

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE CRUSADERS' UNION

31ST DECEMBER 2017

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 2017.

#### 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**

Kestin House, 45 Crescent Road, Luton, LU2 0AH Telephone: 01582 589850

E-mail: email@urbansaints.org Web: www.urbansaints.org

### **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 2017 and, except where stated, were in post at the time of this report:

Brendan Bromley

Steve Dengate appointed 21st April 2018

lain Gibson appointed 8th April 2017 and resigned 4th November 2017

Avice Hall

Claire Murphy resigned 10th February 2018

Anthony Obayori

Sarah Palmer-Felgate appointed 8th July 2017

Sharon Prior appointed 8th July 2017

Jeffrey Russell appointed 31st March 2017

Mark Russell resigned 31st December 2017

Jacqueline Smith

Neil Walker resigned 24th March 2018

Cara Wightman

#### **OFFICERS**

Chair of Trustees – Sharon Prior President – Matt Summerfield *resigned 30<sup>th</sup> June 2018* Chief Executive Officer - Richard Langmead Company Secretary – Richard Langmead

#### 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 Mission of Urban Saints is to make young disciples for Jesus. This is our core purpose, it's why we exist. Whenever we decide to do anything, we will make sure that it fits with this mission.

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's 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 Vision**

Urban Saints will be an effective disciple-making movement, reaching young people in every community in the UK and Ireland.

#### **Our Values**

We have three core values at Urban Saints:

Adventure – Urban Saints are adventurous and pioneering, just like Jesus. We will encourage young people to look beyond their own worlds, past what is comfortable, and into a world of faith, challenge and following Jesus.

Discipleship – Urban Saints know that becoming like Jesus doesn't happen instantly, by accident or alone; it takes lifelong training and committed support. Through biblical, prayerful and active learning we will seek to prepare young people for Christian life, leadership and service.

Justice – Urban Saints will always seek to act justly. We will empower our young people to engage with justice issues and to understand the importance of loving others first...eager to respond to a world that cries out for justice.

We are committed to working out these values together. Young people and leaders play an important role in shaping the movement by working through what the values mean week by week. This builds a strong sense of belonging and accountability.

### 3. STRATEGY, ACHIEVEMENTS AND PERFORMANCE IN 2017

2017 was a significant year of change. Led by the new CEO, we reviewed our whole approach and all operations, culminating in the launch of the 2020 strategic plan. We reduced the number and breadth of our activities, instead focusing on our traditional work with children and young people through weekly groups, camps and providing great training material. In doing so we refreshed our operational and budgetary arrangements and have seen a renewed focus and energy in our work, albeit on a smaller scale.

Key highlights of the year were:

- increasing the number of Energize subscribers to 1,600;
- 3,700 children and young people participated in Urban Saints camps and experiences;
- 170 people travelled overseas; and
- 8,500 nights at Westbrook.

Several of our core activities have reduced in size as we have sought to improve the quality of our services ready for future growth.

#### 4. PLANS AND TARGETS FOR 2018

The plan for 2018 is to improve the quality of our service to young people and volunteers, whilst laying a firm foundation for future growth. As we go through this process we will be reducing operations in some areas whilst we continue to grow in others.

- 1. **We will grow the number of new Urban Saints outreach groups** Our key target in 2018 will be to launch 7 brand new groups across the UK, ensuring they are properly financed, compliant and meeting high standards of teaching and activity provision.
- 2. **We will see a 20% increase in Energize use -** We will be working hard to increase the number of independent groups that subscribe to our Energize online materials.
- We will increase the number of young people travelling overseas We had a low year in 2017
  for young people travelling with us overseas and this year will see a return to previous figures of
  around 250.
- 4. We will see an increased usage of our Westbrook Residential Centre Our Westbrook Centre on the Isle of Wight will see an increase of bed nights from 8,500 to 9,000 this year, whilst laying foundations for future growth, such as fabric and facilities update, new marketing, booking and data systems.
- **5.** Camps will become increasingly focused and high-quality We will reduce the number of campers this year from around 3,500 to 3,000 as we disengage from partnerships that no longer match our strategic goals. At the same time, we will be laying foundations for future growth, including new locations, a larger staff team, new marketing, booking and data systems.

Overall the quality and impact of our work will increase as we prune some areas of operation ready for future growth.

The full 2020 Strategy is accessible through the following web link: https://www.urbansaints.org/strategy



### 5. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was formed in 1906 and incorporated on the 12<sup>th</sup> 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.

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:

- 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: or
- 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. Key management personnel are the Trustees and National Leadership Team.

Fundraising provides income so that we can resource and support young people and children's groups - through regional leaders, volunteer training, camps, overseas trips, group materials and residentials.

We are members of the Institute of Fundraising and registered with the Fundraising Regulator. Everything possible is done to meet the needs of current and potential supporters, including protecting all vulnerable people, following the Code of Fundraising Practice and all Data Protection legislation. With the implementation of GDPR on 25 May 2018, we have informed every contact that we can only communicate with them using the 'consent basis' if they have actively opted-in. We continue to respond to any complaints individually and in a timely manner, with any expressions of dissatisfaction being used to improve our fundraising approaches and procedures.

We engage professional third parties to produce and distribute direct mailings. Our agreements set out clear guidelines to ensure compliance with all legislation, regulation and our internal standards. All third party communications are approved by Urban Saints prior to distribution.

We are always conscious of minimising the costs of fundraising and benchmark our fundraising activities against similar organisations. We continue to deliver value for money in all of our charitable activities.

### 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 monthly by the Leadership Team, the Finance and Compliance 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 or resourced for their work with young people. Compliance, training, education and planning has helped address these risks.

#### 6. FINANCIAL REVIEW

The 2017 financial year closed with a surplus of £387,505 (2016 £297,022). This included a gain on the sale of assets of £90,000. A deficit budget had been set for 2017 due to the planned use of reserves but the sale of assets, additional legacies and donations received in the year resulted in this surplus.

Total restricted funds amounted to £44,200 at the end of 2017 (2016 £92,660). Restricted funds are where the money can only be applied for particular purposes. The details can be found in Note 13.17.

Funds totalling £499,245 have been designated by the Trustees for specific purposes. Funds totalling £3,103,468 are held in the Fixed Assets fund. This represents the cost of all fixed assets held by the Charity.

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 funds at 31 December 2017 were £663,596 which is higher than the range. This was mainly due to a high value of legacies received in the year. Post year end the Trustees designated £363,596 to set up an Impact Fund. This will be added to as properties are sold. Some of the Impact Fund will be spent in 2018, to accelerate implementation of the new strategy and encourage growth, and some will be invested longer term in order to provide for the future and produce an annual income to feed into the operating budget.

### 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 that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 on 16/6/8 and signed on their behalf by

Strain Prior

#### 8. INDEPENDENT AUDITOR'S REPORT

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

#### **Opinion**

We have audited the financial statements of The Crusaders' Union (the 'charitable company') for the year ended 31 December 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company'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 charitable company's members 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 charitable company and the charitable company'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 charitable company's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

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

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

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

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- 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' exemptions in preparing the trustees' report and
  from the requirement to prepare a strategic report.

### 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 the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

Edward Finch (Senior Statutory Auditor)

16 June 2018

For and on behalf of Buzzacott LLP, Statutory Auditor 130 Wood Street

London

EC2V 6DL

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

# 9. STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2017	Notes	Unrestricted	Restricted	Total Funds	Total Funds
Teal ended 31 December 2017	Notes	Funds £	Funds £	2017 £	2016 £
INCOME		~	~	~	~
Donations and Legacies	13.1	1,303,689	258,970	1,562,659	1,065,030
Income Earned from Charitable Activities					
Crusaders' Union group, area, region activities	13.2	308,813	-	308,813	345,182
Residential Centres and Core Activities (Camps, Overseas trips)	13.3	963,192	-	963,192	988,988
Volunteer support	13.3	352,614	-	352,614	330,833
Other Income					
Gain on sale of assets		90,000	-	90,000	462,281
Interest receivable		1,383	-	1,383	1,798
Investment income		6,201	-	6,201	6,991
Total Income		3,025,892	258,970	3,284,862	3,201,103
			•		
EXPENDITURE					
Cost of Raising Funds	13.4	172,925	-	172,925	184,564
Expenditure on Charitable Activities					
Crusaders' Union group, area, region activities	13.2	271,719	-	271,719	345,825
Residential Centres and Core Activities (Camps, Overseas trips)	13.5	1,361,714	3,173	1,364,887	1,251,896
Volunteer Support	13.6	689,739	143,592	833,331	860,298
Communications and Design International Development		156,187 98,308	-	156,187 98,308	172,329 89,169
international Development		96,306	-	90,300	69,109
Total Expenditure		2,750,592	146,765	2,897,357	2,904,081
Net income before gains and losses on investments		275,300	112,205	387,505	297,022
Net gains on investments		-	-	-	-
Net income for the year		275,300	112,205	387,505	297,022
Transfers between funds		160,665	(160,665)	-	-
Net movement in Funds		435,965	(48,460)	387,505	297,022
Total funds brought forward 1 January		3,930,344	92,660	4,023,004	3,725,982
Balance carried forward 31 December		4,366,309	44,200	4,410,509	4,023,004

### **10. BALANCE SHEET**

As at 31 December	Notes	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS		~	~	2	L
Tangible fixed assets	13.10	2,313,468		2,396,474	
Investment property		265,000		265,000	
Programme related investments	13.11	280,000		280,000	
9					
			2,858,468		2,941,474
CURRENT ASSETS			_,000,100		2,011,111
Stocks	13.12	4,874		12,096	
Assets held for sale	13.10	345,000		-	
Debtors	13.13	97,746		407,450	
Cash at banks and in hand held by groups and areas	13.14	356,443		317,716	
Other cash at banks and in hand	13.14	955,691		522,375	
		1,759,754		1,259,637	
LIABILITIES		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,,,	
Creditors amounts falling due within one year	13.15	(147,713)		(178,107)	
Net current assets			1,612,041		1,081,530
Total assets less current liabilities			4,470,509		4,023,004
Creditors amounts falling due after one year			(60,000)		-
Total net assets			4,410,509		4,023,004
1 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 -		-	., ,		.,020,001
FUNDS					
Unrestricted funds					
General funds	13.16		663,596		413,560
Designated funds	13.16		499,245		575,310
Property and fixed assets fund	13.16		3,103,468		2,841,474
Revaluation fund			100,000		100,000
Restricted funds	13.17		44,200		92,660
Total Charity funds			4,410,509		4,023,004
			-,,		.,0,001

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

Trustee Shara Tarar
Approved by the Trustees on: 16/6/18

# 11. CASHFLOW STATEMENT

	2017	2016
	£	£
Cash flows from operating activities		
Net cash provided by (used in) operating activities	699,322	(171,311)
Cash flows from investing activities		
Dividends, interest and rent from investments	7,584	8,789
Proceeds from the sale of property, plant and equipment	90,000	505,031
Purchase of property, plant and equipment	(327,116)	(436,036)
Proceeds from sale of investments	-	-
Purchase of investments	-	-
Net cash (used in)/provided by investing activities	(229,532)	77,784
Change in cash and cash equivalents in the reporting period	469,790	(93,527)
Cash and cash equivalents at the beginning of the reporting period	840,091	927,087
Change in cash and cash equivalents due to exchange rate movements	2,253	6,531
Cash and cash equivalents at the end of the reporting period	1,312,134	840,091

	2017	2016
	£	£
Net movement in funds for the reporting period	387,505	297,022
Adjustments for:		
Depreciation charges	65,122	60,054
Dividends, interest and rents from investments	(7,584)	(8,789)
Exchange rate movement	(2,253)	(6,531)
Gain on sale of fixed assets	(90,000)	(462,281)
Decrease/(Increase) in stocks	7,222	(1,261)
Decrease/(Increase) in debtors	309,704	(78,018)
Increase in creditors	29,606	28,493
Net cash provided by (used in) operating activities	699,322	(171,311)

	2017	2016
	£	£
Cash in hand	1,312,134	680,111
Notice deposits	-	159,980
Total cash and cash equivalents	1,312,134	840,091

#### 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; and
- 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 (including Camps and Overseas trips)
  - 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.

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

#### **INVESTMENT PROPERTIES**

Investment properties are included in the accounts at the estimated current market value of the properties based on open market value. The valuation has been determined by the Trustees after consultation with their professional property advisors

### **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.

### **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 that could not be realised without curtailing the activities of the Charity.

General funds represent those monies that 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, and those 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
 Furniture and fittings
 Computer equipment
 5% to 10% per annum
 10% to 20% per annum
 25% per annum

• Other 10% to 33% per annum

#### **GROUPS**

The Groups included in these accounts are some of our Energize Plus groups (Member 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 these Financial Statements.
- 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

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016
	£	£	£	£	£	£
Donations and Legacies						
Donations and gifts	809,740	258,970	1,068,710	731,188	162,519	893,707
Legacies	493,949	-	493,949	171,323	-	171,323
Total	1,303,689	258,970	1,562,659	902,511	162,519	1,065,030

# 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:

	2017	2016
	£	£
Total income	308,813	345,182
Total expenditure (including write-off of balances under £2,000)	(271,719)	(345,825)
Energize subscriptions	(5,256)	(5,436)
Net income/(expenditure)	31,838	(6,079)
Transfer between funds	(26,089)	(5,120)
Balance brought forward 1 January	365,634	376,833
Balance carried forward at 31 December	371,383	365,634

Details of the number of The Crusaders' Union groups are as follows:	2017	2016
Total number of groups	1,539	1,468
Church linked groups, Energize Standard Groups, Groups with transactions and balances under £2,000	1,519	1,447
Groups whose accounts are included in these financial statements	20	21

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 2017	Restricted Funds 2017	Total Funds 2017	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016
	£	£	£	£	£	£
Residential & Training Centres						
Kestin House rental income	31,433	-	31,433	31,729	-	31,729
Westbrook and Scottish centre	305,337	-	305,337	287,210	-	287,210
	336,770	-	336,770	318,939	-	318,939
Core Activities						
Camps	397,548	-	397,548	336,141	-	336,141
Overseas Trips	228,874	-	228,874	333,908	-	333,908
	626,422	-	626,422	670,049	-	670,049
Total	963,192	-	963,192	988,988	-	988,988
Volunteer Support						
Teaching and training	18,049	-	18,049	12,349	_	12,349
Group Subscriptions	325,423	-	325,423	313,001	_	313,001
Other (inc. branded goods)	9,142	-	9,142	5,483	_	5,483
Total	352,614	-	352,614	330,833	-	330,833

# 13.4. COST OF RAISING FUNDS

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016
	£	£	£	£	£	£
Staff Costs	54,117	-	54,117	63,554	-	63,554
Mailings	36,273	-	36,273	38,587	-	38,587
Other (inc. donor dinners)	10,553	-	10,553	8,890	-	8,890
Support costs	71,982	-	71,982	73,533	-	73,533
Total	172,925	-	172,925	184,564	-	184,564

# 13.5. COST OF CHARITABLE ACTIVITIES - RESIDENTIAL CENTRES AND CORE ACTIVITIES

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016
	£	£	£	£	£	£
Residential & Training Centres						
Westbrook and Kestin House	443,037	-	443,037	366,868	-	366,868
Support Costs	120,671	-	120,671	119,508	-	119,508
	563,708	-	563,708	486,376	_	486,376
Core Activities						
Camps	369,622	3,173	372,795	326,248	3,055	329,303
Overseas Trips	311,384	-	311,384	329,821	1,254	331,075
Other	8,200	-	8,200	8,000	-	8,000
Support Costs	108,800	-	108,800	97,142	-	97,142
	798,006	3,173	801,179	761,211	4,309	765,520
Total	1,361,714	3,173	1,364,887	1,247,587	4,309	1,251,896

### 13.6. COST OF CHARITABLE ACTIVITIES - VOLUNTEER SUPPORT

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016
	£	£	£	£	£	£
Teaching and training activities	175,983	20,032	196,015	115,790	32,454	148,244
National, Regional Directors and Impact Team Leaders	282,180	123,560	405,740	345,344	76,802	422,146
Other (support to Groups, goods, licences)	68,116	-	68,116	60,048	-	60,048
Cluster Development	-	-	-	67,462	-	67,462
Support costs (including insurance for Groups and DBS administration)	163,460	-	163,460	162,398	-	162,398
Total	689,739	143,592	833,331	751,042	109,256	860,298

### 13.7. STAFF COSTS

Total Staff Costs	2017	2016
	£	£
Wages and salaries	1,016,562	967,847
Social security costs	83,787	75,614
Pension costs	40,693	38,331
Other staff costs	12,364	15,859
Total	1,153,406	1,097,651

Key Management Personnel Staff Costs	2017	2016
	£	£
Wages and salaries	98,954	165,307
Social security costs	11,878	16,594
Pension costs	3,161	7,975
Other staff costs	1,583	2,805
Total	115,576	192,681

Redundancy and termination payments for the year totalled £73,466 (2016 £58,710). 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.

One employee earned £60,000 per annum or more (2016 none).

The average number of employees (head count) in 2017 was 42 (2016 46). Many of these were part time.

The number of employees (full time equivalent) at year end, analysed by function, was:

Full time Equivalent	2017	2016
Raising Funds	1	2
Charitable Activities	29	30
Governance	1	1
Total	31	33

Ten Trustees (2016 seven) received reimbursement of travel expenses during the year whilst acting in their capacity as Trustees, totalling £13,332 (2016 £2,043).

None of the Trustees received any remuneration during the year (2016 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 area.

£2,000 was given to David Chilcott Fund to subsidise young people on Christian holidays

£2,000 was given to Symphony Consortium for the Midnight Oil event, an event to support young people to make a difference in their world.

### 13.9. SUPPORT COSTS

Support costs include expenditure on insurance, Kestin House, IT, finance and governance costs. The 2017 audit fee was £15,000 (2016 £14,760)

### 13.10. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Fixtures & fittings	Computer equipment	Assets under construction	Other	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2017	2,628,374	391,604	48,376	127,109	7,500	3,202,963
Additions at cost	256,184	63,869	-	7,063	-	327,116
Transfers	(222,930)	-	-	(122,070)	-	(345,000)
At 31 December 2017	2,661,628	455,473	48,376	12,102	7,500	3,185,079
Accumulated depreciation						
At 1 January 2017	493,260	263,625	42,104	-	7,500	806,489
Charge for the year	33,884	28,329	2,909	-	-	65,122
At 31 December 2017	527,144	291,954	45,013	-	7,500	871,611
Net book value						
At 31 December 2017	2,134,484	163,519	3,363	12,102	-	2,313,468
At 31 December 2016	2,135,114	127,979	6,272	127,109	-	2,396,474

A freehold property was sold in March 2018. The cost of the property (£345,000) was therefore transferred from Fixed Assets to Current Assets (assets held for sale) at 31 December 2017.

### 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 will be entitled to a share of the market value of the property at the time. There was no change to this arrangement in 2017 but in 2018 the Trustees have given notice on the loan in order to release the money for ministry.

### 13.12. STOCKS

	2017	2016
	£	£
Bookshop and tuck shop goods for resale	2,153	3,019
Teaching materials, stationery and merchandise	2,721	9,077
	4,874	12,096

### **13.13. DEBTORS**

	2017	2016
	£	£
Tax recoverable under Gift Aid	9,651	17,179
Other debtors	15,931	47,674
Accrued Income	11,500	244,668
Prepayments	60,664	97,929
	97,746	407,450

## 13.14. CASH AT BANK AND IN HAND

This includes £312,198 held by Groups and Areas, the Mill Hill funds of £37,379 and the Trotsworth Hall funds of £90,000.

### 13.15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Tax and Social Security	_	424
Accruals	21,000	18,857
Deferred Income	92,167	92,016
Other creditors	34,546	66,810
	147,713	178,107

### 13.16. UNRESTRICTED FUNDS

The unrestricted funds of the Charity include the General funds, 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 unrestricted funds is as follows:

	01-Jan-17 £	Income £	Expenditure and designations	Transfers £	31-Dec-17 £
General funds	413,560	2,065,514	(1,766,165)	(49,313)	663,596

	01-Jan-17	New designations	Utilised	Transfers	31-Dec-17
Designated funds	£	£	£	£	£
Development funds from property sales	53,112	90,000	(13,584)	(2,149)	127,379
Active groups and regions	348,896	333,501	(308,889)	(65,519)	307,989
Holidays and Sprees	25,918	382,923	(365,362)	4,749	48,228
Westbrook	99,958	341,757	(386,808)	(54,907)	-
Other	47,426	18,877	(51,343)	689	15,649
	575,310	1,167,058	(1,125,986)	(117,137)	499,245

### **Development funds from property sales**

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

The Mill Hill Group funded some costs of the Westbrook regeneration project totalling £9,584 in 2017 and a worker in the Mill Hill area of £4,000.

Trotsworth Hall:-This money is managed on behalf of the Trustees by a group comprising former leaders of the Virginia Water Group.

### **Active Groups and Regions, Holidays and Sprees**

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

#### Other

Included within Other are funds designated for use at Studland site.

### Property and fixed assets fund

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

	01-Jan-17	Income	Expenditure and designations	Transfers	31-Dec-17
	£	£	£	£	£
Tangible fixed assets, investment properties and programme related investments	2,841,474	-	(65,122)	327,116	3,103,468

# 13.17. RESTRICTED FUNDS

	01-Jan-17	Incoming Resources	Expenditure and designations	Transfers	31-Dec-17
	£	£	£	£	£
Restricted funds	92,660	258,970	(146,764)	(160,666)	44,200

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

The transfer in the year represents restricted funds used to acquire fixed assets and therefore the transfer is to the Fixed Asset Fund.

# 13.18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds	Designated funds	General funds	Total 2017
Fund balances at 31 December 2017	£	£	£	£
are represented by:				
Fixed assets	-	2,658,468	-	2,658,468
Investment property and Programme related investments	-	545,000	-	545,000
Net current assets	44,200	499,245	723,596	1,267,041
Creditors after more than 1 year	-	-	(60,000)	(60,000)
	44,200	3,702,713	663,596	4,410,509

#### **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.