



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE CRUSADERS' UNION

31ST DECEMBER 2018

Company number: 07771037
Charity registration: 1144923 in England and Wales, SCO39313 in Scotland



URBAN SAINTS

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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 2018. The financial statements have been prepared in accordance with the accounting policies set out on pages 14 and 15 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) effective from accounting periods commencing 1 January 2015 or later.

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 2018 and, except where stated, were in post at the time of this report:

Brendan Bromley *resigned 22nd September 2018*

Steve Dengate *appointed 21st April 2018*

Hermione Garner *appointed 1st July 2018*

Avice Hall

Paul Marchant *appointed 24th November 2018*

Claire Murphy *resigned 10th February 2018*

Anthony Obayori

Sarah Palmer-Felgate

Sharon Prior (Chair)

Jeffrey Russell (Vice Chair)

Jacqueline Smith

Benedict Sutton *appointed 24th November 2018*

Neil Walker *resigned 24th March 2018*

Cara Wightman

EXECUTIVE OFFICERS

President – Matt Summerfield *resigned 30th June 2018*

Chief Executive Officer - Richard Langmead

Company Secretary - Louisa Mason

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 2011 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 2018

2018 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 by 74 to 1,582;
- 3,700 children and young people participated in Urban Saints camps and experiences;
- increasing the use of our residential centre, Westbrook to 8,800 bed nights.
- 170 people on Overseas Adventures; and
- 7 New Urban Saints groups were launched

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 2019

The plan for 2019 is to improve the quality of our service to young people and volunteers, whilst laying a firm foundation for future growth.

We will grow the number of new Urban Saints outreach groups - Our key target in 2019 will be to launch 14 brand new groups across the UK, ensuring they are properly financed, compliant and meeting high standards of teaching and activity provision.

1. **We will see a 5% increase in Energize use** - We will be working hard to increase the number of independent groups that subscribe to our Energize online materials.
2. **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 this year, whilst laying foundations for future growth, such as fabric and facilities update, new marketing, booking and data systems.
3. **Camps will become increasingly focused and high-quality** - We will reduce the number of campers this year from around 3,700 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 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.

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; 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.

In April 2018 a full audit of the skills of each Trustee was carried out and the gaps in skills were identified. We specifically advertised for potential Trustees with the skills needed and have since appointed new Trustees with those skills.

As The Crusaders' Union operates in Scotland, the charity has 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. In addition to the trustees key management personnel are the National Leadership Team comprising of the CEO and Directors.

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. The parties we use are all GDPR approved and we do not sell on any data. 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 are ultimately responsible for risk management and the effectiveness of Urban Saints' internal control processes. The major risks to which Urban Saints are exposed, as identified by the Trustees, are reviewed regularly, and we are continuously improving our systems and procedures to manage them. The Board of Trustees has considered and approved the risk appetite and risk management policy of Urban Saints. It has delegated the regular scrutiny to the Finance and Compliance Committee, which is made up of the Chair of the committee and three other Trustees as well as independent committee members that are experienced in particular aspects of Finance and Compliance.

Urban Saints' systems and procedures are designed to inform and manage risk and to provide reasonable assurance against material misstatement or loss. Senior management ensure that the culture and process of risk management are embedded across the organisation through the effective implementation of policies and processes. Risk registers have been developed at corporate, department and major project levels. Risks are assessed and rated on their likelihood and potential impact along with the mitigation strategies in place to manage them in line with the Board's risk appetite. Operational management review and update the corporate risk register on a monthly basis and it is shared with the Finance and Compliance Committee when they meet. The Board formally reviews it when they meet regularly. There are a number of working groups that manage risks in high-risk areas and risk events are logged and tracked to inform the ongoing development of risk management strategies and lessons learnt. Serious incidents and compliance across the organisation are assessed internally by all departments through a monthly process, which is reported on and reviewed by the extended leadership team and the Finance and Compliance Committee.

We work with the support of our partners and volunteers, taking on board their advice to implement mitigation actions for our strategic, operational, financial and compliance risks.



6. FINANCIAL REVIEW

The 2018 financial year closed with a surplus of £309,138 (2017 £387,505). This included a gain on the sale of assets of £485,854.

Total restricted funds amounted to £38,412 at the end of 2018 (2017 £44,200). Restricted funds are where the money can only be applied for particular purposes. The details can be found in Note 13.17.

Funds totalling £1,839,740 have been designated by the Trustees for specific purposes. This is significantly higher than previous year due to the establishment of the Impact Fund for the specific purpose of growing and developing the organisation. At the start of 2018 the Trustees designated £363,596 to set up the Impact Fund. This was added to in 2018 as the properties were sold (see Notes 13.9-13.11). Some of the Impact Fund was spent in 2018 to accelerate implementation of the new strategy and encourage growth and some will be held longer term in order to provide for the future. The details can be found in Note 13.16.

Funds totalling £2,529,373 are held in the Fixed Assets fund and Revaluation Reserve. This represents the cost of all fixed assets and Investments held on behalf of 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 2018 were £312,122 which is within the range.

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 **18/07/19** and signed on their behalf by



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 2018 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).

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 2018 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.

Use of this report

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.



22nd July 2019

Edward Finch (Senior Statutory Auditor)
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 2018	<i>Notes</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
INCOME					
Donations and Legacies	13.1	811,916	233,219	1,045,135	1,562,659
Income Earned from Charitable Activities					
Crusaders' Union group, area, region activities	13.2	208,446	-	208,446	308,813
Residential Centres and Core Activities (Camps, Overseas trips)	13.3	1,090,576	-	1,090,576	963,192
Volunteer support	13.3	334,115	-	334,115	352,614
Other Income					
Gain on sale of assets		485,854	-	485,854	90,000
Interest receivable		4,541	-	4,541	1,383
Investment income		5,000	-	5,000	6,201
Total Income		2,940,448	233,219	3,173,667	3,284,862
EXPENDITURE					
Cost of Raising Funds	13.4	152,042	-	152,042	172,925
Expenditure on Charitable Activities					
Crusaders' Union group, area, region activities	13.2	218,968	-	218,968	271,719
Residential Centres and Core Activities (Camps, Overseas trips)	13.5	1,518,279	21,431	1,539,710	1,364,887
Volunteer Support	13.6	601,359	198,922	800,281	833,331
Communications and Design		138,528	-	138,528	156,187
International Development		-	-	-	98,308
Total Expenditure		2,629,176	220,353	2,849,529	2,897,357
Net income before gains and losses on investments		311,272	12,866	324,138	387,505
Net loss on investments	13.10	(15,000)	-	(15,000)	-
Net income for the year		296,272	12,866	309,138	387,505
Transfers between funds		18,654	(18,654)	-	-
Net movement in Funds		314,926	(5,788)	309,138	387,505
Total funds brought forward 1 January		4,366,309	44,200	4,410,509	4,023,004
Balance carried forward 31 December		4,681,235	38,412	4,719,647	4,410,509

Prior Year (Year ended 31 December 2017)	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017
	£	£	£
INCOME			
Donations and Legacies	1,303,689	258,970	1,562,659
Income Earned from Charitable Activities			
Crusaders' Union group, area, region activities	308,813	-	308,813
Residential Centres and Core Activities (Camps, Overseas trips)	963,192	-	963,192
Volunteer support	352,614	-	352,614
Other Income			
Gain on sale of assets	90,000	-	90,000
Interest receivable	1,383	-	1,383
Investment income	6,201	-	6,201
Total Income	3,025,892	258,970	3,284,862
EXPENDITURE			
Cost of Raising Funds	172,925	-	172,925
Expenditure on Charitable Activities			
Crusaders' Union group, area, region activities	271,719	-	271,719
Residential Centres and Core Activities (Camps, Overseas trips)	1,361,714	3,173	1,364,887
Volunteer Support	689,739	143,592	833,331
Communications and Design	156,187	-	156,187
International Development	98,308	-	98,308
Total Expenditure	2,750,592	146,765	2,897,357
Net income before gains and losses on investments	275,300	112,205	387,505
Net gains on investments	-	-	-
Net income for the year	275,300	112,205	387,505
Transfers between funds	160,665	(160,665)	-
Net movement in Funds	435,965	(48,460)	387,505
Total funds brought forward 1 January	3,930,344	92,660	4,023,004
Balance carried forward 31 December	4,366,309	44,200	4,410,509

10. BALANCE SHEET

As at 31 December	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible fixed assets	13.9	2,279,373		2,313,468	
Investment property	13.10	-		265,000	
Programme related investments	13.11	-		280,000	
			2,279,373		2,858,468
CURRENT ASSETS					
Stocks	13.12	3,980		4,874	
Assets held for sale	13.10	250,000		345,000	
Debtors	13.13	136,990		97,746	
Cash at banks and in hand held by groups and areas	13.14	364,456		356,443	
Other cash at banks and in hand	13.14	1,897,730		955,691	
		2,653,156		1,759,754	
LIABILITIES					
Creditors amounts falling due within one year	13.15	(152,882)		(147,713)	
Net current assets			2,500,274		1,612,041
Total assets less current liabilities			4,779,647		4,470,509
Creditors amounts falling due after one year			(60,000)		(60,000)
Total net assets			4,719,647		4,410,509
FUNDS					
Unrestricted funds					
General funds	13.16		312,122		663,596
Designated funds	13.16		1,839,740		499,245
Property and fixed assets fund	13.16		2,444,373		3,103,468
Revaluation fund			85,000		100,000
Restricted funds	13.17		38,412		44,200
Total Charity funds			4,719,647		4,410,509

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

Trustee



Approved by the Trustees on: 18/07/19

11. CASHFLOW STATEMENT

	2018 £	2017 £
Cash flows from operating activities		
Net cash (used in)/provided by operating activities	(135,014)	699,322
Cash flows from investing activities		
Dividends, interest and rent from investments	9,541	7,584
Proceeds from the sale of property, plant and equipment	1,110,854	90,000
Purchase of property, plant and equipment	(34,599)	(327,116)
Net cash provided by/(used in) investing activities	1,085,796	(229,532)
Change in cash and cash equivalents in the reporting period	950,782	469,790
Cash and cash equivalents at the beginning of the reporting period	1,312,134	840,091
Change in cash and cash equivalents due to exchange rate movements	(730)	2,253
Cash and cash equivalents at the end of the reporting period	2,262,186	1,312,134

	2018 £	2017 £
Net movement in funds for the reporting period	309,138	387,505
Adjustments for:		
Depreciation charges	68,694	65,122
Dividends, interest and rents from investments	(9,541)	(7,584)
Exchange rate movement	730	(2,253)
Gain on sale of fixed assets	(485,854)	(90,000)
Loss on investment	15,000	
Decrease in stocks	894	7,222
(Increase)/Decrease in debtors	(39,244)	309,704
Increase in creditors	5,169	29,606
Net cash (used in)/provided by operating activities	(135,014)	699,322

	2018 £	2017 £
Cash in hand	2,262,186	1,312,134
Total cash and cash equivalents	2,262,186	1,312,134

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
 - Marketing and Communications

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 | 5% to 10% per annum |
| • Furniture and fittings | 10% to 20% per annum |
| • Computer equipment | 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 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Donations and Legacies						
Donations and gifts	644,116	233,219	877,335	809,740	258,970	1,068,710
Legacies	167,800	-	167,800	493,949	-	493,949
Total	811,916	233,219	1,045,135	1,303,689	258,970	1,562,659

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:

	2018 £	2017 £
Total income	208,446	308,813
Total expenditure (including write-off of balances under £2,000)	(218,968)	(271,719)
Energize subscriptions	(5,326)	(5,256)
Net (expenditure)/income	(15,848)	31,838
Transfer between funds	-	(26,089)
Balance brought forward 1 January	371,383	365,634
Balance carried forward at 31 December	355,535	371,383

Details of the number of The Crusaders' Union groups are as follows:	2018	2017
Total number of groups	1,595	1,539
Church linked groups, Energize Standard Groups, Groups with transactions and balances under £2,000	1,578	1,519
Groups whose accounts are included in these financial statements	17	20

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 2018	Restricted Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017
	£	£	£	£	£	£
Centres						
Kestin House rental income	38,577	-	38,577	31,433	-	31,433
Westbrook centre	319,516	-	319,516	305,337	-	305,337
	358,093	-	358,093	336,770	-	336,770
Core Activities						
Camps	370,061	-	370,061	397,548	-	397,548
Overseas Trips	362,422	-	362,422	228,874	-	228,874
	732,483	-	732,483	626,422	-	626,422
Total	1,090,576	-	1,090,576	963,192	-	963,192
Volunteer Support						
Teaching and training	18,152	-	18,152	18,049	-	18,049
Group Subscriptions	309,401	-	309,401	325,423	-	325,423
Other	6,562	-	6,562	9,142	-	9,142
Total	334,115	-	334,115	352,614	-	352,614

13.4. COST OF RAISING FUNDS

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017
	£	£	£	£	£	£
Staff Costs	58,046	-	58,046	54,117	-	54,117
Mailings	24,593	-	24,593	36,273	-	36,273
Other	3,457	-	3,457	10,553	-	10,553
Support costs	65,946	-	65,946	71,982	-	71,982
Total	152,042	-	152,042	172,925	-	172,925

13.5. COST OF CHARITABLE ACTIVITIES – CENTRES AND CORE ACTIVITIES

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017
	£	£	£	£	£	£
Centres						
Westbrook and Kestin House	420,935	17,396	438,331	443,037	-	443,037
Support Costs	138,025	-	138,025	120,671	-	120,671
	558,960	17,396	576,356	563,708	-	563,708
Core Activities						
Camps	400,817	4,035	404,852	369,622	3,173	372,795
Overseas Trips	385,151	-	385,151	311,384	-	311,384
Other	15,110	-	15,110	8,200	-	8,200
Support Costs	158,241	-	158,241	108,800	-	108,800
	959,319	4,035	963,354	798,006	3,173	801,179
Total	1,518,279	21,431	1,539,710	1,361,714	3,173	1,364,887

13.6. COST OF CHARITABLE ACTIVITIES – VOLUNTEER SUPPORT

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017
	£	£	£	£	£	£
Teaching and training activities	197,532	91,086	288,618	175,983	20,032	196,015
National and Regional Impact Team Leaders	219,182	107,836	327,018	282,180	123,560	405,740
Other	11,529	-	11,529	68,116	-	68,116
Support costs	173,116	-	173,116	163,460	-	163,460
Total	601,359	198,922	800,281	689,739	143,592	833,331

13.7. STAFF COSTS

Total Staff Costs	2018	2017
	£	£
Wages and salaries	990,233	1,016,562
Social security costs	88,531	83,787
Pension costs	51,919	40,693
Other staff costs	8,797	12,364
Total	1,139,480	1,153,406

Key Management Personnel Staff Costs	2018	2017
	£	£
Wages and salaries	142,705	98,954
Social security costs	16,754	11,878
Pension costs	7,380	3,161
Other staff costs	1,267	1,583
Total	168,106	115,576

There was one redundancy and termination payment in the year of £1,670 (2017 nine payments totalling £73,466). The 2017 and 2018 amounts reflect 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 (2017 one).

The average number of employees (head count) in 2018 was 46 (2017 42). Many of these were part time.

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

Full Time Equivalent	2018	2017
Raising Funds	1	1
Charitable Activities	32	29
Governance	1	1
Total	34	31

Nine Trustees (2017 ten) received reimbursement of travel expenses during the year whilst acting in their capacity as Trustees, totalling £6,330 (2017 £13,332).

During 2018 one Trustee Jeff Russell received remuneration during the year of £1,420 for Health and Safety and Safeguarding Audit service provided to the charity. (2017 none).

13.8. SUPPORT COSTS

Support costs include operations staff costs, expenditure on insurance, Kestin House, IT, finance and governance costs. The 2018 audit fee was £15,480 (2017 £15,000).

13.9. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures & fittings £	Computer equipment £	Assets under construction £	Other £	Total £
Cost or valuation						
At 1 January 2018	2,661,628	455,473	48,376	12,102	7,500	3,185,079
Additions at cost	9,571	25,028	-	-	-	34,599
Transfers	-	12,102	-	(12,102)	-	-
At 31 December 2018	2,671,199	492,603	48,376	-	7,500	3,219,678
Accumulated depreciation						
At 1 January 2018	527,144	291,954	45,013	-	7,500	871,611
Charge for the year	33,889	32,156	2,649	-	-	68,694
At 31 December 2018	561,033	324,110	47,662	-	7,500	940,305
Net book value						
At 31 December 2018	2,110,166	168,493	714	-	-	2,279,373
At 31 December 2017	2,134,484	163,519	3,363	12,102	-	2,313,468

A freehold property was sold in March 2018 for proceeds of £650,000. The cost of the property, £345,000 was transferred from Fixed Assets to Current Assets (assets held for sale) at 31 December 2017.

13.10. INVESTMENT PROPERTY

Movements in the valuation of the investment property during the year are shown below:

	2018 £	2017 £
As 1 January	265,000	265,000
Loss on revaluation in the period	(15,000)	-
At 31 December	250,000	265,000

The property was sold on 29 March 2019.

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 2018 the Trustees gave notice on the loan in order to release the money for ministry and received the relevant share, 73.78% of the market value of the property £640,000 ie £470,782.

13.12. STOCKS

	2018 £	2017 £
Westbrook goods	1,241	2,153
Teaching materials, stationery and merchandise	2,739	2,721
	3,980	4,874

13.13. DEBTORS

	2018	2017
	£	£
Tax recoverable under Gift Aid	23,552	9,651
Other debtors	13,145	15,931
Accrued Income	47,517	11,500
Prepayments	52,776	60,664
	136,990	97,746

13.14. CASH AT BANK AND IN HAND

This includes £274,456 held in local bank accounts for Groups and Areas and the Trotsworth Hall funds of £90,000.

13.15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Tax and Social Security	2,492	-
Accruals	17,420	21,000
Deferred Income	58,285	92,167
Other creditors	74,685	34,546
	152,882	147,713

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-18	Income	Expenditure and designations	Transfers	31-Dec-18
	£	£	£	£	£
General funds	663,596	1,837,498	(1,826,376)	(362,596)	312,122

	01-Jan-18	New designations	Utilised	Transfers	31-Dec-18
	£	£	£	£	£
Designated funds					
Impact Fund	-	485,854	(126,557)	988,595	1,347,892
Development funds from property sales	127,379	-	-	-	127,379
Groups, Areas and Camps	356,217	565,305	(572,676)	-	348,846
Other	15,649	21,518	(19,870)	(1,674)	15,623
	499,245	1,072,677	(719,103)	986,921	1,839,740

The movement in the unrestricted funds in the prior year was 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
Groups, Areas and Camps	374,814	716,424	(674,251)	(60,770)	356,217
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

Impact Fund

At the start of 2018 the Trustees designated £363,596 to set up an Impact Fund. This was added to in 2018 as properties were sold. £126,557 of the Impact Fund was spent in 2018 to accelerate implementation of the new strategy and encourage growth. Further spending is being planned in 2019 to support the current strategic plan. Any remaining funds will then be held longer term in order to support further strategic growth plans and organisational development.

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.

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

Groups, Areas and Camps

These are the funds held by 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 and Revaluation Reserve

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-18	Income	Expenditure and designations	Transfers	31-Dec-18
	£	£	£	£	£
Tangible fixed assets, investment properties and programme related investments	3,203,468	15,272	(83,695)	(605,672)	2,529,373

The movement in the prior year was as follows:

	01-Jan-17	Income	Expenditure and designations	Transfers	31-Dec-17
	£	£	£	£	£
Tangible fixed assets, investment properties and programme related investments	2,941,474	-	(65,122)	327,116	3,203,468

13.17. RESTRICTED FUNDS

	01-Jan-18	Incoming Resources	Expenditure and designations	Transfers	31-Dec-18
	£	£	£	£	£
Restricted funds	44,200	233,219	(220,353)	(18,654)	38,412

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

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

The movement in the prior year was as follows:

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

13.18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds	Designated funds	General funds	Total 2018
	£	£	£	£
Fund balances at 31 December 2018				
are represented by:				
Fixed assets	-	2,279,373	-	2,279,373
Investment property	-	250,000	-	250,000
Net current assets	38,412	1,839,740	372,122	2,250,274
Creditors after more than 1 year	-	-	(60,000)	(60,000)
	38,412	4,369,113	312,122	4,719,647

The prior year balances were as follows:

	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 PARTIES

There have been no Related Party transactions during the year other than the costs relating to key management disclosed within Note 13.7.