum |
| • Computer equipment | 25% per annum |
| • Other | 10% to 33% per annum |

Investment properties are included in the balance sheet at the Trustees' best estimate of market value with advice from professionals from time to time. All changes in value during the year are classified as unrealised gains or losses and are reported in the statement of financial activities. As these assets are recorded at their current market value no charge for depreciation is made in the accounts.

GROUPS

The Groups included in these accounts are some of our Energize Plus groups. All of our groups subscribe to our Energize resources, and in addition to this, the Plus groups are insured and their leaders are DBS checked by The Crusaders' Union.

Within the Energize Plus groups there are 3 categories:

- Church linked – these groups are not required to submit annual returns as their accounts are consolidated within their church's accounts.
- Groups with monies under £2,000 – groups who have income/expenditure and balances of less than £2,000 are not required to submit accounts. This reduces the amount of work for group leaders and has no material impact on the accounts.
- Groups whose accounts are included in these financial statements – the remaining groups are required to return information about income and expenditure, balances on bank accounts and any other assets held.

13. NOTES TO THE FINANCIAL STATEMENTS

13.1. INCOME FROM DONATIONS AND LEGACIES

	Unrestrict ed Funds 2016	Restricted Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Restricted Funds 2015	Total Funds 2015
	£	£	£	£	£	£
Donations and Legacies						
Donations and gifts	731,188	162,519	893,707	813,323	160,057	973,380
Legacies	171,323	-	171,323	285,770	-	285,770
Total	902,511	162,519	1,065,030	1,099,093	160,057	1,259,150

13.2. THE CRUSADERS' UNION GROUPS, AREAS AND REGIONS

The following branch figures have been included in these financial statements as unrestricted funds as follows:

	2016	2015
	£	£
Total income	345,182	418,474
Total expenditure (including write-off of balances under £2,000)	(345,825)	(409,401)
Energize subscriptions	(5,436)	(7,036)
Net income/(expenditure)	(6,079)	2,037
Transfer between funds	(5,120)	(6,579)
Balance brought forward 1 January	376,833	381,375
Balance carried forward at 31 December	365,634	376,833

Details of the number of The Crusaders' Union groups are as follows:	2016	2015
Total number of groups	1,468	1,380
Church linked groups, Energize Standard Groups, Groups with transactions and balances under £2,000	1,447	1,355
Groups whose accounts are included in these financial statements	21	25

Only Energize Plus groups are required to provide an annual return. See **Section 12** for the accounting policy for Groups.

13.3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Residential & Training Centres						
Kestin House rental income	31,729	-	31,729	33,102	-	33,102
Westbrook and Scottish centres	287,210	-	287,210	257,022	-	257,022
	318,939	-	318,939	290,124	-	290,124
Core Activities						
National Holidays and Spree	336,141	-	336,141	308,979	-	308,979
Service Opportunities - ReBuild	333,908	-	333,908	428,319	-	428,319
Service Opportunities - Other	-	-	-	21,734	-	21,734
	670,049	-	670,049	759,032	-	759,032
Total	988,988	-	988,988	1,049,156	-	1,049,156
Volunteer Support						
Teaching and training events	12,349	-	12,349	4,780	-	4,780
Group Subscriptions	313,001	-	313,001	294,568	-	294,568
Other (inc. branded goods)	5,483	-	5,483	5,477	-	5,477
Total	330,833	-	330,833	304,825	-	304,825

13.4. COST OF RAISING FUNDS

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Staff Costs	63,554	-	63,554	59,810	-	59,810
Consultancy costs	-	-	-	11,988	-	11,988
Mailings	38,587	-	38,587	24,615	-	24,615
Other (inc donor dinners)	8,890	-	8,890	8,774	-	8,774
Support costs	73,533	-	73,533	75,482	-	75,482
Total	184,564	-	184,564	180,669	-	180,669

13.5. COST OF CHARITABLE ACTIVITIES – RESIDENTIAL CENTRES AND CORE ACTIVITIES

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Residential & Training Centres						
Residential & Training Centres	366,868	-	366,868	334,851	21,981	356,832
Support Costs	119,508	-	119,508	132,517	-	132,517
	486,376	-	486,376	467,368	21,981	489,349
Core Activities						
National Holidays & Spree	326,248	3,055	329,303	277,791	3,858	281,649
Service Opportunities ReBuild	329,821	1,254	331,075	433,880	-	433,880
Service Opportunities other	8,000	-	8,000	25,330	-	25,330
Support Costs	97,142	-	97,142	99,488	-	99,488
	761,211	4,309	765,520	836,489	3,858	840,347
Total	1,247,587	4,309	1,251,896	1,303,857	25,839	1,329,696

13.6. COST OF CHARITABLE ACTIVITIES – VOLUNTEER SUPPORT

	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Restricted Funds 2015	Total Funds 2015
	£	£	£	£	£	£
Teaching and training activities	115,790	32,454	148,244	141,465	20,487	161,952
National and Regional Directors	345,344	76,802	422,146	364,331	91,803	456,134
Other (support to Groups, goods, licences)	60,048	-	60,048	60,780	-	60,780
Cluster development	67,462	-	67,462	78,159	938	79,097
Support costs (including insurance for Groups and DBS administration)	162,398	-	162,398	171,362	-	171,362
Total	751,042	109,256	860,298	816,097	113,228	929,325

13.7. STAFF COSTS

Total Staff Costs	2016	2015
	£	£
Wages and salaries	967,847	934,759
Social security costs	75,614	75,141
Pension costs	38,331	41,588
Other staff costs	15,859	15,853
Total	1,097,651	1,067,341

Key Management Personnel Staff Costs	2016	2015
	£	£
Wages and salaries	165,307	155,585
Social security costs	16,594	17,014
Pension costs	7,975	7,779
Other staff costs	2,805	2,595
Total	192,685	182,973

Redundancy and termination payments for the year totalled **£58,710** (2015 £2,234). These reflected payments in lieu of notice and compensation for loss of office and have been included in wages and salaries above.

The Crusaders' Union operates a group personal pension scheme and the charge for the year is shown above within pension costs.

No employee earned £60,000 per annum or more (2015: none).

The average number of employees (headcount) in 2016 was 46 (2015: 51). Many of these were part time.

The number of employees (full time equivalent), analysed by function, were:

	2016	2015
	Full time Equivalent	Full time equivalent
Raising Funds	2	3
Charitable Activities	28	32
Governance	1	1
Total	31	36

Seven Trustees (2015: four) received reimbursement of travel expenses during the year whilst acting in their capacity as Trustees, totalling £2,043 (2015: £1,135).

None of the Trustees received any remuneration during the year (2015: none).

13.8. GRANTS

During the year the Trustees awarded the following grants:

£4,200 was given to one of our partners, the South West Youth Ministries (SWYM). This grant was given to support and realise ministry impact in the region.

£2,000 was given to Harry Bryans, a partner in Global mission as a contribution to a John C Maxwell leadership development programme

£2,000 was given to Hope as a contribution to a national youth survey

£1,750 was given to Stop Child Witch Accusations

£1,000 was given to David Chilcott Fund to subsidise young people on Christian holidays

13.9. SUPPORT COSTS

Support costs include expenditure on insurance, Kestin House, IT, finance and governance costs. The 2016 audit fee was £14,760 (2015 £14,562)

13.10. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures & fittings £	Computer equipment £	Assets under construction £	Other £	Total £
Cost or valuation						
At 1 January 2016	2,461,650	289,969	45,519	5,039	7,500	2,809,677
Additions at cost	209,474	101,635	2,857	122,070	-	436,036
Disposals	(42,750)	-	-	-	-	(42,750)
At 31 December 2016	2,628,374	391,604	48,376	127,109	7,500	3,202,963
Accumulated depreciation						
At 1 January 2016	459,376	241,867	37,692	-	7,500	746,435
Charge for the year	33,884	21,758	4,412	-	-	60,054
At 31 December 2016	493,260	263,625	42,104	-	7,500	806,489
Net book value						
At 31 December 2016	2,135,114	127,979	6,272	127,109	-	2,396,474
At 31 December 2015	2,002,274	48,102	7,827	5,039	-	2,063,242

In 2016 Westbrook Lodge, a house in the grounds at Westbrook, and 2 plots of land were sold. The cost of assets sold was £42,750 and the profit on sale was £462,281. This money is being used to develop the Westbrook centre. A new games room and staff accommodation block have been built and a new boiler installed. The games room costs are included within freehold land and buildings and the staff accommodation block within assets under construction.

13.11. PROGRAMME RELATED INVESTMENTS

In December 2005 an agreement was entered into with the Amersham Christian Housing Association Limited for the use of part of the Mill Hill Fund for the purchase of a property in Palmers Green (another part of North London) for the use of a Christian worker in an associated ministry. £280,000 was given as an interest free loan to assist Amersham Christian Housing Association Limited to purchase the property. In the event of a loan repayment, The Crusaders' Union would be entitled to a share of the market value of the property at the time. There has been no change to this arrangement in 2016.

13.12. STOCKS

	2016 £	2015 £
Bookshop and tuck shop goods for resale	3,019	3,013
Teaching materials, stationery and merchandise	9,077	7,822
	12,096	10,835

13.13. DEBTORS

	2016 £	2015 £
Tax recoverable under Gift Aid	17,179	10,428
Other debtors	47,674	52,012
Accrued Income	244,668	214,752
Prepayments	97,929	52,240
	407,450	329,432

13.14. CASH AT BANK AND IN HAND

This includes £317,716 held by Groups and Areas, and the Mill Hill funds of £50,963

13.15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Tax and Social Security	424	874
Accruals	18,857	18,540
Deferred Income	92,016	83,019
Other creditors	66,810	47,181
	178,107	149,614

13.16. UNRESTRICTED FUNDS

The unrestricted funds of the Charity include the General fund, which can be used for the general purposes of the Charity, and the Designated funds where the Board of Trustees have set aside funds for a specific intention.

The movement in the General fund is as follows:

	01-Jan-16 £	Income £	Expenditure and designations £	Transfers £	31-Dec-16 £
General funds	527,316	1,717,372	(1,825,879)	(5,249)	413,560

	01-Jan-16 £	New designations £	Utilised / realised £	Transfers £	31-Dec-16 £
Designated funds					
Development funds from property sales	67,112	-	(14,000)	-	53,112
Projects fund	22,588	-	(16,489)	-	6,099
Active groups and regions	364,637	345,182	(344,103)	(16,820)	348,896
Holidays & Spree	26,383	338,712	(338,592)	(585)	25,918
Westbrook	25,609	792,065	(341,481)	(376,235)	99,958
Other	41,409	32,101	(36,766)	4,583	41,327
	547,738	1,508,060	(1,091,431)	(389,057)	575,310

Development funds from property sales

Mill Hill:- This money (from the sale of land in the Mill Hill area) is managed by a group comprising former leaders of the Mill Hill Group, others currently in the locality and other national figures on behalf of the Trustees.

The Mill Hill Group funded some costs of the Westbrook regeneration project totalling £5,000 in 2016 and a worker in the Mill Hill area of £9,000.

Projects

This fund finances the projects approved in the budget by the Trustees. These projects are in addition to the business as usual activities.

Active groups and regions, individual holidays and Spree

These are the funds held by active groups and areas for use in their own locality and as such are not considered available for general use.

Westbrook site

Westbrook surpluses are designated for use at Westbrook in the future. In 2016 land and a property were sold at Westbrook and this money has been designated for development of the site at Westbrook.

Other

Included within Other is funds for overseas trips such as Build and Respond and funds for specific events.

Property and fixed assets fund

This fund represents the cost of all fixed assets held by The Crusaders' Union. These funds are not available for the day to day use of the Charity.

	01-Jan-16	Income	Expenditure and designations	Transfers	31-Dec-16
	£	£	£	£	£
Tangible fixed assets, investment properties and programme related investments	2,508,242	-	(60,054)	393,286	2,841,474

13.17. RESTRICTED FUNDS

	01-Jan-16	Incoming Resources	Expenditure and designations	Transfers	31-Dec-16
	£	£	£	£	£
Restricted funds	42,686	162,519	(113,565)	1,020	92,660

These include donations for Wales and Ireland and also for specific projects such as child holiday subsidies.

13.18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Included within the General funds figure of £413,150 is a £223,011 debtor in relation to a legacy for the benefit of the Charity. This was received on 1 February 2017 and so was not available for use on the balance sheet date.

	Restricted funds	Designated funds	General funds	Total 2016
	£	£	£	£
Fund balances at 31 December 2016 are represented by:				
Fixed assets	-	2,396,474	-	2,396,474
Investment property & Programme related investments	-	545,000	-	545,000
Net current assets	92,660	575,310	413,560	1,081,530
	92,660	3,516,784	413,560	4,023,004

13.19. TAXATION

The Crusaders' Union is a registered Charity and therefore is not liable for corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13.20. RELATED PARTY

There have been no Related Party transactions during the year.