

Crosslands

Unaudited financial statements

for the year ended 31 July 2019

Charity number: 1167211

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for the year ended 31 July 2019

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Trustees' report for the year ended 31 July 2019

The trustees present their report together with the financial statements of Crosslands for the year ended 31st July 2019.

Objectives and Activities

Crosslands aims to provide excellent in-context theological training and resources for churches and church leaders in the UK, Europe and 10:40 window. Crosslands provides accessible theological education through two core programmes, Foundation and Seminary.

The Foundation programme is well established. It is studied individually, in a learning site (open to anyone within a geographical area) or a study group (a closed group usually ran within a church or a para-church organisation) accessed through our online platform, BibleMesh. Both learning sites and study groups teach the content in accordance with specific guidelines determined by Crosslands. They operate autonomously but are bound by a contract signed by the leader. This contract confirms their commitment to our aims, objectives and values and outlines their responsibilities.

The Seminary programme is run in-house with two hubs, one in the UK and one in the Republic of Ireland for international students. Content is accessed through a combination of online resources and teaching at residentials and seminar days throughout the year. Students are allocated tutor groups.

The CIO's objectives, as set out in the constitution are:

- to provide for the public benefit Christian training to educate and equip church leaders, mainly but not exclusively in the UK, Europe and 10:40 window, to have the knowledge and skills required to care for the spiritual, moral and welfare needs of their churches and wider communities;
- to provide for the public benefit Christian resources that educate church congregations and individuals in accordance with Christian beliefs as outlined in our Statement of Faith; and
- to advance the Christian faith for the benefit of the public in such charitable ways as the Charity Trustees think fit from time to time.

The main activities undertaken during the year in relation to these objectives were:

- establishing a recognised, strong and distinct brand for in-context theological training;
- developing an excellent curriculum that equips people of all stages of Christian development;
- attracting a growing body of enrolled and potential students from across Europe;
- employing a strong, cohesive and diverse faculty of academics and practitioner-tutors;
- establishing an operational business plan to become a financially sustainable not-for profit organisation.

When planning the activities of the charity, the trustees have considered the Charity Commission guidance in relation to public benefit and in particular the guidance on the Advancement of Religion for the Public Benefit. The ways that the charity operates for the benefit of the wider public are detailed below:

- Curriculum is developed in such a way as to be contextually adaptable and appropriate. This is to equip and train Christians to intentionally invest in local communities.
- Content is accessible and relevant to a wide variety of people, including the Foundation programme which is available to those with little or no formal education.

Trustees' report for the year ended 31 July 2019 (cont.)

- Delivery model is designed to make training accessible to people in remote and dispersed locations, who would not normally be able to access high quality training.
- Retail price of modules are aggressively discounted to make content available to a wide variety of students, to allow people to integrate study into their current context and so encourage people to study in groups which we believe provide greater educational outcomes.

Achievements and Performance

The trustees consider the achievements of the CIO during the year to be:

- An increase of 54% in the number of new students registered in our Seminary programme.
- 13 students successfully completed their final year of our unaccredited seminary course.
- A continued diversification of our Seminary student body, with more than 87% of students located outside of London and SE England including students from 15 countries outside the UK and a 13% increase in the proportion of female students enrolled in our Seminary Programme
- The development and implementation of a tailored Kids and Youth Ministry variant of our Seminary Core Programme.
- The establishment of three new Foundation Learning sites ready for operation in the 2019-20 academic year.
- The development of new courses in both the Foundation and Seminary programmes.

The UK government imposed a nationwide lockdown on Monday 23 March in response to the global COVID 19 pandemic. The restrictions were initially put in place for a period of three weeks, until Monday 13 April, however at the time of filing this report it is highly likely that restrictions on movement and the gathering of people will continue for some months beyond this. Crosslands' flexible delivery model means that the operations of the organisation have largely been unaffected by the new restrictions. The cancellation of several conferences, restrictions on travel, and taking our usual summer residenceals online have allowed cost savings to be made for the financial year ending 31 July 2020. The pandemic has resulted in a small number of students being placed on furlough by their employer, however as furloughed employees are still permitted to continue with training this has not had further implications for Crosslands. We are taking seriously the potential for COVID-19 to impact our student numbers in the year ahead, which may either decrease (due to pressure on church funding, and lost marketing opportunities at conferences and events) or increase (due to the attractiveness of our lower cost offering and flexible delivery model compared with residential programmes) . We are actively monitoring and supporting the application process and have increased online marketing in Spring 2020. At the date of signing, the number of student applications for September 2020 were ahead of those at the same time in the prior year.

Financial review

The results for the year and the financial position of the charity are shown on pages 6 to 14.

The Statement of Financial Activities shows a deficit of income over expenditure during the year of £6,372 (2018: surplus of £31,323) with total reserves of £24,951 (2018: £31,323).

The charity received support from its founding partner, Acts29, of £56,000 (2018: £Nil)

Trustees' report for the year ended 31 July 2019 (cont.)

The trustees have considered the charity's requirement for reserves in light of the main risks to the organisation. The purpose of the Operating Reserve Policy for Crosslands is to ensure the stability of the mission, programs, employment, and ongoing operations of the organisation. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, onetime unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Crosslands for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Policy will be implemented in concert with the other governance and financial policies of Crosslands and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

The Trustees have set a target level of reserves equal to four months of average operating costs. Currently the charity holds reserves of £16,223 (2018: £21,198).

Structure, Governance and Management

The organisation is a Charitable Incorporated Organisation, incorporated and registered as a charity on 19th May 2016. Crosslands was created by two organisations – Acts 29 and Oak Hill.

The company is established under a constitution, which contains the objects and powers of the organisation.

At any time there must be a minimum of four trustees. The board of Trustees is responsible for the appointment of new Trustees.

Under the requirements of the constitution the first trustees were elected to serve the following terms:

- Stephen George Timmis for 4 years
- Ian Jeremy Roberts for 4 years
- Jennifer Ann Charteris for 3 years
- Daniel Steven Strange for 2 years
- Jonathan Daniel Woodrow for 2 years
- Timothy John McMahon for 3 years

Apart from the first Charity Trustees, every Trustee must be appointed for a term of up to three years by a resolution passed at a properly convened meeting of the Charity Trustees.

All trustees work voluntarily and receive no salary from the charity. Any expenses reclaimed or royalties paid from the charity are described in notes 10 and 11 of the accounts.

All trustees appointed are in full support of the charity's aims and objectives

Any newly appointed trustees will be given a copy of the current version of the constitution and a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud or error.

Trustees' report for the year ended 31 July 2019 (cont.)

Reference and administrative details

Charity name:

Crosslands

Charity registration number:

1167211

Trustees:

Mr P Moore (appointed 21 Nov '18)

Mr I Roberts

Dr D Strange

Mr D Steel (appointed 20 Feb '20)

Mr S Timmis (resigned 4 Feb '20)

Dr J Woodrow (resigned 22 Nov'18)

Registered office:

26 Rothbury Terrace, Newcastle upon Tyne,
NE6 5XH

Professional advisors

Stewardship Services (UKET) Limited
(Examiners)

CAF Bank Ltd (Bankers)

Trustees' Responsibilities

Charity law requires us as trustees to prepare financial statements for each financial period that give a true and fair view of the state of the affairs of the charity, as at the balance sheet date, and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, they will:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the applicable Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether the applicable account 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 not appropriate to assume that the company will not continue on that basis.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Account and Reports) Regulations, and the provision of the Constitution.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees confirm that the accounts comply with current statutory requirements and those of the organisation's governing document.

ON BEHALF OF THE BOARD:

Mr I Roberts (Trustee)

13 May 2020

Independent Examiner's Report to The Trustees of Crosslands ('the Charity')

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 July 2019 on pages 6 to 14 following, which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

Responsibilities and basis of report

As the charity's trustees of the Charitable Incorporated Organisation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jacob Farley ACA

18 May 2020

Institute of Chartered Accountants in England and Wales

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Statement of financial activities for the year ended 31 July 2019

Description by activity	Note	Unrestricted Funds Year ended 31 Jul '19	Restricted income funds Year ended 31 Jul '19	Total funds Year ended 31 Jul '19	Unrestricted Funds Year ended 31 Jul '18	Restricted income funds Year ended 31 Jul '18	Total funds Year ended 31 Jul '18
		£	£	£	£	£	£
Incoming resources	3						
<i>Income and endowments from:</i>							
Donations and legacies		101,635	1,746	103,381	138,328	10,572	148,900
Charitable activities		201,345	0	201,345	24,019	0	24,019
Total		302,980	1,746	304,726	162,347	10,572	172,919
Resources expended	4						
<i>Expenditure on:</i>							
Raising funds		5,355	0	5,355	10,305	0	10,305
Charitable activities		302,600	3,143	305,743	130,844	447	131,291
Total		307,955	3,143	311,098	141,149	447	141,596
Net income/ expenditure		(4,975)	(1,397)	(6,372)	21,198	10,125	31,323
Net movement in funds		(4,975)	(1,397)	(6,372)	21,198	10,125	31,323
Reconciliation of funds:	9						
Total funds brought forward		21,198	10,125	31,323	0	0	0
Total funds carried forward		16,223	8,728	24,951	21,198	10,125	31,323

No transfers were made between funds in the current or prior period. There were no other recognised gains other than those noted above.

Balance sheet as at 31 July 2019

		Unrestricted Funds 31 Jul '19 £	Restricted income funds 31 Jul '19 £	Total funds 31 Jul '19 £	Unrestricted Funds 31 Jul '18 £	Restricted income funds 31 Jul '18 £	Total funds 31 Jul '18 £
	Note						
Current assets							
Debtors	7	72,486	0	72,486	78,610	0	78,610
Cash at bank and in hand		83,180	8,728	91,908	44,353	10,572	54,925
Total current assets		155,666	8,728	164,394	122,963	10,572	133,535
Creditors: amounts falling due within one year	8	(139,443)	0	(139,443)	(101,765)	(447)	(102,212)
Net current assets		16,223	8,728	24,951	21,198	10,125	31,323
Total assets less current liabilities		16,223	8,728	24,951	21,198	10,125	31,323
Total net assets		16,223	8,728	24,951	21,198	10,125	31,323
Fund Balances							
Restricted income funds		0	8,728	8,728	0	10,125	10,125
Unrestricted funds		16,223	0	16,223	21,198	0	21,198
Total funds		16,223	8,728	24,951	21,198	10,125	31,323

Approved by the Trustees for issue on 13 May 2020.

Mr I Roberts (Trustee)

Charity registration number 1167211

Notes to the financial statements for the year ended 31 July 2019

1. Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value. The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Charities Act 2011 and UK Generally Accepted Practice as it applies from January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective since 2005 which has since been withdrawn.

The accounts have been prepared on the going concern basis, as there are no material uncertainties about the charity's ability to continue. Based on the adequacy of the charity's reserves as at the balance sheet date, along with their knowledge of the charity's ability to meet bills, payments and other liabilities as they fall due, the directors have a reasonable expectation that the charity has sufficient resources to continue in operational existence for the foreseeable future.

The charity constitutes a public benefit entity as defined by FRS 102.

There have been no changes in the accounting policies in the reporting year. No changes to accounting estimates have occurred in the reporting year. No material prior year errors have been identified in the reporting year.

2. Accounting policies

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

The charity becomes entitled to resources;

It is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity; and

The monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses.

Donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met.

Notes to the financial statements for the year ended 31 July 2019 (cont.)

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay our resources and the amount of the obligation can be measured with reasonable certainty.

Deferred income

Material items of deferred income have been expressly included in the accounts.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £1,000. Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Cash flow statement

The trustees have taken advantage of the exemption in S1a of FRS 102 from including a cash flow statement in the financial statements on the grounds that the charity is small.

Pension scheme arrangements

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

Taxation

The company is a registered charity; it has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

Notes to the financial statements for the year ended 31 July 2019 (cont.)

3. Analysis of incoming resources

	Unrestricted Funds y/e 31 Jul '19 £	Restricted funds y/e 31 Jul '19 £	Total funds y/e 31 Jul '19 £	Unrestricted Funds y/e 31 Jul '18 £	Restricted funds y/e 31 Jul '18 £	Total funds y/e 31 Jul '18 £
Donations:						
Donations and gifts	40,269	0	40,269	10	0	10
General grants provided by other charities	61,366	1,746	63,112	138,318	10,572	148,890
Total donations	101,635	1,746	103,381	138,328	10,572	148,900
Charitable activities:						
Fee income	185,105	0	185,105	18,066	0	18,066
Online sales	9,400	0	9,400	5,209	0	5,209
Other	6,840	0	6,840	744	0	744
Total charitable activities	201,345	0	201,345	24,019	0	24,019
Total income	302,980	1,746	304,726	162,347	10,572	172,919

All income in the current year was unrestricted except for £1,746 (2018: £10,572) received in order to fund the translation of foundation material from English into the Polish and Turkish languages.

Notes to the financial statements for the year ended 31 July 2019 (cont.)

4. Analysis of expenditure

	Unrestricted Funds y/e 31 Jul '19 £	Restricted income funds y/e 31 Jul '19 £	Total funds y/e 31 Jul '19 £	Unrestricted Funds y/e 31 Jul '18 £	Restricted income funds y/e 31 Jul '18 £	Total funds y/e 31 Jul '18 £
Expenditure on raising funds:						
Advertising, marketing, direct mail and publicity	5,355	0	5,355	10,305	0	10,305
Total expenditure on raising funds	5,355	0	5,355	10,305	0	10,305
Expenditure on charitable activities:						
Seminary course delivery	84,363	0	84,363	33,044	0	33,044
Seminary course curriculum	9,843	0	9,843	4,150	0	4,150
Study days	20	0	20	2,103	0	2,103
Consumable equipment	1,943	0	1,943	122	0	122
Foundation course development	2,809	0	2,809	1,527	0	1,527
Foundation course delivery	1,253	0	1,253	0	0	0
Royalties	990	0	990	228	0	228
Translation costs	8,936	3,143	12,079	4,738	447	5,185
Employment costs	167,563	0	167,563	70,667	0	70,667
Staff training	2,392	0	2,392	1,114	0	1,114
Office rental and utilities	5,734	0	5,734	4,996	0	4,996
Travel and subsistence	4,738	0	4,738	2,402	0	2,402
Governance costs	776	0	776	483	0	483
Administrative costs	8,871	0	8,871	4,846	0	4,846
Other Acts 29 academies	2,369	0	2,369	424	0	424
Total expenditure on charitable activities	302,600	3,143	305,743	130,844	447	131,291
Total expenditure	307,955	3,143	311,098	141,149	447	141,596

5. Fees for examination or audit of the accounts

Fees of £1,440 were paid in relation to the independent examiner's fees for reporting on the accounts (2018: £1,800). In addition to this fee for payroll service of £1,200 (2018: £1,040) and workplace pension assistance of £0 (2018: £480) were paid to the independent examiner.

Notes to the financial statements for the year ended 31 July 2019 (cont.)

6. Staff costs

	y/e 31 Jul '19 £	y/e 31 Jul '18 £
Wages and salaries	156,400	51,778
Social security costs	10,106	5,939
Other pension costs	1,057	711
	167,563	70,677

During the year there was one (2018: two) staff working for the charity whose contracts were with and were paid by related parties with whom Crosslands had secondment agreements with. The total amount reimbursed was £16,416 (2018: £25,767).

One employee received total employee benefits in excess of £60,000 and not more than £70,000 in the year (2018: 0).

The average monthly number of FTE employees by activity during the year was as follows:

	y/e 31 Jul '19 £	y/e 31 Jul '18 £
Charitable activities	2	1
Governance	1	2
Total	3	3

7. Debtors

	31 July 2019 £	31 July 2018 £
Trade debtors	60,412	72,628
Prepayments and accrued income	12,074	5,982
	72,486	78,610

Notes to the financial statements for the year ended 31 July 2019 (cont.)

8. Creditors: amounts falling due within one year

	31 July 2019 £	31 July 2018 £
Trade creditors	14,024	901
Accruals and deferred income	122,415	99,150
Taxation and social security	3,004	2,161
	139,443	102,212

At the year end the charity had deferred income of £120,102 (2018: £87,449) relating to student fees paid in advance for the following academic year. All deferred income from 2018 has been released to income in 2019.

9. Charity funds

Fund name	At 1 Aug '18	Income	Expenditure	At 31 July '19
Restricted - Turkish translation project	200	792	0	992
Restricted - Polish translation project	0	954	0	954
Restricted - Russian translation project	9,925	0	3,143	6,782
Unrestricted funds	21,198	302,980	307,955	16,223
	31,323	304,726	311,098	24,951

Fund name	At 1 Aug '17	Income	Expenditure	At 31 July '18
Restricted - Turkish translation project	0	200	0	200
Restricted - Russian translation project	0	10,372	447	9,925
Unrestricted funds	0	162,347	141,149	21,198
	0	172,919	141,596	31,323

The restricted funds represent funds made available for the translation of foundation material from English into Russian and Turkish.

10. Trustee and key management personnel remuneration and benefits

The key management personnel of the charity comprise the trustees and the Chief Operating Officer of Crosslands.

During the year, Dr J Woodrow, a trustee of Crosslands received remuneration in his capacity as faculty member, and not as a trustee, as permitted by the governing document. This was comprised of gross pay of £19,795 (2018: £8,000) and employer pension contributions of £336 (2018: £100).

Notes to the financial statements for the year ended 31 July 2019 (cont.)

10. Trustee and key management personnel remuneration and benefits (cont.)

During the year Mr S Timmis received royalty payments from the charity totalling £489 (2018: £114) for co-authoring course material used by the charity.

During the year Mrs J Charteris received total employee benefits totalling £65,000 (2018: £13,333) in her role as Chief Operating Officer.

11. Trustee expenses

The following amounts were reimbursed to trustees during the period:

	y/e 31 Jul '19 £	y/e 31 Jul '18 £
Mrs J C Charteris	0	1,052
Mr J Woodrow	304	491
Mr I Roberts	0	207
Mr S Timmis	0	114

All expenses incurred by Mr J Woodrow were in his capacity as a faculty member and were in relation to travel and subsistence. Expenses reimbursed relating to travel to board meetings by Mr I Roberts of £83 were paid to Christianity Explored, a related party by virtue of common directorship by Mr I Roberts.

12. Related party disclosures

Related parties are defined as trustees, key management and their connected persons.

Mrs J Charteris is regarded as key management. During the year she received expenses totalling £13,425 (2018: £nil) incurred in her role as Chief Operating Officer for Crosslands.

A trustee, Mr S Timmis, although not a trustee of Acts 29, was CEO of that charity. During the period, the charity received donations totalling £56,000 (2018: £nil) from Acts 29.

The charity shares a trustee (Mr P Moore) with another charity, A29 Europe. During the period, the charity made payments totalling £2,620 (2018: £nil) to A29 Europe. £828 (2018: £nil) related to the reimbursement of travel costs to board meetings incurred on behalf of Mr P Moore. The remaining £1,792 (2018: £nil) was in relation to the payment for the translation of Crosslands Foundation material into Russian which was undertaken by and A29 Europe employee.

During the period the charity shared a common Trustee (Mr S Timmis) with another charity, Sharrowvale Christian Fellowship. During the period, the charity rented office space from Sharrowvale, making payments totalling £4,502 (2018: £3,872).

A trustee, Mr I Roberts, although not a trustee of Oak Hill, is a member of the Oak Hill Council and is regarded as senior management. During the period, the charity made payments to Oak Hill totalling £16,416 (2018: £6,840) for reimbursement of salary costs relating to the secondment of faculty member Dr T Ward.