

REGISTRATION NUMBER: 04366897

CHARITY NUMBER: 1093401

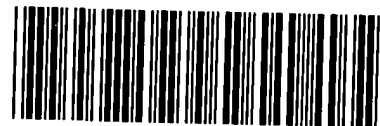
AMANA TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

WEDNESDAY



A7EKK6J

A24

12/09/2018

#14

COMPANIES HOUSE

AMANA TRUST
(A Company limited by guarantee)

CONTENTS

	PAGES
Reference and administrative details of the Charity, its trustees and advisors	1
Trustees' report	2 to 10
Independent auditor's report	11 to 13
Statement of financial activities	14
Balance sheet	15
Cash flow statement	16
Notes to the financial statements	17 to 27

AMANA TRUST
(A Company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Company registration number	04366897
Charity registration number	1093401
Trustees	Mr. J Davis Mr. P Cooke Mr. C Kennard
Registered office	Bower House Orange Tree Hill Romford Essex RM4 1PB
Company Secretary	Mr. S P Alexander
Independent Auditors	Ensors Accountants LLP Chartered Accountants & Statutory Auditors Cardinal House 46 St Nicholas Street Ipswich Suffolk IP1 1TT
Bankers	Barclays Bank Plc 3 – 5 King Street Reading Berkshire RG1 2HD
Solicitors	Jackamans Solicitors Oak House 7 Northgate Street Ipswich Suffolk IP1 3BX

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees, who are also Directors of Amana Trust (the Charity) for the purposes of the Companies Act, submit their combined annual report and the audited financial statements for the year ended 31 December 2017. The Trustees confirm that the annual report (which also contains the Directors' report as required by company law) and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in July 2014 (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a charitable company limited by guarantee, not having share capital and governed by its Memorandum and Articles of Association dated 26 January 2002. It is registered as a charity with the Charity Commission.

Appointment of trustees

The trustees are elected and co-opted under the terms of the Articles of Association. The Charity may from time to time by ordinary resolution increase or reduce the number of trustees. Every trustee must be appointed by a resolution passed at a properly convened meeting of the Charity's Trustees. In selecting individuals for appointment, the Charity's Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the Charity.

Trustees' induction and training

New Trustees are provided with a copy of the current version of the Company's constitution and the latest copy of the Trustees' Annual Report and Statement of Accounts. Trustees are informed of decision-making processes and are briefed on the business plan of the Charity. Further, the Charity is advised on an ongoing basis by its solicitor as to the duties and obligations of trustees.

Organisational structure and decision making

The Trustees of the Charity, who are the members of the governing body, are legally responsible for the overall management and control of the Charity. In addition to the Annual General Meeting (AGM) held by the trustees, the trustees may from time to time call for any other meetings as and when required.

The Charity does not have a delegated Chief Executive. The day to day management running of Amana Trust is administered by the trustees with the support of key administrative staff.

Related parties and co-operation with other organisations

No trustee receives remuneration or other benefits from their work with the Charity. Any connections between a trustee of the Charity and any connected person or entity are required to be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

In addition to the related parties listed in note 19 to the financial statements, the Charity has a close relationship with The Church of the Londoners (the Church), a charity which shares Amana Trust's objectives. Through collaboration with the Church several events and trainings have been established to benefit the community. All transactions with the Church are at arm's length.

Remuneration policy for senior staff

The key management of the Charity are the trustees, who play an active role in the day to day management of the Charity. All trustees give their time freely and no trustee received payment for professional or other services provided to the Charity during the year. During the year, no salary was paid to the trustees. Travel costs were reimbursed to Mr. C Kennard of £881 and travel costs were paid by Amana Trust on behalf of Mr. J Davis of £503 and to Mr. P Cooke, £438.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

OBJECTIVES AND ACTIVITIES

Objectives

The Charity's objectives are to advance the Christian faith and to educate people in relation to that faith.

In shaping our objectives for the year and planning the activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance from Public benefit: running a charity (PB2)".

Strategies employed to achieve the Charity's objectives include:

- promoting and hosting training courses, lectures, seminars and educational courses in the Christian faith;
- selling books and literature to promote the faith; and
- providing the community with access to the Charity's premises, facilities.

Activities for achieving objectives

We endeavor to encourage members of the community to take part in our activities through promoting training courses; the sale and free distribution of Christian literature; contacting local members of the community; hosting of Christian conferences, events and seminars; and through the ongoing broadcast of "Life Study of the Bible," a Christian radio program.

The activities employed to achieve the charity's objectives are:

Training

The Charity hosts an ongoing residential training course in London, mainly aimed at UK and European university graduates of all backgrounds. The course is held over a two-year cycle with intakes taking place in August each year. The training program focuses on the participation in Christian lectures, outreach programs aimed at university students and community members, and practical services to help meet the needs of the training centre and other activities undertaken by the Charity.

During 2017, the average intake of trainees was 40 (2016: 40) persons, which was in-line with our expectation. Over the medium- to long-term we are endeavoring for the number of trainees to increase. The increase will be facilitated through the continual recruitment of local and international, top-level trainers, who are experts in their field, to present the training course and through the redevelopment of the training facility, which will form part of the Bower House building project.

Tuition income decreased to £155.4k (2016: £179.9k), which was mainly driven by the decrease in trainee intake during 2017. Training expenditures of £505.1k (2016: £438.2k) mainly comprise support costs.

Literature sales

Literature sales mainly take place through two bookstores, monthly subscriptions and online sales. Due to the prime location of the bookstores, they are easily accessible to members of the public and thus facilitate the distribution of literature and outreach to local communities.

An increase of £18.2k was seen in literature sales of £113.7k (2016: £95.5k). The increase is mainly driven by international sales, specifically to Germany. Literature costs of £353.4k (2016: £358.5k) mainly comprise direct staff costs, which are funded through donation income.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Campus and community outreach

The Charity employs a number of christian workers to support its campus and community outreach projects. The christian workers are placed locally and throughout the United Kingdom (UK) to support local community members in carrying out outreach programs through contacting university students and other members of the community. Outreach programs include the distribution of free Bibles and Christian literature, contact with the public to educate them in relation to the Christian faith and small group meetings encouraging a more in-depth study of the Bible and related Christian literature.

The Charity received restricted donations of £2,139.6k (2016: £1,781.8k) to support christian workers of which £1,608.5k (2016: £1,414.5k) was for campus and community outreach. The total cost of this activity for the year was £1,848.9k (2016: £2,299.2k).

Conferences and events

The Charity hosted several national and international conferences and events throughout the year. The dates and details of all events are publicised on the Amana Trust website. The Charity further promotes events and encourages attendance through direct contact with the community and with individuals listed on our database.

The redevelopment of Bower House and related building projects will allow for an increased capacity to host larger events locally. The expansion of residential facilities will allow for an increase in overnight attendees, which will contribute to the expected increase in total attendees.

Conference and event income for the year decreased to £77.1k (2016: £194.9k) and related expenditure was £189.6k (2016: £265.3k). Costs are mainly driven by direct venue hire costs and support costs allocated to the activity.

The decrease in income of £117.8k relates mainly to a larger annual event which Amana Trust usually hosts being cancelled during 2017 as a one-off occasion.

Radio broadcast

"Life Study of the Bible" is a radio program broadcast daily on Premier Christian Radio, a Christian radio station in the UK. Amana Trust began sponsoring the program in November 1999. The program focuses on an in-depth study of the Bible. Regular promotions are run as part of the program, allowing listeners to get in contact with the Charity and receive free Christian literature and information related to the activities carried out by the Charity. It is through this program that Amana Trust is able to reach members of the public throughout the UK, educating them in relation to the Christian faith and bringing them into contact with local campus and community teams and other Christians in their area.

The Charity received several large donations during the year totaling £280.4k (2016: £517.2k). The donations were used to fund radio broadcast fees and costs related to seminars, an outreach event, held during the year. Total radio broadcast and related costs amounted to £309.1k (2016: £264.4k) the increase in costs was due to the increase in direct staff costs and support costs as a result of the seminars held in 2017.

Volunteers

The Charity enjoys the privilege of voluntary help, which is mainly offered to support campus and community outreach programs and conferences and events. The Charity relies on Christian volunteers to coordinate and support services related to Bible and Christian literature distributions; shuttle services; ushering during events; catering services; and venue set-up and clean-up. Volunteers mainly comprise local community members and conference attendees. The services provided by volunteers has a direct impact on the number of persons reached as part of the outreach activities and on lowering the costs associated with hosting conferences and events. Due to the informal manner in which voluntary help is provided, the Charity does not make use of formal processes to monitor hours of services or number of volunteers and thus an indicative value of their contribution has not been quantified.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The trustees are pleased with the overall performance of activities for the year. However, continued work will be conducted to reduce the deficits reported across several activities. Efforts are being made to assess the feasibility of each activity to support the continuation of these activities over the long-term. The activities undertaken will continue in 2018 with steps taken to capitalise on prospective opportunities within these activities to further the objectives of the Charity. Several highlights were seen during the year, of which key highlights are mentioned below.

The first half of the year saw the continuation of several successful activities from 2016. The full-time training term commenced again in February with 33 full-time students and 12 short-term students representing 12 countries.

The series of practical service and blending times at Bower House also continued, taking place on 10 occasions between February and June. Over the 10 weeks a total of 436 attended in person as well as 125 via webinar. The central London Bible seminars also continued along with regular seminars in four locations across London.

From May 1st to 27th, the one-week trainings were held once more, bringing residential trainees to Bower House for four one-week trainings on the Bible, the Christian life, the church and the gospel. Attendees consisted of both mature believers and those who had only recently begun to know the Bible. 75 people participated over the course of the month including 38 first time attendees.

In addition, the annual Spring International European Conference was held at Bower House and welcomed 1142 attendees, including 161 children, for a time of messages and fellowship over the three days of the Easter bank holiday weekend.

As planned in the 2016 report, the summer of 2017 was dedicated largely to making more than 70,000 phone calls to persons on the Amana Trust database. These ones had previously responded to the radio broadcast, attended events, received Bibles or bought books. Our intention was both to renew consent in preparation for GDPR and also to better understand if they still wanted to stay in touch with Amana Trust and how we could help. As a result of this activity hundreds of people requested Bible studies or other means of contact.

The Autumn semester of the full-time training began in conjunction with the one-week university training. University students are invited to join the full-time trainees to enjoy a week of classes and practical sessions as well as a taste of what the full-time training involves. This time has been a key element in promoting the full-time training to students and young adults. The Autumn semester hosted 40 full-time trainees and 23 short-termers coming from 16 countries.

The remainder of the autumn was dominated by a series of events in October. Beginning on October 5-7, 2017, the International Training for Elders and Responsible Ones (ITERO) was held in Leipzig, Germany. Although we did not sponsor this event directly, we provided logistical support through the full-time trainees and full-time workers of Amana Trust. Over 1,900 attended, including almost 500 from 27 European countries. Following the ITERO, over 1,200 attendees travelled to 21 countries across Europe to participate in one of 30 different trips. More than 40 local churches were visited during these trips and over 35,000 Recovery Versions of the New Testament were distributed as well as thousands of pieces of literature. In Germany alone over 31,000 Recovery Versions of the New Testament were distributed. Almost 60 German cities were visited, including over 50 university campuses.

These trips concluded with nine regional conferences on October 14 and 15. Over 4,300 people attended the nine conferences.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

To allow for this very large activity the November one week trainings were temporarily suspended, the London wide seminars were consolidated into a weekly time at the central London book shop and one large, all day seminar in East London was held which 311 adults and 22 children attended.

During the year, the Charity saw a further influx of christian workers to support the activities of the Charity, especially in relation to campus and community projects. These christian workers bring with them an in-depth understanding of Biblical truths and invaluable experience related to the Christian faith. In order to fund the increase in salary costs as a result of the increase in the number of christian workers, Amana Trust secured donations resulting in income recognised in the christian worker support fund of £2,139.6k (2016: £1,781.8k).

Fundraising activities

The Charity did not undertake fundraising activities during the year. Income was mainly generated through donations that amounted to £3,759.5k (2016: £3,984.3k), of which £220.9k (2016: £588.3k) was unrestricted. The remainder of the Charity's income was derived mainly from charitable activities of £595.0k (2016: £576.9k), which included profit on sale of assets of £178.4k (2016: nil) and trading activities of £27.4k (2016: £48.8k).

FINANCIAL REVIEW

Results for the year

The Charity reported a net surplus of £868.9k (2016: £898.9k) for the year. The deterioration is attributable to the unfavourable movement in net restricted surplus of £250.1k (2016: favourable £304.7k) offset by a favourable movement in net unrestricted surplus of £220.2k (2016: £636.9k)

The overall reduction in surplus is mainly attributable to a decrease in donation income of £224.9k conference and event income of £117.7k, training income of £24.5k and an increase in staff costs of £333.1k. This was offset by profit from sale of assets of £178.4k and a reduction of board and lodging costs of £528.5k.

The increase in restricted income of £142.6k was mainly attributable to donations received by the Charity for the UK building project of £1,239.6k, the Christian worker fund of £2,139.6k and the radio contribution fund of £280.4k. Offset by the donations received for migrant work in Europe of £594.7k during 2016 which were no longer received during 2017.

Restricted fund expenses decreased by £108.6k. The decrease was mainly driven by lower migrant work in Europe costs of £620.1k. Offset by higher christian worker support costs of £267.5k and higher UK building project costs of £204.3k.

The unfavourable movement of £401.0k in the unrestricted income is mainly attributable to decreased donations of £367.4k, as a result of more of the larger donations being restricted to the UK building project rather than being donated for general use. A decrease in total expenditures of £119.7k is mainly attributable to the increase in direct staff costs of £318.8k. Offset by the decrease in direct external costs of £584.1k due to the cessation of costs relating to migrant work in Europe during 2017.

Deficits are still reported across several activities and were mainly driven by the allocation of overhead costs. Overhead costs are mainly funded through general donation income. The Trustees continued to take steps to ensure an increase in the visibility of performance by activity. This resulted in the ongoing revision of pricing policies and an increased review of resources expended to ensure the viability of activities. This will allow for better decision making for the allocation of general donations used to partly subsidise shortfalls where activities are deemed crucial to the carrying out of the Charity's objectives. Further, trading activities are being reviewed along with the construction project with the intention to expand operations to better cover the costs and increase trading income in the long term.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

The increase in fixed assets to £7,466.4k (2016: £5,901.0k) mainly resulted from the purchase of Bower Farm for £1,613.6k and the assets under construction of £380.3k, partly offset by depreciation of £118.7k.

Current assets decreased by £24.4k, mainly resulting from lower cash balances held at year end. Cash balances will mainly be utilised on the construction project during 2017. Current liabilities decreased by £97.9k. The decrease was mainly as a result of lower accruals and income received in advance at year end.

Reserves policy and going concern

The Charity has adopted a risk identification approach in establishing its reserves policy. This approach is based on an understanding of the income streams and their risk profile, the degree of commitment to expenditure and the overall risk environment in which the Charity operates.

Amana Trust's Reserve Policy is to maintain sufficient levels of reserve to meet committed expenditure and enable normal operating activities to continue over a period of three months, should a shortfall in income occur, and to take care of potential risks and contingencies that may arise from time to time.

Based on Amana Trust's reserve policy, it must hold, as an operating reserve, approximately three months net operating expenditure, which equates to £100k.

As at 31 December 2017, available reserves amounted to £134.8k (2016: £730.7k), which is more than the optimal amount of reserves to be held. Reserves available are based on unrestricted funds of £7,423.2k (2016: £6,932.1k) less amounts represented by fixed assets of £7,188.0k (2016: £5,684.6k) and designated funds of £100.4k (2016: £516.8k). The charitable activities of Amana Trust are funded by fee income, and the shortfall is subsidised by general and restricted donations. As such, the trustees determined that action must be taken to ensure the minimum operating reserve is maintained, strategies to achieve this were implemented as at year end which involved appealing to churches mainly in the USA for donations to support the monthly shortfall.

The decrease in cash inflow from operating activities of £737.6k (2016: £985.9k) result mainly due to the decrease in general and restricted donations received offset by lower expenses mainly due to the cessation of the migrant working Germany in 2017

The net current asset position is at an acceptable level of £1,982.1k (2016: £1,908.6k) of which £1,058.7k (2016: £661.1k) relates to restricted assets and £923.5k (2016: £1,247.5k) to unrestricted assets.

The trustees are of the opinion that the Charity has adequate resources available to fund the activities for the foreseeable future and are of the view that the Charity is a going concern.

Investment policy

The trustees, having regard to the liquidity requirements of the Charity, have kept available funds in a highly liquid interest-bearing deposit account. The savings account funds achieved an average rate of 0.25% (2016: 0.26%), which is reflective of average market interest rates for similar investments.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Risk Management

The Trustees have a risk management strategy that was developed and comprises:

- the review of the principal risks and uncertainties that the Charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the review; and
- the implementation of procedures designed to minimise or manage any potential impact on the Charity should the risk materialise.

The principal risks to the Charity's objectives are aligned with the Charity's objectives. These risks and the actions implemented to mitigate these risks are summarised in the table below.

Risk	Management of risk
<u>Reputation</u> Events that could adversely affect Amana Trust's reputation and operations. This could include a cyber-attack, a serious data security breach or fraud. It could also include a significant health and safety incident or an incident relating to the integrity of one of the Charity's charitable activities.	<ul style="list-style-type: none">• engagement in policy setting and monitoring• training and awareness programs for staff• outsourced specialists in health and safety and information technology• information security policies and procedures including anti-virus software• regular reviews of and investment in IT infrastructure• anti-fraud processes and controls
<u>Financial</u> credit risk, liquidity risk, currency risk and cash flow risk	<ul style="list-style-type: none">• income comes from fees for services and donations received from many customers who are related to the Charity, therefore the trust has limited exposure to credit risk. The maximum exposure as at 31 December 2017 are in receivables from customers, as disclosed in Note 13• regular review of operating reserve policy and available liquid funds to settle debts as they fall due• continued appeal for funds for projects such as UK building project which are well received• In depth accounting and legal advice including VAT consultant• Currency forward contracts to mitigate the currency risk between the USD:GBP currency pair for highly probable forecast transactions
<u>Talent</u> Knowledgeable and experienced employees are not attracted, developed and retained	<ul style="list-style-type: none">• good relationship management with UKVI• regular reviews of resourcing processes• employee engagement and follow up action plans

The Trustees regularly review and monitor risks and the effectiveness of current plans and strategies for managing major risks of the Charity.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

FUTURE DEVELOPMENTS

A detailed review of the location and service of workers occupied with the outreach work on the campuses and communities took place at the end of 2017. Recognising the significant need in London and the greater impact created by greater oversight of workers, all but a few key workers will be relocated to the London area during the winter of 2017/2018. These ones will be formed into 5 clear teams – South-West, North -West and Central, South, East and Outer North-East.

Throughout Europe there has been a significant increase in people responding to the Recovery Version, literature and radio. In October of this year, over 35,000 Recovery Versions of the New Testament were distributed to interested ones all over Europe. The response among these ones has been exceeding expectations, with hundreds wanting further contact. The Recovery Version is now available in English, Spanish, French, German, Portuguese, Russian and Polish. There are still over 200,000 Recovery Versions of the New Testament in the European languages ready to be distributed.

As these new ones are touched, there is a great need for training the new and existing ones. The Full-time training began in London in 1997 and, to date, 276 people have completed the two-year training, with an additional number participating in at least one term. These ones who have been trained represent at least 24 European countries.

Weekend trainings for all ages began in 2003 and one-week trainings began in May of 2010. The total number trained at the week-long trainings has been 1,550 representing 37 countries.

During the summer, more than 70,000 phone calls were made to people on our database confirming that thousands are still open to have further contact with us. There is an average of over 50,000 persons listening to the Life-study of the Bible with Witness Lee radio broadcast.

All of these ones need support and training. At Bower House we have the capacity to host approximately 200 people per year for one-week trainings and weekend retreats. Woodland Camp is being prepared so that the capacity can be enlarged to more than 200 per week for ongoing trainings and weekend retreats throughout the year. In order to do this, we need to prepare a meeting place and the infrastructure that will prepare the way for a total of 45 two-bedroomed cabins to be built.

FUNDS HELD AS CUSTODIAN

Funds are held by Amana Trust on behalf of several organisations with similar objectives to those of Amana Trust. These mainly include funds for:

- video training funds held on behalf of Living Stream Ministry, which publishes Christian literature, of £39.2k (2016: £21.1k); and
- smaller funds held by Amana Trust including: gospel trips in Europe for the Church in Anaheim, which is responsible for a Bible school in the USA of £4.9k (2016: £0.8k); a gift for Bulgaria and the Balkans of £3.7k (2016: £8.9k); a gift for the Polish Recovery Version of £nil (2016: £5.9k); funds held on behalf of Lebensstrom of £0.3k (2016: £4.7k); Bibles for Europe (BFE), who is responsible for the free distribution of Bibles, of £3.8k (2016: £2.4k); and other totaling £6.5k (2016: £2.7k).

These funds are held by the Charity and managed separately from the activities of the Charity. Total funds held at year end were £58.4k (2016: £46.5k).

TRUSTEES' LIABILITY

The Trustees of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding-up.

AMANA TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Amana Trust for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

Company law requires the Charity Trustees to prepare financial statements for each year that give a true and fair view of the state of affairs of the charitable Company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity 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 Charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charity constitution. They 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 are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

So far as each of the trustees is aware at the time this report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Ensors were reappointed as auditors for the year ended 31 December 2017.

This report was approved by the Trustees on 15 June 2018, including, in their capacity as Company Directors, approving the Directors and Strategic Reports contained therein, and signed on its behalf, by:



Mr. Joseph Davis

AMANA TRUST
(A Company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMANA TRUST
FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Amana Trust (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 regulations made under that act. 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 incoming resources and application of resources, including 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.

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 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.

AMANA TRUST
(A Company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMANA TRUST
FOR THE YEAR ENDED 31 DECEMBER 2017**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

AMANA TRUST
(A Company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMANA TRUST
FOR THE YEAR ENDED 31 DECEMBER 2017

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Barry Gostling (Senior Statutory Auditor)

For and on behalf of:

Ensors Accountants LLP
Chartered Accountants and Statutory Auditor
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

15 June 2018

AMANA TRUST
(A Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
INCOME							
Donations	2	3,538,595	220,884	3,759,479	3,395,971	588,323	3,984,294
Charitable activities							
Training		–	155,429	155,429	–	179,898	179,898
Literature sales		–	113,714	113,714	–	95,504	95,504
Campus & community		–	14,647	14,647	–	21,267	21,267
Conferences and events		–	77,171	77,171	–	194,858	194,858
Other		–	234,033	234,033	–	85,415	85,415
Trading activities	3	–	27,410	27,410	–	48,881	48,881
Investments							
Interest income	4	–	6,833	6,833	–	4,586	4,586
Other		–	–	–	–	32,353	32,353
TOTAL INCOME		<u>3,538,595</u>	<u>850,121</u>	<u>4,388,716</u>	<u>3,395,971</u>	<u>1,251,085</u>	<u>4,647,056</u>
EXPENSES							
Charitable activities	5	2,369,021	837,210	3,206,231	2,681,951	943,661	3,625,612
Raising funds	5	–	–	–	–	–	–
Trading activities		–	74,679	74,679	–	87,963	87,963
Other	5	–	–	–	–	–	–
Other		238,825	–	238,825	34,532	–	34,532
TOTAL EXPENSES		<u>2,607,846</u>	<u>911,889</u>	<u>3,519,735</u>	<u>2,716,483</u>	<u>1,031,624</u>	<u>3,748,107</u>
NET INCOMING/(OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS		930,749	(61,768)	868,981	679,488	219,461	898,949
Transfers between funds		(552,888)	552,888	–	(51,490)	51,490	–
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>377,861</u>	<u>491,120</u>	<u>868,981</u>	<u>627,998</u>	<u>270,951</u>	<u>898,949</u>
OTHER RECOGNISED GAINS AND LOSSES							
Cash flow hedge - mark to market		120,422	–	120,422	–	–	–
Reclassification to profit and loss		17,929	–	17,929	–	–	–
NET MOVEMENT IN FUNDS		<u>516,212</u>	<u>491,120</u>	<u>1,007,332</u>	<u>627,998</u>	<u>270,951</u>	<u>898,949</u>
<i>Total funds at 1 January 2017</i>	17	877,564	6,932,092	7,809,656	249,566	6,661,141	6,910,707
TOTAL FUNDS AT 31 DECEMBER 2017		<u>1,393,776</u>	<u>7,423,212</u>	<u>8,816,988</u>	<u>877,564</u>	<u>6,932,092</u>	<u>7,809,656</u>

The notes on pages 17 to 27 form part of these financial statements.

AMANA TRUST
(A Company limited by guarantee)

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
NON-CURRENT ASSETS							
Tangible assets	9	278,368	7,188,039	7,466,407	216,421	5,684,571	5,900,992
Investments	10	—	1	1	—	1	1
Fixed assets		278,368	7,188,040	7,466,408	216,421	5,684,572	5,900,993
Long-term receivable	11	—	147,722	147,722	—	—	—
Derivative financial instrument	16	56,739	—	56,739	—	—	—
		335,107	7,335,762	7,670,869	216,421	5,684,572	5,900,993
CURRENT ASSETS							
Stocks	12	—	66,682	66,682	—	71,987	71,987
Debtors	13	—	137,813	137,813	—	105,631	105,631
Cash and cash equivalents		994,986	939,470	1,934,456	803,474	1,230,706	2,034,180
Derivative financial instrument	16	63,683	—	63,683	—	—	—
Inter-fund loan		—	—	—	—	15,258	15,258
		1,058,669	1,143,965	2,202,634	803,474	1,423,582	2,227,056
CURRENT LIABILITIES							
Creditors falling due within one year	14	—	(220,487)	(220,487)	(127,073)	(176,062)	(303,135)
Inter-fund loan		—	—	—	(15,258)	—	(15,258)
		—	(220,487)	(220,487)	(142,331)	(176,062)	(318,393)
NET CURRENT ASSETS		<u>1,058,669</u>	<u>923,478</u>	<u>1,982,147</u>	<u>661,143</u>	<u>1,247,520</u>	<u>1,908,663</u>
NON-CURRENT LIABILITIES							
Creditors falling due after one year	15	—	(836,028)	(836,028)	—	—	—
NET ASSETS		<u>1,393,776</u>	<u>7,423,212</u>	<u>8,816,988</u>	<u>877,564</u>	<u>6,932,092</u>	<u>7,809,656</u>
CHARITY FUNDS							
Restricted funds	17	1,393,776	—	1,393,776	877,564	—	877,564
Unrestricted funds	17	—	7,423,212	7,423,212	—	6,932,092	6,932,092
TOTAL FUNDS		<u>1,393,776</u>	<u>7,423,212</u>	<u>8,816,988</u>	<u>877,564</u>	<u>6,932,092</u>	<u>7,809,656</u>

The financial statements were approved by the trustees on 15 June 2018 and signed on their behalf, by:


Mr. J Davis

The notes on pages 17 to 27 form part of these financial statements.

Company Registration Number: 04366897

Charity Number: 1093401

AMANA TRUST
(A Company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
a) Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting year (as per the Statement of Financial Activities)	868,981	898,949
Adjustments for:		
Depreciation charge	118,369	115,884
Amortisation charge	17,929	–
Loss on disposal of fixed assets	1,163	1,941
Profit on disposal of fixed assets	(178,399)	
Inventory written-off	1,596	6,866
Bad debts	502	6,888
Foreign exchange loss / (gain) shown in financing activities	25,920	(32,353)
Interest income shown in investing activities	(6,833)	(4,586)
Adjustments for changes in working capital:		
Decrease in inventory	3,709	(3,103)
Decrease in debtors	(32,684)	17,490
Increase in creditors within one year	(82,648)	(22,061)
Net cash provided by operating activities	<u>737,605</u>	<u>985,915</u>
b) Statement of cash flows		
Net cash provided by operating activities	<u>737,605</u>	<u>985,915</u>
Cash flows for investing activities:		
Interest income	6,833	4,586
Long-term receivable	(147,722)	–
Purchase of tangible assets	(1,686,844)	(36,501)
Payments for assets under construction	(380,254)	(152,707)
Net cash used in investing activities	<u>(2,207,987)</u>	<u>(184,622)</u>
Cash flow for financing activities		
Proceeds from long-term financing	836,028	–
Proceeds from sale of tangible asset	560,550	1,472
Net cash provided by financing activities	<u>1,396,578</u>	<u>1,472</u>
Change in cash and cash equivalents in the year	(73,804)	802,765
Currency translation differences	(25,920)	32,353
Net change in cash and cash equivalents in the year	<u>(99,724)</u>	<u>835,118</u>
Cash and cash equivalents at the beginning of the year	<u>2,034,180</u>	<u>1,199,062</u>
Cash and cash equivalents at the end of the year	<u><u>1,934,456</u></u>	<u><u>2,034,180</u></u>

AMANA TRUST
(A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

1.1 Company information

The Charity is a company limited by guarantee. The Charity is incorporated in England, United Kingdom with its registered office at Bower House, Orange Tree Hill, Romford, Essex, RM4 1PB.

The members of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity has taken advantage of the exemptions available from producing consolidated financial statements on the basis that it only has one subsidiary, which is a dormant entity. Consequently, the preparation of consolidated financial statements is not deemed necessary to present a true and fair view of the group in the period to, and at 31 December 2017.

Amana Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in Pound Sterling (£).

1.3 Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Incoming resources

All incoming resources are included in the statement of financial activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. Incoming resources, except for donation income, are derived from the provision of goods / services, and stated after trade discounts, other sales taxes and are net of VAT.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from Christian training and events undertaken by the Charity is included in incoming resources in the period in which the relevant activity takes place.

Income from sales of literature is recognised when goods are dispatched to customers.

AMANA TRUST
(A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.6 Interest income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense activities that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Expenditure is classified under the following activity headings:

- The costs of raising funds comprise the costs associated with the generation of income relating to trading activities and their associated support costs.
- Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the Charity and their associated support costs.
- Other expenditure represents those items not falling into any other category.

Support costs are those costs incurred in support of expenditure on the objects of the Charity and include overhead costs relating to functions carried out at Bower House. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements. Support costs and Governance costs have been allocated on the basis of cost drivers specific to each cost. The cost driver used was the number of staff members required to support a specific charitable activity as set out in the Charities organogram.

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Assets under construction are not depreciated until they are brought into use. Tangible fixed assets are stated at cost less depreciation and any accumulated impairment loss. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% straight line
Office equipment	-	20% straight line and 25% straight line

1.9 Investments

Unlisted investments are held at cost as an approximation to fair value where the fair value is not easily obtainable.

1.10 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.11 Operating leases

The Charity classifies the lease of printing and laundry equipment as operating leases; the title to the equipment remains with the lessor. Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

AMANA TRUST
(A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

1.12 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. The cost of stocks includes the cost of purchases and other costs incurred in bringing the stocks to their present location and condition.

1.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.14 Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of a deposit or similar account.

1.15 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

The Charity recognises a provision for annual leave accrued by employees as a result of services rendered in the current period. Employees are entitled to carry forward and use within the first month of the following year. The provision is measured at the salary cost payable for the period of absence.

1.16 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method, unless the transaction constitutes a financial transaction, where the transaction is measured at the present value of the future receipts.

Derivatives designated as hedging instruments in an effective hedge are carried on the balance sheet at fair value. The treatment of gains and losses arising from revaluation are recognised within other recognised gains and losses, except if the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised within other recognised gains and losses remain in equity until the forecast transaction occurs and are reclassified to the statement of financial activity. If the forecast transaction is no longer expected to occur, amounts previously recognised within other recognised gains and losses will be immediately reclassified to the statement of financial activity.

1.17 Pensions

Employees are automatically enrolled into a multi-employer, defined contribution occupational pension scheme with People Pension, unless they exercise their right to opt-out of the scheme membership. Amana Trust makes a 1% contribution to the pension scheme. The employer's contribution is charged to the Statement of Financial Activities in the period in which the salary to which the pension relates is due.

1.18 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

AMANA TRUST
(A Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. DONATIONS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
General	–	220,884	220,884	588,323
Servant support	2,139,641	–	2,139,641	1,781,787
Radio contributions	280,434	–	280,434	517,162
Construction	1,101,206	–	1,101,206	498,736
Property	–	–	–	3,621
Migrant work in Europe fund	15,362	–	15,362	594,665
Netherlands fund	1,952	–	1,952	–
Total 2017	3,538,595	220,884	3,759,479	3,984,294
Total 2016	3,395,971	558,323	3,984,294	3,984,294

3. TRADING ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Caravan income	26,804	26,804	48,064
Bookshop gifts	606	606	817
Total 2017	27,410	27,410	48,881
Total 2016	48,881	48,881	48,881

4. INVESTMENT INCOME

All the Charity's investment income of £6,833 (2016: £4,586) arises from money held in interest bearing deposit accounts.

5. ANALYSIS OF EXPENDITURE

	Direct costs Cost of sales £	Direct costs Staff £	Direct costs external £	Support costs other £	Support costs governance £	Total £
Charitable activities						
Training	–	169,737	48,113	280,506	6,786	505,142
Literature costs	63,220	196,129	24,509	67,010	2,545	353,413
Campus & community outreach	–	1,608,462	60,867	173,628	5,938	1,848,895
Conferences and events	–	53,751	28,319	105,020	2,545	189,635
Radio broadcast	–	80,401	159,190	67,010	2,545	309,146
	63,220	2,108,480	320,998	693,174	20,359	3,206,231
Raising funds						
Trading activities	–	31,369	43,310	–	–	74,679
	–	31,369	43,310	–	–	74,679
Other						
Other	–	17,023	173,086	48,716	–	238,825
	–	17,023	173,086	48,716	–	238,825
Total 2017	63,220	2,156,872	537,394	741,890	20,359	3,519,735
Total 2016	66,673	1,838,080	1,121,488	702,887	18,979	3,748,107

Expenditure on charitable activities was £3,206,231 (2016: £3,625,612) of which £2,369,021 (2016: £2,681,951) was restricted and £837,210 (2016: £943,661) was unrestricted.

AMANA TRUST
(A Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Audit	8,565	8,565	9,690
Other fees	—	—	2,286
Accountancy	11,793	11,793	7,003
Total 2017	20,358	20,358	18,979
Total 2016	18,979	18,979	18,979

Accountancy fee incurred in 2017 and 2016 relates to the Charity engaging Ensors Accountants LLP to provide VAT consultancy services.

7. NET INCOME / (EXPENDITURE)

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	118,369	115,884
Auditor's remuneration	8,565	9,690
Loss on disposal of assets	1,163	1,941
(Profit) on disposal of assets	(178,399)	—
Foreign exchange (gain) / loss	25,920	(32,353)

8. STAFF COSTS

Staff costs were as follows:	Restricted funds 2017 £	Unrestricted funds 2017 £	Total 2017 £	Total 2016 £
Salaries	1,936,243	202,858	2,139,101	1,850,883
Social security costs	151,149	16,040	167,189	124,524
Pension costs	12,384	1,077	13,461	11,238
	2,099,776	219,975	2,319,751	1,986,645

The average number of employees during the year was as follows:

	2017 No.	2016 No.
Office staff	34	27
Campus workers	70	75
Bookstore	8	8
Campsite	1	1
	113	111

No employee received remuneration amounting to more than £60,000 in either year. Pension costs are allocated to activities in proportion to the related staffing costs incurred.

The key management of the Charity are the trustees who play an active role in the day to day management of the Charity. No trustee received payment for professional or other services provided to the Charity (2016: £nil).

AMANA TRUST
(A Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. TANGIBLE FIXED ASSETS

	Freehold property	Assets under construction ¹	Motor vehicles	Fixtures & fittings	Office equipment	Total
Cost						
At 1 January 2017	6,062,217	216,421	167,561	244,095	24,044	6,714,338
Additions	1,630,010	380,254	25,092	21,585	10,157	2,067,098
Transfer of assets	318,307	(318,307)	–	–	–	–
Disposals	(392,363)	–	(25,500)	–	–	(417,863)
At 31 December 2017	<u>7,618,171</u>	<u>278,368</u>	<u>167,153</u>	<u>265,680</u>	<u>34,201</u>	<u>8,363,573</u>
Depreciation						
At 1 January 2017	517,477	–	146,139	129,316	20,414	813,346
Charge for the year	68,218	–	14,757	33,913	1,481	118,369
On disposals	(12,621)	–	(21,928)	–	–	(34,549)
At 31 December 2017	<u>573,074</u>	<u>–</u>	<u>138,968</u>	<u>163,229</u>	<u>21,895</u>	<u>897,166</u>
Net book value						
At 31 December 2017	<u>7,045,097</u>	<u>278,368</u>	<u>28,185</u>	<u>102,451</u>	<u>12,306</u>	<u>7,466,407</u>
At 31 December 2016	<u>5,544,740</u>	<u>216,421</u>	<u>21,422</u>	<u>114,779</u>	<u>3,630</u>	<u>5,900,992</u>

¹ Assets under construction comprise capitalised construction costs within the restricted Construction fund which have been capitalised as part of the building project. Refer to the Trustees Report for more details.

Included within Freehold property is land of £3,827,186 (2016: £3,207,036), which is not depreciated.

10. INVESTMENTS

The Charity has only one subsidiary, which is a dormant entity, with a registered address of, Bower House, Orange Tree Hill, Romford, Essex, RM4 1PB.

	Unlisted investments	Total
Cost	£	£
At 1 January 2017	1	1
Additions	–	–
At 31 December 2017	<u>1</u>	<u>1</u>
Net book value		
At 31 December 2017	<u>1</u>	<u>1</u>
At 31 December 2016	<u>1</u>	<u>1</u>

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertaking			
FTTL Limited	England and Wales	Ordinary	100%

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year are as follows:

Subsidiary undertaking	Principal activity	Capital and reserves 2017	Profit / (loss) for the year 2017
FTTL Limited	Dormant	£ 1	£ –

AMANA TRUST
(A Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Total 2017 £	Total 2016 £
Amounts receivable between two and five years		
Long-term receivable	14,225	–
Amounts receivable after more than five years		
Long-term receivable	133,497	–
Total debtors receivable after more than one year	<u>147,722</u>	<u>–</u>

In 2017, Amana Trust sold its property in Glasgow to the Church in Glasgow for £151.8k, whereby the church in Glasgow will repay Amana Trust over a period of 30 years in equal monthly installments. The arrangement accrues interest monthly at 2.75% per annum.

12. STOCKS

	2017 £	2016 £
Bookshop stock	<u>66,682</u>	<u>71,987</u>

Stock recognised in cost of sales during the year as an expense was £63,220 (2016: £66,673).

13. DEBTORS

	2017 £	2016 £
Trade debtors	32,645	41,972
Other debtors	79,266	47,184
Short term portion - Long-term receivable	3,326	–
Prepayments and accrued income	22,576	16,475
Total	<u>137,813</u>	<u>105,631</u>

All amounts are payable within 12 months. The net carrying value of debtors is considered a reasonable approximation of fair value.

14. CREDITORS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total 2017 £	Total 2016 £
Amounts falling due within one year				
Trade creditors	–	40,764	40,764	37,413
Other taxation and social security	–	43,277	43,277	31,928
Other creditors	–	3,236	3,236	43,894
Short term portion - long term borrowing	–	50,240	50,240	–
Accruals and income received in advance.	–	82,970	82,970	189,900
Total 2017	<u>–</u>	<u>220,487</u>	<u>220,487</u>	<u>303,135</u>
Total 2016	<u>127,073</u>	<u>176,062</u>	<u>303,135</u>	<u>303,135</u>

Deferred income amounting to £8.5k relates mainly to the receipt of training fees of £4.0k and bookshop subscriptions of £3.5k paid during 2017 in advance for the 2018 financial period.

AMANA TRUST
(A Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Total 2017 £	Total 2016 £
Amounts falling due between two and five years		
Long term borrowing – payable by instalments	216,384	–
Amounts falling due after more than five years		
Long term borrowing – payable by instalments	619,644	–
Total creditors falling due after more than one year	<u>836,028</u>	<u>–</u>

In 2017, Amana trust entered into a financing facility with Barclays Bank Plc of £900k of which £886.2k was outstanding at year end to complete the purchase of Bower Farm (a property adjacent to Bower House). The facility is secured by the purchased property (Bower Farm), 110 Pentonville Road, Islington, London and Oak Lodge, Orange Tree Hill, Romford, Essex (freehold property owned by Amana Trust). The facility accrues interest on a quarterly basis at 2.67% per annum and is repayable in monthly instalments over a period of 15 years with an early exit penalty of 0.5%.

16. FINANCIAL INSTRUMENTS

The Charity has the following financial instruments:

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total 2017 £	Total 2016 £
Financial assets				
Measured at amortised cost:				
Cash	994,986	939,470	1,934,456	2,034,180
Long-term receivable	–	151,048	151,048	–
Trade debtors	–	32,645	32,645	41,972
Other debtor transactions	–	88,818	88,818	51,649
	<u>994,986</u>	<u>1,211,981</u>	<u>2,206,967</u>	<u>2,127,801</u>
Measured at fair value:				
Derivative financial instruments	120,422	–	120,422	–
Total 2017	<u>1,115,408</u>	<u>1,211,981</u>	<u>2,327,389</u>	<u>2,127,801</u>
Total 2016	<u>803,474</u>	<u>1,324,327</u>	<u>2,127,801</u>	<u>2,127,801</u>
Financial liabilities measured at amortised cost:				
Trade creditors	–	40,764	40,764	37,413
Other creditor transactions	–	90,716	90,716	260,104
Long-term financing	–	886,268	886,268	–
Total 2017	<u>–</u>	<u>1,017,748</u>	<u>1,017,748</u>	<u>297,517</u>
Total 2016	<u>127,073</u>	<u>170,444</u>	<u>297,517</u>	<u>297,517</u>

Derivative financial instruments – Forward contracts

In 2017, Amana Trust entered into forward contracts to mitigate the exchange rate risk for certain highly probable forecast transactions. At 31 December 2017, the outstanding contracts mature in two tranches, the first within 3 months and the second within 15 months of the year end. Amana Trust is committed to sell USD2 million and to receive a fixed sterling amount. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumption used in valuing the derivative is the forward exchange rate for GBP:USD.

AMANA TRUST
(A Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. STATEMENT OF FUNDS

	Brought forward 2016 £	Incoming resources 2017 £	Resources expended 2017 £	Transfer of funds 2017 £	Carried forward 2017 £
Unrestricted funds					
General fund	6,415,309	744,013	(898,628)	1,062,136	7,322,830
Designated fund	516,783	106,108	(13,261)	(509,248)	100,382
Total Unrestricted funds	<u>6,932,092</u>	<u>850,121</u>	<u>(911,889)</u>	<u>552,888</u>	<u>7,423,212</u>
Restricted funds					
Property fund	1,958	–	–	(1,958)	–
Construction fund	444,272	1,239,557	(238,825)	(489,122)	955,882
Servant support fund	–	2,139,641	(2,051,964)	(87,677)	–
Radio contributions fund	446,592	280,434	(315,236)	25,899	437,689
Migrant work in Europe fund	(15,258)	15,362	(74)	(30)	–
Netherlands fund	–	1,952	(1,747)	–	205
Total Restricted funds	<u>877,564</u>	<u>3,676,946</u>	<u>(2,607,846)</u>	<u>(552,888)</u>	<u>1,393,776</u>
Total funds	<u>7,809,656</u>	<u>4,527,067</u>	<u>(3,519,735)</u>	<u>–</u>	<u>8,816,988</u>

The general fund represents 'free reserves' after allowing for all designated funds.

The designated fund represents rental income from managed properties which has been designated for maintenance costs related to those properties, offset by costs incurred in respect of maintenance carried out.

The Construction fund represents donations made towards the costs for construction at Bower House, Woodland Camp and Bower Farm and will be used for future construction and redevelopment projects.

The Christian worker fund represents donations made towards the support of the Christian workers of the Charity.

The Radio contributions fund represents donation made towards the radio broadcasting and associated costs.

The Netherlands fund represents donations made by individuals in the Netherlands to support one of the Christian workers employed by Amana Trust to regularly visit the Netherlands for Christian outreach purposes.

The transfer of funds from restricted to general funds relates mainly to the capitalisation of assets under construction for work carried out in relation to the UK building project of £318.3k which is intended for general use by the Charity. The fund transfer occurs once the assets under construction are commissioned for use of the charitable activities of Amana Trust and; the transfer of funds of £184.8k for the down payment for the purchase of Bower Farm, a property adjacent to Bower House.

The transfer of funds from designated to general funds relates mainly to funds which were designated for the purchase of Bower Farm of £528.7k being transferred to the general fund to complete the purchase of the Farm.

AMANA TRUST
(A Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. STATEMENT OF FUNDS (continued)

	Brought forward (Restated) 2015 £	Incoming resources 2016 £	Resources expended 2016 £	Transfer of funds 2016 £	Carried forward 2016 £
Unrestricted funds					
General fund	6,575,979	825,245	(1,022,405)	36,490	6,415,309
Designated fund	85,162	425,840	(9,219)	15,000	516,783
Total Unrestricted funds	<u>6,661,141</u>	<u>1,251,085</u>	<u>(1,031,624)</u>	<u>51,490</u>	<u>6,932,092</u>
Restricted funds					
Property fund	–	3,621	(1,663)	–	1,958
Construction fund	34,211	498,736	(34,532)	(54,143)	444,272
Servant support fund	–	1,781,787	(1,784,438)	2,651	–
Radio contributions fund	193,856	517,162	(264,426)	–	446,592
Polish recovery version translation fund	1,649	–	(1,651)	2	–
Migrant work in Europe fund	(4,198)	594,665	(620,169)	14,444	(15,258)
Conference fund	4,604	–	(4,604)	–	–
Travel and medical fund	19,444	–	(5,000)	(14,444)	–
Total Restricted funds	<u>249,566</u>	<u>3,395,971</u>	<u>(2,716,483)</u>	<u>(51,490)</u>	<u>877,564</u>
Total funds	<u>6,910,707</u>	<u>4,647,056</u>	<u>(3,748,107)</u>	<u>–</u>	<u>7,809,656</u>

The general fund represents 'free reserves' after allowing for all designated funds.

The designated fund represents: a donation of £423k which was designated for use on the building project (Refer to the Trustees report for more details); and rental income and related cost recoveries in respect of managed properties designated for the maintenance and improvement costs directly related to those properties.

The Construction fund represents donations made towards the costs for construction at Bower House, Woodland Camp and Bower Farm and will be used for future construction and redevelopment projects.

The Christian worker fund represents donations made towards the support of the Christian workers of the Charity.

The Radio contributions fund represents donation made towards the radio broadcasting and associated costs.

The Travel and medical fund represents donations made towards the costs of Christian workers and volunteers for specific medical costs and related travel. The remaining balance was transferred to the Migrant work in Europe fund at the request of the donor.

AMANA TRUST
(A Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

18. OPERATING LEASE COMMITMENTS

At 31 December 2017 the charity had annual commitments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Expiry Date:		
Within one year	7,475	8,343
Between one and five years	8,099	16,417
More than five years	—	—
Total	<u><u>15,574</u></u>	<u><u>24,760</u></u>

19. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Expenses reimbursed to Trustees and the remuneration of the key management personnel of the Charity are disclosed in Note 8. There were no other transactions during the year that come within the definition of 'related party transactions' in FRS 102. However, trustees of the Charity are trustees or directors of organisations that donate funds or enter into commercial transactions with the Charity. The following transactions are disclosed as the individuals concerned are regarded as holding a position of influence in both parties to the transactions concerned at the time they were entered into.

Mr Joseph H Davis and Mr Curtis Kennard are trustees of the Charity and are also trustees of Living Stream Ministry in the USA. As at 31 December 2017, related party balances with Living Stream Ministry comprised a £1.3k trading balance due from the Charity (2016: £3.5k due from the Charity). During the year, Amana Trust paid £38.1k (2016: £46.7k) to Living Stream Ministry, which related to the purchase of publications for resale in the Charities bookshop, and received £19.3k (2016: £34.1k), which was received as support for employees of Amana Trust who translate and typeset Living Stream Ministry publications.

Mr Joseph H Davis is a trustee of the Charity and is also a trustee of the Church in Houston in the USA. During the year, Amana Trust received £456.0k (2016: £493.5k) from the Church in Houston, of which £384.5k was restricted for use on the UK building project, and £71.5k was restricted for use as support for christian workers employed by Amana Trust.

20. OFF-BALANCE SHEET ARRANGEMENTS

As at balance sheet date Amana Trust held custodian funds of £58.4k. The funds mainly relate to monies held on behalf of Living Stream Ministry of £39.2k.