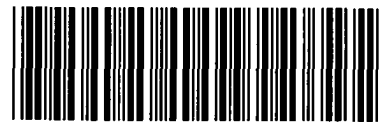


COMPANY REGISTRATION NUMBER SC242628

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

Charity Number SC014546

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COMPANIES HOUSE

NELSON GILMOUR SMITH
Chartered Accountants & Registered Auditors
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

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**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	People With A Mission Ministries
Charity number	SC014546
Company registration number	SC242628
Registered office	National Christian Outreach Centre Riggs Road Perth PH1 1PR
Trustees	M Milne J Milne B A Smith E Allan
Secretary	J Milne
Auditor	Nelson Gilmour Smith Chartered Accountants & Registered Auditors Mercantile Chambers 53 Bothwell Street Glasgow G2 6TB
Bankers	The Royal Bank of Scotland 12 Dunkeld Road Perth PH1 5RB
Solicitors	Balfour & Manson, Solicitors 54-66 Frederick Street Edinburgh EH2 1LS

PEOPLE WITH A MISSION MINISTRIES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2016

The trustees, who are also directors for the purposes of company law, present their report and the consolidated financial statements of the charity for the year ended 31 December 2016.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

The trustees

The trustees who served the charity during the period were as follows:

M Milne
J Milne
B A Smith
E Allan

Structure, governance and management

The company is limited by guarantee and does not have a share capital. People With A Mission Ministries is governed by its memorandum and articles of association.

The Trustees take all decisions concerning the company. The appointment of new trustees is at the discretion of the existing trustees. The existing trustees train new trustees. Currently the charity is actively trying to recruit additional trustees.

The company is recognised by the HM Revenue and Customs as a Charity for tax purposes.

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate our exposure to the major risks.

People With A Mission Ministries has a 100% trading subsidiary, PWAMM (Services) Limited (Company Number: SC248245). The principal activity of the PWAMM (Services) Limited is the running of the Mustard Seed Coffee shop and Bookshop. The profits of PWAMM (Services) Limited are gift aided to People With A Mission Ministries.

Objectives and activities

The principal objective of the charity is the advancement of the Christian religion in the United Kingdom and elsewhere.

To achieve this objective the charity operates in the following:

- (a) Church
- (b) Book shop
- (c) Café
- (d) Conference centre
- (e) Charity shops
- (f) Nursery

PEOPLE WITH A MISSION MINISTRIES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2016

Achievements and performance

We are pleased to report that 2016 marked a further year of advance in the work and ministry of People With A Mission Ministries.

Numerous local churches again invited the Challenger Bus Team into their communities. The "Kids' Clubs" and "Youth Nights" held on board the buses were extremely well attended by local children, and generously supported by local congregations. Over 100 Bibles were given out at the end of our various Kids' Clubs, to those children who specifically asked for one.

The Challenger Education programme remained popular with both primary and secondary schools throughout Scotland. Under the "Curriculum For Excellence", we were invited to give lessons on the foundations of Christianity in 70 schools, with over 10,000 children visiting the exhibition bus. It is a testament to the success of this educational programme that we have already received invitations from head teachers to visit schools well into 2017. It is worth noting that since the Challenger Education programme began nine years ago, over 50,000 pupils from over 250 different schools have seen a Christian presentation on the Challenger Bus.

During the year, the "Challenger Community Outreach" buses continued to provide a Christian presence in the heart of Perth city centre, and in different towns and villages on the Island of Lewis. Christians from different congregations have been working together, and in Perth over 60 volunteers were part of the Community Team over the course of year. Support also came from Perth and Kinross Council and Police Scotland. It is hoped to expand this arm of the Ministry to other regions of Scotland.

The tent was again erected on several occasions for other churches to host their own missions, including the third annual "Perth Alive" event, which was held in our local community. This was very well attended and gave us a wonderful opportunity to share the love of Christ with the people of Perth.

In Perth, we hosted ten Outreach Dinner Meetings, where we witnessed a number of people make positive responses to the Gospel. Our catering team cooked and served almost 4,000 two-course meals, for free, to our local senior citizens, and over 1,200 senior citizens received Christmas Gift Bags.

The Prayer for Revival Meetings for Pastors and Leaders continues to be very much at the heart of what we do, with monthly meetings held in Glasgow, Perth and Inverness.

The National Christian Outreach Centre (NCOC) has maintained its profile in the local community, with around 100,000 people with no church affiliation visiting the Mustard Seed Coffee Shop and Bookshop during the year. The Coffee Shop in particular saw a record year for sales.

The NCOC and 28 Glasgow Road have continued to provide conference facilities during the year, hosting events as various as one-on-one counselling sessions run by small local charities, to week-long training courses for 200 people run by Perth and Kinross Council. Many Christian ministries and churches also continue to use our facilities to hold their events. 28 Glasgow Road continues to provide much needed facilities for our outreach programme including the Senior Citizens Monday Church services, "Joseph's Storehouse" and "The Well Drop-In Centre", with increasing numbers of attendees every month.

The Charity Shops in Leslie and Perth city centre maintained a healthy PWAMM presence in their areas throughout the year.

Footprints Nursery has continued to flourish in its expanded facilities at 28 Glasgow, and continues to operate, both there and at the NCOC, at close to maximum capacity.

PEOPLE WITH A MISSION MINISTRIES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2016

As a final note, we would like to offer our sincere thanks to our dedicated and faithful team of volunteers. Over the course of the year, almost 100 different people gave their time and effort, helping greatly in almost every single aspect of the work of the Ministry.

Financial review

The trustees are pleased to report that at the end of 2016 the charity's objectives were achieved by maximising the use of our physical, spiritual and financial resources to the fullest possible extent in focussed outreaches to the communities of Scotland, while at the same time, keeping our income and expenditure broadly in balance. The accounts show a deficit of £14,913 (2015: surplus of £171,522) after charging depreciation on fixed assets of £61,241.

The total funds of the charity amounts to £439,402 (2015 £454,315). Of this £14,754 (2015 £14,754) are restricted, £752,333 (2015 £711,808) are a designated fixed asset fund and general reserves amount to £(327,685) (2015 £(272,247)).

PWAMM is funded mainly through donations.

Risk Management

The Board have assessed the major risks to which the charity is exposed, in particular those related to the operations and financing of the organisation, and are satisfied that systems are in place to migrate our exposure to the major risks.

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the 'free reserves') held by the charity should be 3 months of the resources expended, which equates to £275,000 in general funds. At this level, the trustees feel that they should be able to continue the current activities of the charity in the event of a significant drop in funding. However it would obviously be necessary to consider how the funding would be replaced or the activities changed. At present the free reserves, which amount to £(327,685) (2015 £(272,247)), do not reach this level and the trustees are considering ways in which additional unrestricted funds will be raised.

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit.

Plans for future periods

Consolidation of the existing parts of the Ministry will continue to be key in the coming year, especially in the light of the continuing uncertainty surrounding Brexit, Indy Ref 2, and the upcoming General Election.

We have made much progress in reducing our level of debt over the past five years. This remains a priority for us, with a forecasted target LTV of around 59% at the end of 2020.

In 2017, we will continue with the programme of upgrades at 28 Glasgow Road. The next two phases have been fully costed and budgeted, and the necessary funds set aside. Once completed, these much needed investments will increase the floor space available, whilst also greatly improve the aesthetics of the building. This will enable us to attract more conference clients, and also to enable the Nursery to take on more children.

We have also begun costing a refurbishment of key areas of the National Christian Outreach Centre, our core centre. We believe that this is absolutely necessary to ensure the future profitability of both the Mustard Seed Coffee Shop and Bookshop.

PEOPLE WITH A MISSION MINISTRIES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2016

Responsibilities of the trustees

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- 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.

Auditor

Nelson Gilmour Smith are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
National Christian Outreach Centre
Riggs Road
Perth
PH1 1PR

18/9/17

Signed on behalf of the trustees



M Milne
Trustee

PEOPLE WITH A MISSION MINISTRIES COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF PEOPLE WITH A MISSION MINISTRIES

YEAR ENDED 31 DECEMBER 2016

We have audited the group and parent company financial statements of People With A Mission Ministries for the year ended 31 December 2016 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in the related note to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE WITH A MISSION
MINISTRIES (continued)**

YEAR ENDED 31 DECEMBER 2016

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's and parent company's affairs as at 31 December 2016 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charity has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.



Andrew B Wilson
Senior Statutory Auditor
For and on behalf of
NELSON GILMOUR SMITH
Chartered Accountants
& Statutory Auditors

Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

19/9/2017

Nelson Gilmour Smith are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME
AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income and endowments					
Donations and legacies	5	415,008	46,000	461,008	458,582
Income from charitable activities	6	113,929	–	113,929	116,412
Other trading activities	7	590,253	–	590,253	603,161
Investment income		–	–	–	–
Other income	8	(2)	–	(2)	135,009
Total income		1,119,188	46,000	1,165,188	1,313,164
Expenditure					
Expenditure on raising funds					
Costs of other trading activities	9	(397,474)	(46,000)	(443,474)	(422,112)
Expenditure on charitable activities	10/11	(736,627)	–	(736,627)	(719,530)
Total expenditure		(1,134,101)	(46,000)	(1,180,101)	(1,141,642)
Net income before transfer	14	(14,913)	–	(14,913)	171,522
Transfer between funds	15	–	–	–	–
Net income for the year		(14,913)	–	(14,913)	171,522
Reconciliation of funds					
Total funds brought forward		439,561	14,754	454,315	282,793
Total funds carried forward		424,648	14,754	439,402	454,315

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 13 to 23 form part of these financial statements.

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT)**

YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income and endowments					
Donations and legacies	5	466,258	46,000	512,258	536,470
Income from charitable activities	6	113,929	–	113,929	116,412
Other trading activities	7	261,948	–	261,948	266,641
Other income	8	(2)	–	(2)	135,009
Total income		842,133	46,000	888,133	1,054,532
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	9	(81,851)	–	(81,851)	(87,867)
Expenditure on charitable activities	10/11	(775,195)	(46,000)	(821,195)	(795,327)
Total expenditure		(857,046)	(46,000)	(903,046)	(883,194)
Net income and net movement in funds for the year	14	(14,913)	–	(14,913)	171,338
Reconciliation of funds					
Total funds brought forward		433,245	14,754	447,999	276,661
Total funds carried forward		418,332	14,754	433,086	447,999

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

All of the above amounts relate to continuing activities.

The notes on pages 13 to 23 form part of these financial statements.

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

GROUP BALANCE SHEET

31 DECEMBER 2016

	Note	2016 £	2015 £
Group			
Fixed assets			
Tangible assets	18	2,585,495	2,593,019
Investments	19	—	—
		<u>2,585,495</u>	<u>2,593,019</u>
Current assets			
Stocks	20	9,012	12,642
Debtors	21	19,647	20,094
Cash at bank and in hand		7,949	4,595
		<u>36,608</u>	<u>37,331</u>
Creditors: Amounts falling due within one year	23	<u>(2,165,907)</u>	<u>(2,176,035)</u>
Net current liabilities		(2,129,299)	(2,138,704)
Total assets less current liabilities		<u>456,196</u>	<u>454,315</u>
Creditors: Amounts falling due after more than one year	24	<u>(16,794)</u>	<u>—</u>
Net assets		<u><u>439,402</u></u>	<u><u>454,315</u></u>
Funds			
Restricted income funds	25	14,754	14,754
Unrestricted income funds	26	424,648	439,561
Total funds		<u><u>439,402</u></u>	<u><u>454,315</u></u>

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

These financial statements were approved by the trustees on the 18/9/17 and are signed on their behalf by:



M Milne
Trustee

Company Registration Number: SC242628

The notes on pages 13 to 25 form part of these financial statements.

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

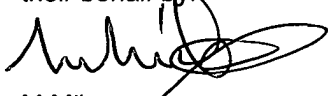
COMPANY BALANCE SHEET

31 DECEMBER 2016

	Note	2016 £	2015 £
Company			
Fixed assets			
Tangible assets	18	2,585,495	2,593,019
Investments	19	2	2
		<u>2,585,497</u>	<u>2,593,021</u>
Current assets			
Stocks	20	–	–
Debtors	21	19,647	20,094
Cash at bank and in hand		105	156
		<u>19,752</u>	<u>20,250</u>
Creditors: Amounts falling due within one year	23	<u>(2,155,369)</u>	<u>(2,165,272)</u>
Net current liabilities		(2,135,617)	(2,145,022)
Total assets less current liabilities		449,880	447,999
Creditors: Amounts falling due after more than one year	24	(16,794)	–
Net assets		<u>433,086</u>	<u>447,999</u>
Funds			
Restricted income funds	25	14,754	14,754
Unrestricted income funds	26	418,332	433,245
Total funds		<u>433,086</u>	<u>447,999</u>

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

These financial statements were approved by the trustees on the 18/9/17 and are signed on their behalf by


M Milne
Trustee

Company Registration Number: SC242628

The notes on pages 13 to 25 form part of these financial statements.

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

GROUP STATEMENT OF CASH FLOWS

31 DECEMBER 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net (expenditure)/income		(14,913)	171,522
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		61,241	49,966
Interest payable and similar charges		78,754	100,205
Loss/(gains) on disposal of tangible fixed assets		2	(135,009)
<i>Changes in:</i>			
Stocks		3,630	5,810
Trade and other debtors		447	3,811
Trade and other creditors		13,895	(33,706)
Cash generated from operations		143,056	162,599
Interest paid		(78,754)	(100,205)
Net cash from operating activities		<u>64,302</u>	<u>62,394</u>
Cash flows from investing activities			
Purchase of tangible assets		(53,719)	(55,892)
Proceeds from sale of tangible assets		2	323,771
Net cash (used in)/from investing activities		<u>(53,717)</u>	<u>267,879</u>
Cash flows from financing activities			
Repayments of borrowings		(48,049)	(310,784)
Cash inflows from finance leases		27,272	—
Net cash used in financing activities		<u>(20,777)</u>	<u>(310,784)</u>
Net decrease in cash and cash equivalents		(10,192)	19,489
Cash and cash equivalents at beginning of year		(134)	(19,623)
Cash and cash equivalents at end of year	22	<u>(10,326)</u>	<u>(134)</u>

The notes on pages 13 to 23 form part of these financial statements.

PEOPLE WITH A MISSION MINISTRIES COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. General information

The charity is a private company limited by guarantee, registered in Scotland and a registered charity in Scotland for public benefit. The address of the registered office is National Christian Outreach Centre, Riggs Road, Perth, PH1 1PR.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 34.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Consolidation

In order to comply with the Charities Accounts (Scotland) Regulations 2006 section 6 a consolidated statement of financial activities and balance sheet including the accounts of the parent company and its subsidiary undertaking made up to the 31 December 2016 have been prepared. The group uses the acquisition method of accounting, per FRS 2 - Accounting for subsidiary undertakings, to consolidate the results of the subsidiary undertaking.

PEOPLE WITH A MISSION MINISTRIES COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. PWAMM is registered for VAT and where appropriate expenditure is shown net of VAT.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Fixed assets

All fixed assets are initially recorded at cost.

**PEOPLE WITH A MISSION MINISTRIES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Heritable property	0 & 2% straight line
Fixtures & equipment	25 & 33.3% straight line
Motor vehicles	25% straight line

The property at Riggs Road, Perth was purchased for £1,515,579 in 2006 and extensively refurbished during 2007 and 2008 at a cost of £730,983. Depreciation of 2% has been charged on this property. The Directors have considered the provisions of FRS 11 Impairment of Fixed Assets and Goodwill and consider that any diminution in the value of the property will only be temporary.

No depreciation has been charged on any of the other heritable properties (net book value £585,010) as the long remaining life and high residual value make such an amount immaterial.

The trustees have considered revaluing the heritable properties but are of the opinion that the ongoing costs of undertaking this exercise are not justifiable and are satisfied that the net book value of the properties do not exceed the net realisable value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

4. Incoming resources from activities for generating funds

The wholly owned trading subsidiary PWAMM (Services) Limited, which is incorporated in the United Kingdom. PWAMM (Services) Limited operates the Mustard Seed Coffee shop and Bookshop. The charity owns the entire share capital of 2 ordinary shares of £1 each.

A summary of the trading results is shown below:

	2016 £	2015 £
Turnover	412,873	412,317
Cost of sales & administrative expenses	(359,673)	(332,745)
Audit fee	(1,950)	(1,500)
Net Profit	51,250	78,072
Gift aided to the charity	(51,250)	(77,888)
Retained in subsidiary	–	184

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YEAR ENDED 31 DECEMBER 2016

4. Incoming resources from activities for generating funds (continued)

Assets and liabilities of the subsidiary – PWAMM (Services) Limited

The assets and liabilities of the subsidiary were:

Current assets	61,044	45,562
Current liabilities	(54,726)	(39,244)
Total net assets	<u>6,318</u>	<u>6,318</u>
Aggregate share capital and reserves	<u>6,318</u>	<u>6,318</u>

5. Donations and legacies

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Donations				
Donations	415,008	456,093	415,008	456,093
Donations - Billboards	–	2,489	–	2,489
Donations from Subsidiaries	–	–	51,250	77,888
Grants	46,000	–	46,000	–
	<u>461,008</u>	<u>458,582</u>	<u>512,258</u>	<u>536,470</u>

Donations of £46,000 (2015: £2,489) were restricted.

6. Income from charitable activities

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Income from non-investment property in furtherance of the charity's objects	112,143	111,681	112,143	111,681
CD DVD income	1,786	4,731	1,786	4,731
	<u>113,929</u>	<u>116,412</u>	<u>113,929</u>	<u>116,412</u>

7. Other trading activities

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Advertising	400	33	400	33
Coffee Shop income	355,216	348,653	–	–
Book Shop income	57,657	63,664	–	–
Charity Shop Income	88,090	98,202	88,090	98,202
Vehicle Repairs	12,378	10,811	12,378	10,811
Footprints Nursery Income	76,512	81,798	76,512	81,798
Management Charges to Subsidiary	–	–	84,568	75,797
	<u>590,253</u>	<u>603,161</u>	<u>261,948</u>	<u>266,641</u>

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8. Other incoming resources

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Gain/(loss) on disposal of tangible fixed assets for charity's own use	<u>(2)</u>	<u>135,009</u>	<u>(2)</u>	<u>135,009</u>

9. Fundraising trading: Cost of goods sold and other costs

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Mustard Seed Bookshop	52,952	64,185	–	–
Leslie Charity Shop	13,562	14,143	13,562	14,143
Emmaus Road	–	–	–	–
Mustard Seed Coffee Shop	308,671	270,060	–	–
Balcary	–	6,466	–	6,466
Perth Charity Shop	68,289	67,258	68,289	67,258
	<u>443,474</u>	<u>422,112</u>	<u>81,851</u>	<u>87,867</u>

10. Costs of charitable activities by fund type

	Group Unrestricted Funds £	Group Restricted Funds £	Group Total Funds 2016 £	Group Total Funds 2015 £
PWAMM	598,777	46,000	644,777	632,659
PCCF	17,257	–	17,257	15,509
Perth Business Centre	14,373	–	14,373	5,148
Maintenance	45,062	–	45,062	37,626
Outreach meals	5,808	–	5,808	4,788
Support costs	9,350	–	9,350	23,800
	<u>690,627</u>	<u>46,000</u>	<u>736,627</u>	<u>719,530</u>

11. Costs of charitable activities by activity type

	Activities undertaken directly £	PWAMM - Grants paid £	Support Costs £	Total Funds 2016 £	Total Funds 2015 £
PWAMM	629,706	15,071	–	644,777	632,659
PCCF	15,674	1,583	–	17,257	15,509
Perth Business Centre	14,373	–	–	14,373	5,148
Maintenance	45,062	–	–	45,062	37,626
Outreach meals	4,008	1,800	–	5,808	4,788
Support costs	–	–	9,350	9,350	23,800
	<u>708,823</u>	<u>18,454</u>	<u>9,350</u>	<u>736,627</u>	<u>719,530</u>

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12. Support costs

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Accountancy fees	770	770	770
Audit fees	3,630	3,630	3,780
Legal fees	—	—	—
Consultancy fees	4,950	4,950	19,250
	<u>9,350</u>	<u>9,350</u>	<u>23,800</u>

13. Analysis of grants

	2016 £	2015 £
Grants to institutions		
Calabar	—	—
	<u>—</u>	<u>—</u>
Grants to individuals		
Grants to individuals	18,454	12,711
Total grants	<u>18,454</u>	<u>12,711</u>
Support costs of grant-making	<u>—</u>	<u>—</u>

14. Net (outgoing)/incoming resources for the year

This is stated after charging:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Depreciation	61,241	49,966	61,241	49,966
Auditors' fees	<u>5,580</u>	<u>5,280</u>	<u>3,630</u>	<u>3,780</u>

15. Fund transfers

The Fixed Asset Fund was set up to allocate within reserves an amount equal to the net book value of the company's fixed assets less any outstanding loan balance as in the opinion of the directors these are non-distributable. During the year the movement on this fund (comprising fixed asset additions & disposals, excluding depreciation but including loan repayments) was an increase of £101,766 thus a transfer of £101,766 was made from the General fund. Depreciation of £61,241 was charged to the fund.

16. Staff costs and emoluments

Total staff costs were as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Wages and salaries	335,632	311,792	335,632	311,792
Social security costs	—	—	—	—
	<u>335,632</u>	<u>311,792</u>	<u>335,632</u>	<u>311,792</u>

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Particulars of employees:

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

	2016	2015
	No	No
Number of team workers	<u>62</u>	<u>62</u>

Calculated on the basis of full-time equivalents this approximates to 25 (2015: 25).

No employee received emoluments of more than £60,000 during the year (2015 - Nil).

Over the course of the year, almost 100 different people gave their time and effort, helping greatly in almost every single aspect of the work of the Ministry

17. Trustees' remuneration

Trustees do not receive remuneration for services rendered as Trustees. Mervyn and Jane Milne, trading as a partnership, received consultancy fees of £10,800 (2015: £12,300) for pastoral services provided. No Trustee expenses have been incurred.

18. Tangible fixed assets

Group	Heritable property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 January 2016	2,964,315	475,785	195,181	3,635,281
Additions	—	53,719	—	53,719
Disposals	—	—	(601)	(601)
At 31 December 2016	<u>2,964,315</u>	<u>529,504</u>	<u>194,580</u>	<u>3,688,399</u>
Depreciation				
At 1 January 2016	371,325	475,785	195,152	1,042,262
Charge for the year	47,809	13,432	—	61,241
Disposals	—	—	(599)	(599)
At 31 December 2016	<u>419,134</u>	<u>489,217</u>	<u>194,553</u>	<u>1,102,904</u>
Net book value				
At 31 December 2016	<u>2,545,181</u>	<u>40,287</u>	<u>27</u>	<u>2,585,495</u>
At 31 December 2015	<u>2,592,990</u>	<u>—</u>	<u>29</u>	<u>2,593,019</u>

Finance leases

Included within the net book value of £2,585,495 is £19,230 (2015 - £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,411 (2015 - £nil).

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18 Tangible fixed assets (continued)

Company	Heritable property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 January 2016	2,964,315	475,785	195,181	3,635,281
Additions	–	53,719	–	53,719
Disposals	–	–	(601)	(601)
At 31 December 2016	2,964,315	529,504	194,580	3,688,399
Depreciation				
At 1 January 2016	371,325	475,785	195,152	1,042,262
Charge for the year	47,809	13,432	–	61,241
Disposals	–	–	(599)	(599)
At 31 December 2016	419,134	489,217	194,553	1,102,904
Net book value				
At 31 December 2016	2,545,181	40,287	27	2,585,495
At 31 December 2015	2,592,990	–	29	2,593,019
Finance leases				

Included within the net book value of £2,585,495 is £19,230 (2015 - £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,411 (2015 - £nil).

19. Investments

Movement in market value

	2016 £	2015 £
Market value at 1 January 2016	2	2
Market value at 31 December 2016	2	2
Historical cost at 31 December 2016	2	2

Analysis of investments at 31 December 2016 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Other investments				
UK Group undertakings	2	–	2	2

The company owns 100% of the issued share capital of PWAMM (Services) Limited, a company registered in Scotland. The principal activity of the company is operating the Mustard Seed Coffee Shop and Bookshop.

	Aggregate capital & reserves £	Profit & (loss) for year £
PWAMM (Services) Limited	6,318	–

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

20. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Stock	<u>9,012</u>	<u>12,642</u>	<u>-</u>	<u>-</u>

21. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	12,049	15,329	12,049	15,329
Other debtors	3,094	-	3,094	-
Directors loans	4,504	4,765	4,504	4,765
Prepayments	-	-	-	-
	<u>19,647</u>	<u>20,094</u>	<u>19,647</u>	<u>20,094</u>

22. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	7,951	4,595
Bank overdrafts	(18,277)	(4,729)
	<u>(10,326)</u>	<u>(134)</u>

23. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans and overdrafts	1,851,439	1,885,940	1,851,439	1,885,940
Trade creditors	76,136	44,356	42,203	24,674
Amounts owed to group undertakings	-	-	44,188	28,481
Other taxation	19,713	18,566	719	503
Other creditors	218,619	227,173	216,820	225,674
	<u>2,165,907</u>	<u>2,176,035</u>	<u>2,155,369</u>	<u>2,165,272</u>

The following liabilities disclosed under creditors falling due within one year are secured by the charity:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans and overdrafts	<u>1,851,439</u>	<u>1,885,940</u>	<u>1,851,439</u>	<u>1,885,940</u>

Bank loans are secured over the assets of the company by way of standard security over the fixed asset properties held.

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YEAR ENDED 31 DECEMBER 2016

24. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Finance Leases	<u>16,794</u>	<u>-</u>	<u>16,794</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the charity:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Finance Leases	<u>16,794</u>	<u>-</u>	<u>16,794</u>	<u>-</u>

25. Restricted income funds

Group and company

	Balance at 1 Jan 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2016 £
TV Advertising	11,860	-	-	-	11,860
Bus Missions	-	30,000	(30,000)	-	-
Community Care	-	16,000	(16,000)	-	-
Calabar	2,894	-	-	-	2,894
	<u>14,754</u>	<u>46,000</u>	<u>(46,000)</u>	<u>-</u>	<u>14,754</u>

The TV Advertising fund was established to promote the Gospel in TV advertisements.

Bus Missions. Grants were received from the Joseph Rank Trust (£15,000), the Souter Charitable Trust (£10,000) and the Gloag Foundation (£5,000) for the Bus Missions.

Community Care. A donation was received from the Robertson Trust (£16,000) for Community Care (Senior Citizens).

Donations have been collected to fund a Christian school in Calabar in Nigeria

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NOTES TO THE FINANCIAL STATEMENTS

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**26. Unrestricted income funds
Group**

	Balance at 1 Jan 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2016 £
Fixed Asset Fund	711,808	–	(61,241)	101,766	752,333
General Funds	(272,247)	1,119,188	(1,072,860)	(101,766)	(327,685)
	<u>439,561</u>	<u>1,119,188</u>	<u>(1,134,101)</u>	<u>–</u>	<u>424,648</u>

The Fixed Asset Fund was set up to allocate within reserves an amount equal to the net book value of the company's fixed assets less any outstanding loan balance as in the opinion of the directors these are non-distributable.

Company

	Balance at 1 Jan 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2016 £
Fixed Asset Fund	711,808	–	(61,241)	101,766	752,333
General Funds	(278,563)	842,133	(795,805)	(101,766)	(334,001)
	<u>433,245</u>	<u>842,133</u>	<u>(857,046)</u>	<u>–</u>	<u>418,332</u>

27. Analysis of net assets between funds

Group	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted Income Funds:				
TV Advertising	–	11,860	–	11,860
Calabar	–	2,894	–	2,894
	<u>–</u>	<u>14,754</u>	<u>–</u>	<u>14,754</u>
Unrestricted Income Funds:				
Designated Funds	2,585,495	(1,833,162)	–	752,333
General Funds	–	(310,891)	(16,794)	(327,685)
	<u>2,585,495</u>	<u>(2,144,053)</u>	<u>(16,794)</u>	<u>424,648</u>
Total Funds	<u>2,585,495</u>	<u>(2,129,299)</u>	<u>(16,794)</u>	<u>439,402</u>

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27 Analysis of net assets between funds (continued)

Company	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted Income Funds:				
TV Advertising	–	11,860	–	11,860
Calabar	–	2,894	–	2,894
	<u>–</u>	<u>14,754</u>	<u>–</u>	<u>14,754</u>
Unrestricted Income Funds:				
Designated Funds	2,585,495	(1,833,162)	–	752,333
General Funds	2	(317,209)	(16,794)	(334,001)
	<u>2,585,497</u>	<u>(2,150,371)</u>	<u>(16,794)</u>	<u>418,332</u>
Total Funds	<u>2,585,497</u>	<u>(2,135,617)</u>	<u>(16,794)</u>	<u>433,086</u>

28. APB ethical standards

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

29. Related party transactions

As described in Note 17, the Directors, Mervyn and Jane Milne, trading as a partnership, received consultancy fees of £10,800 (2015: £12,300) for pastoral services provided.

Mervyn and Jane Milne's daughter, Rebecca Edwards, was employed by the charity and received a salary of £7,857 (2015: £1,413). Rebecca Edwards's husband, Philip Edwards, was employed by the charity and received a salary of £7,857 (2015: £5,454). Mervyn and Jane Milne's son, Sam Milne, was employed by the charity and received a salary of £4,462 (2015: £1,102).

James Edwards, the husband of Mervyn and Jane Milne's daughter, Beth Edwards, was employed by the charity and received a salary of £5,895 (2015: £5,454).

During the year the company received/made loans from/to Mervyn and Jane Milne, directors. At 31 December 2016 the amount owed by the directors was £4,504 (2015: £4,765) was owed by the directors).

The company is under the control of the Directors, Mervyn and Jane Milne, Brian Smith and Elizabeth Allan.

During the year the company made management charges of £84,568 (2015: £75,797) to PWAMM (Services) Limited, its 100% owned subsidiary. PWAMM also received gift aid donations of £51,250 (2015: £77,888). At the year end the company owed £44,188 (2015: 28,481) to PWAMM (Services) Limited.

30. Company limited by guarantee

The company is limited by guarantee and does not have a share capital. In the event of a winding up each members liability is limited to £1.

31. Pensions

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The charity has not operated, or contributed to any pension scheme on behalf of its employees.

32. Contingencies

The trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 December 2016.

33. Capital commitments

The trustees have confirmed that there were no capital commitments at 31 December 2016.

34. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.