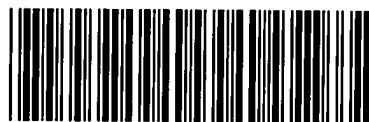


Charity Registration No. 1142737

Company Registration No. 07613549 (England and Wales)

UK MENNONITE MINISTRIES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

SATURDAY



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COMPANIES HOUSE

UK MENNONITE MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Kenneth Witmer Paul Martin John Zimmerman Allen Horst James Kulp James Byler Dirk Eberly	(Appointed 5 December 2016)
Secretary	Kenneth Witmer	
Charity number	1142737	
Company number	07613549	
Principal address	Folly Farm House Lydbury North Shropshire SY7 8AP	
Registered office	44 Shrewsbury Road Craven Arms Shropshire UK SY7 9PY	
Independent examiner	Nigel Hewson FCA DChA Hewsons Chartered Accountants 80 Woodhurst Avenue Orpington Kent BR5 1AT	
Bankers	Barclays Leicester LE87 2BB	
Solicitors	Wellers Law Group 7-8 Gray's Inn Square London WC1R 5JQ	

UK MENNONITE MINISTRIES

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UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The trustees present their report and financial statements for the year ended 30 September 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's object is the advancement of the Christian Faith. UKMM began activities in February 2012. Three families from America have settled in the UK. They continue to open their homes weekly for visits from various families who desire to spend time with them and learn how Mennonites apply Bible principles in various areas of home, vocation and church life. These visitors have come from the U.K. and as far afield as Germany, Netherlands, Spain, France and Switzerland.

The Sunday meetings continue in the village halls of Aston-on-Clun in Shropshire, providing opportunities for worship, teaching and fellowship. Sunday School is also provided for the families who attend. Various trips have been made throughout *Europe* for preaching, counselling and church family visits.

Extensive support has been provided for those involved in Home Schooling. The charity's subsidiary trading company has seen a steady increase in the sales of Rod & Staff school publications and other teaching materials. The tenth annual Bible Conference took place in December 2016, at the Cefn Lea Conference Centre in Wales. This was attended by delegates from all over the UK, plus Ireland, the USA, Canada, Switzerland, France, Russia, Ukraine, Romania, Philippines, Germany and Kazakhstan.

The Trustees have considered the Commission's guidance on public benefit, and in particular, the specific guidance on charities for the advancement of religion, and are committed to providing a place of worship, community and pastoral care and support for those who attend the church, as well as for those in the local community who are known to be in need. All of the Church's activities are focused around the worship of God, obedience to the Word of God and the expression of the love of Jesus to those affiliated to the local Mennonite church and to the surrounding communities.

In line with many other charities UK Mennonite Ministries is heavily reliant on the services of volunteers who assist in various ways to achieve the charities objectives and the trustees are grateful to those who give their services voluntarily.

Achievements and performance

Shropshire Hills Mennonite Church has welcomed new members and now has a total of twenty-two adults. Two ordained ministers share the duties of pastoring and teaching. All the sermons are recorded and made available for local and national distribution. These CDs have been widely distributed, together with publications such as 'The Christian Contender', 'The Christian Example', 'The Christian School Builder', 'The Christian Pathway' and 'The Wee Lambs'.

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

There were revival meetings in Shropshire in August and outreach is also promoted with 'Songs of Praise', a monthly service in Kempton Village Hall. The youth also go out twice a month into local towns to sing and pass out tracts on the streets.

The operation of a part time Christian school has successfully continued and the trustees have made small gifts to individuals to meet financial needs. The subsidiary company, Shepherd Hills Furniture Limited has continued to grow and its hand crafted, hardwood furniture has retail outlets in Shrewsbury and Craven Arms. The latter is also a Christian bookshop and tea room.

UKMM has established a ministry where youth can be mentored by living with mature Christians. Three houses have been rented, two for single sisters to mentor young ladies and another for a married couple to mentor young men who desire to become part of the Mennonite community and way of life. This mentoring includes spiritual teaching and learning the disciplines and practical life skills required to be an asset to the community and to society. More youth are welcomed to this ministry.

UKMM has also begun a program of placing tract racks in places of business who are willing to display them for people to take free tracts. Shepherd Hills Bible Correspondence Courses has also been established and provides free Bible Study courses including exams and grading. Several book racks from Shepherd Hills Christian Books (part of the trading activities of the subsidiary company Shepherd Hills Furniture Limited) have been placed in other book stores, where Christian books from Mennonite publishers are offered for sale.

Financial review

The trustees are pleased to report a surplus of income over expenditure of £18,550 on unrestricted funds as a result of gifts from United Kingdom Mennonite Ministries in the USA. The trustees are grateful for the continued financial support of United Kingdom Mennonite Ministries which has made donations and loans to UK Mennonite Ministries and has confirmed that it will continue to support the UK charity financially in order to meet its charitable objectives.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between one and three month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. With the continued support of United Kingdom Mennonite Ministries in the USA, by the end of the year free reserves of approximately £31,500 which represents around two months expenditure.

Reference and administrative information is provided on the page following the cover sheet.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Kenneth Witmer

Paul Martin

Michael Pauley

(Resigned 5 December 2016)

John Zimmerman

Allen Horst

James Kulp

James Byler

Dirk Eberly

(Appointed 5 December 2016)

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The trustees of the charity are also members of the charity. Trustees must retire by rotation; one third every year. Trustees are appointed by existing trustees and new trustees are familiarised with their duties and responsibilities by existing trustees. During the year under review Kenneth Witmer, James Byler and Allen Holst retired by rotation and were re-appointed. In December 2016 John Zimmerman and Michael Pauley retired by rotation. John Zimmerman was re-appointed and Dirk Eberly was elected to replace Michael Pauley. There are no limits to the terms of any Trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The charity is associated with the North Central Mennonite Churches in the United States. The trustees of the charity are under the spiritual oversight of the bishop and counselling bishops in the US. The North Central Mennonite Churches have set up an organisation in the US called United Kingdom Mennonite Ministries which has raised money for the activities in the UK. However, the UK charity operates independently from the US charity and is financially and administratively self-governing. The US organisation, United Kingdom Mennonite Ministries, has total control of funds it raises and is at liberty to remit or restrict these funds for use in the UK. Spiritual oversight and direction in the UK is provided by two church leaders, one of whom works on a voluntary basis.

The charity has a wholly owned subsidiary, Shepherd Hills Furniture Limited, which manufactures and sells furniture and also retails books and bakery items to generate funds for UK Mennonite Ministries. The intention is that all the profits of Shepherd Hills Furniture Limited will be gifted to UK Mennonite Ministries once it has resources to do so.

The trustees' report was approved by the Board of Trustees.



Kenneth Witmer

Trustee

Dated: 21 June 2018

UK MENNONITE MINISTRIES

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF UK MENNONITE MINISTRIES

I report to the trustees on my examination of the financial statements of UK Mennonite Ministries (the charity) for the year ended 30 September 2017.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.


Nigel Hewson FCA DCHA

Hewsons
Chartered Accountants
80 Woodhurst Avenue
Orpington
Kent
BR5 1AT

Dated: 26 June 2018

UK MENNONITE MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	3	167,101	515	167,616	165,013
Income from charitable activities	4	35,210	-	35,210	8,090
Investments	5	-	-	-	268
Total income		202,311	515	202,826	173,371
<u>Expenditure on:</u>					
Charitable activities	6	184,276	-	184,276	160,998
Net income for the year/ Net movement in funds		18,035	515	18,550	12,373
Fund balances at 1 October 2016		13,945	-	13,945	1,572
Fund balances at 30 September 2017		31,980	515	32,495	13,945

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

UK MENNONITE MINISTRIES

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		525		787
Investments	12		2		2
			<u>527</u>		<u>789</u>
Current assets					
Debtors	14	22,686		16,470	
Cash at bank and in hand		25,874		10,556	
		<u>48,560</u>		<u>27,026</u>	
Creditors: amounts falling due within one year	15	(16,592)		(13,870)	
Net current assets			31,968		13,156
Total assets less current liabilities			<u>32,495</u>		<u>13,945</u>
Income funds					
Restricted funds	16		515		-
Unrestricted funds			31,980		13,945
			<u>32,495</u>		<u>13,945</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 21 June 2018


Kenneth Witmer
Trustee

Company Registration No. 07613549

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Charity information

UK Mennonite Ministries is a private company limited by guarantee incorporated in England and Wales. The registered office is 44 Shrewsbury Road, Craven Arms, Shropshire, SY7 9PY, UK.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2017 are the first financial statements of UK Mennonite Ministries prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The charity is supported by a charitable organisation in the United States of America which has indicated that it will continue to support the UK charity until it has sufficient other sources of income to be self supporting. The directors therefore have a reasonable expectation that the charity will have adequate resources to continue in operational existence for at least a further 12 months. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised in these accounts. More information about the contribution of volunteers is provided in the trustees report.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal and constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants and donations payable are taken into account at the earlier of when they are paid or become legally enforceable.

Other than normal commitments under contracts of employment there are no contractual or constructive obligations to future expenditure at the balance sheet date. Where the trustees have authorised expenditure which is not yet legally enforceable or has become a constructive obligation amounts are set aside into funds designated for the purpose.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Assets costing £250 or less are not capitalised but written off as an expense in the year in which the expenditure is incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% straight line
--------------------------------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value or fair value.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Net exchange differences are included in the statement of financial activities; gains in other incoming resources and losses in support costs.

1.13 Commitments for future expenditure

Other than the normal commitments under contracts of employment and operating leases there are no contractual or constructive obligations to future expenditure at the balance sheet date. Where the trustees authorise expenditure which is not yet legally enforceable or becomes constructive obligations, amounts are set aside into funds designated for the purpose.

1.14 Amounts owing to or from group companies

Amounts owing to or from group companies are stated in the balance sheet at the amount of capital outstanding plus interest accrued and unpaid at the balance sheet date.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	167,101	515	167,616	165,013
For the year ended 30 September 2016	165,013	-		165,013

4 Income from charitable activities

	2017 £	2016 £
Income from charitable activities	25,210	7,290
Charitable rental income	10,000	800
	35,210	8,090

The above income includes an amount recharged to the charity's subsidiary of £3,645 (2016: £6,865) for wages of staff who undertake work for both the charity and its subsidiary.

5 Investments

	2017 £	2016 £
Interest receivable	-	268

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

6 Charitable activities

	2017 £	2016 £
Staff costs	106,804	89,063
Depreciation and impairment	262	566
Bible conference	17,697	14,694
Mentor homes running costs	19,149	13,666
Church hall rent	2,975	3,596
Schoolroom running costs	6,798	7,667
Hospitality	3,091	1,265
Literature and CDs	2,864	3,471
Miscellaneous staff costs	6,899	17,900
Reimbursed expenditure	5,423	-
Other miscellaneous costs	296	493
	<u>172,258</u>	<u>152,381</u>
Grant funding of activities (see note 7)	6,944	5,103
Share of support costs (see note 8)	1,670	721
Share of governance costs (see note 8)	3,404	2,793
	<u>184,276</u>	<u>160,998</u>
Analysis by fund		
Unrestricted funds	184,276	
	<u>184,276</u>	
For the year ended 30 September 2016		
Unrestricted funds		160,998
		<u>160,998</u>

7 Grants payable

	2017 £	2016 £
Grants to institutions:		
Grants of £1000 or less	2,118	1,501
Grants to individuals	4,826	3,602
	<u>6,944</u>	<u>5,103</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

8 Support costs

	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Administrative costs	1,215	-	1,215	321	Support cost
Insurance	455	-	455	400	Support cost
Legal and professional	-	3,404	3,404	2,793	Governance
	<u>1,670</u>	<u>3,404</u>	<u>5,074</u>	<u>3,514</u>	
Analysed between					
Charitable activities	<u>1,670</u>	<u>3,404</u>	<u>5,074</u>	<u>3,514</u>	

Governance costs includes amounts payable to the charity's accountants of £1,800 (2016: £1,644) for preparation and independent examination of the statutory accounts, an over provision of £90 (2016: under provision for the previous year of £114) and £900 (2016: £1,035) for other work.

9 Trustees

Dirk Eberly who was appointed as a trustee in December 2016 was paid £14,805 remuneration and £63 pension contributions by the charity which was recharged at cost to its wholly owned subsidiary Shepherd Hills Furniture Limited for work carried out for Shepherd Hills Furniture Limited and £1,250 was paid to him directly by the subsidiary, after the date of his appointment as trustee of the charity. Dirk Eberly is not paid for his position as a trustee and was an existing employee of the subsidiary company when appointed. He is not permitted to influence the decision about any pay increases since his appointment.

None of the trustees (or any persons connected with them) received any remuneration during the year.

Seven trustees and their families attended the annual conference without charge at a cost of £1,170 (2016: £1,156). However, a free will offering was taken at the conference to which it is thought the trustees made anonymous contributions which would have partly or fully covered the relevant costs.

Known donations from trustees amounted to £500 during the year. However, it is believed that further donations were made in cash anonymously.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

10 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Ministerial/pastoral	4	3
Schoolroom	1	1
Community hosts	2	4
Outsourced	1	-
	<u>8</u>	<u>8</u>

Employment costs

	2017 £	2016 £
Wages and salaries	100,987	85,310
Social security costs	5,549	3,753
Other pension costs	268	-
	<u>106,804</u>	<u>89,063</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 October 2016	2,124
At 30 September 2017	<u>2,124</u>
Depreciation and impairment	
At 1 October 2016	1,337
Depreciation charged in the year	262
At 30 September 2017	<u>1,599</u>
Carrying amount	
At 30 September 2017	<u>525</u>
At 30 September 2016	<u>787</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 October 2016 & 30 September 2017	2
Carrying amount	
At 30 September 2017	2
At 30 September 2016	2

The above investment represents the cost of shares at par in a wholly owned subsidiary, Shepherd Hills Furniture Limited. The market value of the shares is considered by the directors to be broadly equivalent to par.

13 Financial instruments

The charity has no financial instruments measured at amortised cost other than the fixed asset investment in the charity's subsidiary which is included at estimated market value. All other financial instruments are included in current assets or liabilities and are measured at the cash or other consideration expected to be paid or received and have not been discounted.

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	22,686	16,470

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	1,742	3,244
Other creditors	9,676	7,483
Accruals and deferred income	5,174	3,143
	16,592	13,870

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 October 2016	Movement in funds Incoming resources	Resources expended	Balance at 30 September 2017
	£	£	£	£
Building fund	-	515	-	515

The building fund holds monies given for the purpose of acquiring a property for use by the church.

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 September 2017 are represented by:			
Tangible assets	525	-	525
Investments	2	-	2
Current assets/(liabilities)	31,453	515	31,968
	<u>31,980</u>	<u>515</u>	<u>32,495</u>

18 Operating lease commitments

The charity rents a number of properties. One property is leased for 3 year's from 1 October 2017. The other properties are generally held on short term tenancies with 1 or 2 month notice periods. At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	14,865	5,000
Between two and five years	11,200	7,740
	<u>26,065</u>	<u>12,740</u>

19 Related party transactions

Remuneration of key management personnel

The key management are the trustees. One of the trustees was remunerated as explained in the trustees note. The remuneration was not for his managerial services.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

19 Related party transactions

(Continued)

Transactions with other related parties

The charity has a wholly owned subsidiary, Shepherd Hills Furniture Limited. The subsidiary's results are not consolidated in these accounts which are for the holding company as a separate entity.

The subsidiary company's principal activity is the construction and sale of handmade furniture, although it also sells Christian literature and homemade bakery products. All the profits of the subsidiary are to be gifted to UK Mennonite Ministries for application on carrying on its charitable purposes. The accounts of the subsidiary for the year to 30 September 2017 show net liabilities of £26,945 (2016: net assets, £7,164). For the year to 30 September 2017 the turnover was £389,569 (2016: £297,875); expenses were £439,954 (2016: £334,336); grants and other income received amounted to £9,958 (2016: £128,259) producing a loss before tax of £40,427 (2016: profit, £81,798).

The registered office of Shepherd Hills Furniture Limited is 44 Shrewsbury Road, Craven Arms, Shropshire SY7 9PY.

United Kingdom Mennonite Ministries in the US and UK Mennonite Ministries were controlled by a majority of common trustees during the year under review. United Kingdom Mennonite Ministries in the US made grants of £120,000 (2016: £116,340) to UK Mennonite Ministries during the year under review.

The Charity has invested £2 by way of share capital in the subsidiary company.