

UK MENNONITE MINISTRIES

England & Wales · Charity number 1142737

Details

Status	Registered
Legal form	Charitable company
Company number	07613549
Registered	2011-07-05
Register	View on the Charity Commission register

Contact

Address	UK Mennonite Ministries 44 Shrewsbury Road Craven Arms Shropshire SY7 9PY
Phone	01588673812
Email	shepherdhills@ukmm.biz

Activities

Objects: TO ADVANCE THE CHRISTIAN FAITH IN THE UK BY SUPPLYING BIBLES, CHRISTIAN TEXTS AND LITERATURE AND THE UNDERTAKING OF CHURCH PLANTING AND GENERAL MISSIONARY WORK.

Activities: Planting a church & part time school. Directing literature distribution through Shepherd Hills Christian Books. Establishing Shepherd Hills Furniture Ltd for support of workers. Organizing an annual Bible conference & revival week. Maintaining a network of like-minded families through visiting, hospitality & example. Mentoring & teaching those who desire to help or to become part of the community.

Classification

- **How:** Makes Grants To Individuals, Provides Services
- **What:** General Charitable Purposes, Education/training, Accommodation/housing, Religious Activities, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£142,575	£159,656	-	-
2023-09-30	£109,084	£142,629	-	-
2022-09-30	£148,701	£123,705	-	-
2021-09-30	£230,416	£150,080	-	-
2020-09-30	£486,000	£177,630	-	-

Trustees

Name	Role	Appointed
PAUL EBY MARTIN	Chair	2011-07-05
Dirk Eberly		2016-12-05
JAMES ANDREW BYLER		2013-07-19
JAMES HORST KULP		2013-07-19
John Mark Fisher		2019-01-01
KENNETH DEAN WITMER		2013-07-19
Paul William Miller		2020-01-01

Accounts

REGISTERED COMPANY NUMBER: 07613549 (England and Wales)
REGISTERED CHARITY NUMBER: 1142737

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024
FOR
U K MENNONITE MINISTRIES

D.R.E. & Co. Limited
Chartered Accountants
Kingsland House
39 Abbey Foregate
Shrewsbury
Shropshire
SY2 6BL

U K MENNONITE MINISTRIES

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 18

U K MENNONITE MINISTRIES

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

TRUSTEES	J A Byler D W Eberly J M Fisher J H Kulp P E Martin P W Miller K D Witmer
COMPANY SECRETARY	K D Witmer
REGISTERED OFFICE	44 Shrewsbury Road Craven Arms Shropshire SY7 9PY
REGISTERED COMPANY NUMBER	07613549 (England and Wales)
REGISTERED CHARITY NUMBER	1142737
INDEPENDENT EXAMINER	D.R.E. & Co. Limited Chartered Accountants Kingsland House 39 Abbey Foregate Shrewsbury Shropshire SY2 6BL

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's object is the advancement of the Christian Faith. UKMM began activities in February 2012. From the original three families that moved from America, the church the charity planted continues to grow. The youth sing and pass out tracts on the streets several times a month in Shropshire and several times a year travel further out to other cities. The church communicates with contacts from the U.K. and from the Continent.

The charity has their own meeting house at Gillawarra, Clun Road, Craven Arms, Shropshire, SY7 9AA. Regular meetings for worship, teaching and fellowship are held. Sunday School is also provided for the families who attend. They also made a considerable effort to start a Sunday School for the local community in the summer of 2022 and consider further how to develop it.

Extensive support is provided for those involved in Home Schooling. The charity has seen a steady demand for Rod & Staff school publications and other teaching materials. The 17th annual Bible Conference took place in December 2024, at the Cefn Lea Conference Centre in Wales. The conference was well supported with about 220 delegates from the UK, other European countries and America.

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 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.

ACHIEVEMENT AND PERFORMANCE

The charity operates a church known as the Shropshire Hills Mennonite Church which has welcomed new members and now has a total of thirty one adults. Three ordained ministers share the duties of pastoring and teaching. All the sermons are recorded and made available for local and national distribution. Other publications are also available, such as 'The Christian Contender', 'The Christian Example', 'The Christian School Builder', 'The Christian Pathway' and 'The Wee Lambs'.

The church also engages in activities of outreach through revival meetings, 'Songs of Praise', and youth singing and tracts in street evangelism. Plans are being made to have a week of street evangelism in 2025. The group will go to farther outlying cities and towns that they do not normally reach.

The charity assists families in the church community to home educate their children and also helps other families with education. The trustees have made small gifts to individuals to meet financial needs. The subsidiary company, Shepherd Hills Furniture Limited was sold in 2024 as it was not proving to be profitable to the Charity. One of the buyers of the shares was a trustee and related party of the charity and also a director and related party of Shepherd Hills Furniture Limited. Shepherd Hills continues to host a Christian bookshop for the charity and tearoom.

UKMM has a ministry where singles can be mentored by living within the church community. 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.

Shepherd Hills Bible Correspondence Courses has also been established and provides free Bible Study courses including exams and grading.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

FINANCIAL REVIEW

During the year under review the charity had a deficit of income over expenditure of £55,313 (2023- £77,643). The trustees are grateful for the continued financial support of United Kingdom Mennonite Ministries which has made donations 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 net current assets held in 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. Unrestricted net current assets at the end of the year were £104,864 which exceed three month's unrestricted fund expenses amounting to £34,162. The charity continues to be reliant on the continued financial support of United Kingdom Mennonite Ministries in the USA and are pleased that the higher reserves bring greater resilience. The board of that organisation has confirmed it will support the UK charity to ensure its continued future operations. The trustees are working towards improving self-reliance.

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 and up to the date of signature of the financial statements were:

Paul Martin
Kenneth Witmer
James Kulp
James Byler
Dirk Eberly
John Fisher
Paul Miller

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 John Fisher retired by rotation and all were re-appointed.

None of the trustees has any beneficial interest in the company. All 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 at Shropshire Hills 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 three church leaders, who fill this role on a voluntary basis.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of U K Mennonite Ministries for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the board of trustees on 26 June 2025 and signed on its behalf by:

K D Witmer - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
U K MENNONITE MINISTRIES**

Independent examiner's report to the trustees of U K Mennonite Ministries ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2024.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.

F Nock FCCA

D.R.E. & Co. Limited
Chartered Accountants
Kingsland House
39 Abbey Foregate
Shrewsbury
Shropshire
SY2 6BL

30 June 2025

U K MENNONITE MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

		Unrestricted fund £	Restricted funds £	30.9.24 Total funds £	30.9.23 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	111,643	24,065	135,708	103,013
Charitable activities	6				
Other Charitable Income		800	-	800	1,269
Rental Income		5,708	-	5,708	4,600
Other Income		359	-	359	159
Investment income	5	-	-	-	43
Total		118,510	24,065	142,575	109,084
EXPENDITURE ON					
Raising funds		-	-	-	-
Charitable activities	7				
Staff Costs		8,400	18,800	27,200	52,348
Depreciation		9,054	-	9,054	9,055
Bible Conference		20,616	-	20,616	17,496
Church Hall Costs		7,678	1,333	9,011	7,432
Schoolroom Running Costs		12,860	-	12,860	13,372
Rent of Ministerial Accommodation		45,450	-	45,450	15,335
Church Supplies		1,002	-	1,002	1,104
Hospitality		13,479	-	13,479	2,781
Books and Literature		3,367	-	3,367	3,730
Other Miscellaneous Costs		6	-	6	21
Grants to Institutions - Mission Fund		-	2,874	2,874	4,473
Grants to Individuals		4,230	-	4,230	5,477
Administrative Costs		687	-	687	2,088
Accountancy		6,520	-	6,520	7,097
Insurance		-	-	-	400
Legal and Professional		3,300	-	3,300	420
Total		136,649	23,007	159,656	142,629
Net gains/(losses) on investments		(38,232)	-	(38,232)	(44,098)
NET INCOME/(EXPENDITURE)		(56,371)	1,058	(55,313)	(77,643)
Transfers between funds	22	1,058	(1,058)	-	-
Net movement in funds		(55,313)	-	(55,313)	(77,643)
RECONCILIATION OF FUNDS					
Total funds brought forward		690,338	-	690,338	767,981
TOTAL FUNDS CARRIED FORWARD		635,025	-	635,025	690,338

The notes form part of these financial statements

BALANCE SHEET
30 SEPTEMBER 2024

	Notes	30.9.24 £	30.9.23 £
FIXED ASSETS			
Tangible assets	14	530,161	539,215
Investments	15	-	119,346
		530,161	658,561
 CURRENT ASSETS			
Stocks	16	9,612	-
Debtors	17	12,772	7,687
Cash at bank		94,274	39,352
		116,658	47,039
 CREDITORS			
Amounts falling due within one year	18	(11,794)	(15,262)
NET CURRENT ASSETS		104,864	31,777
 TOTAL ASSETS LESS CURRENT LIABILITIES		635,025	690,338
NET ASSETS		635,025	690,338
 FUNDS	22		
Unrestricted funds		635,025	690,338
TOTAL FUNDS		635,025	690,338

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

BALANCE SHEET - continued
30 SEPTEMBER 2024

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 June 2025 and were signed on its behalf by:

K D Witmer - Trustee

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements 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) (effective 1 January 2019)". 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.

Income

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 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.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

useful lives on the following bases:

Buildings 50 years - land is not depreciated
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 the statement of financial activities.

Stocks

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

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.

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 unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

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).

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. ACCOUNTING POLICIES - continued

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.

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.

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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

4. DONATIONS AND LEGACIES

	30.9.24	30.9.23
	£	£
Gifts	12,907	4,199
Donations	116,776	93,234
Gift aid	6,025	5,580
	135,708	103,013

5. INVESTMENT INCOME

	30.9.24	30.9.23
	£	£
Other Interest	-	43

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 SEPTEMBER 2024

6. INCOME FROM CHARITABLE ACTIVITIES

		30.9.24	30.9.23
	Activity	£	£
Charitable income	Other Charitable Income	800	1,269
Charitable rental income	Rental Income	5,708	4,600
Other income	Other Income	359	159
		<u>6,867</u>	<u>6,028</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
Staff Costs	27,200	-	-	27,200
Depreciation	9,054	-	-	9,054
Bible Conference	20,616	-	-	20,616
Church Hall Costs	9,011	-	-	9,011
Schoolroom Running Costs	12,860	-	-	12,860
Rent of Ministerial Accommodation	45,450	-	-	45,450
Church Supplies	1,002	-	-	1,002
Hospitality	13,479	-	-	13,479
Books and Literature	3,367	-	-	3,367
Other Miscellaneous Costs	6	-	-	6
Grants to Institutions - Mission Fund	-	2,874	-	2,874
Grants to Individuals	-	4,230	-	4,230
Administrative Costs	-	-	687	687
Accountancy	-	-	6,520	6,520
Legal and Professional	-	-	3,300	3,300
	<u>142,045</u>	<u>7,104</u>	<u>10,507</u>	<u>159,656</u>

8. GRANTS PAYABLE

	30.9.24	30.9.23
	£	£
Grants to Institutions - Mission Fund	2,874	4,473
Grants to Individuals	4,230	5,477
	<u>7,104</u>	<u>9,950</u>

The total grants paid to institutions during the year was as follows:

	30.9.24	30.9.23
	£	£
Lakeside Mennonite Church	1,215	-
Grants <£1,000	1,659	1,698
Lamp and Lake	-	1,345
Georgia Mission	-	1,430
	<u>2,874</u>	<u>4,473</u>

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 SEPTEMBER 2024

9. SUPPORT COSTS

	Support costs £	Governance costs £	Totals £
Administrative Costs	687	-	687
Accountancy	-	6,520	6,520
Legal and Professional	-	3,300	3,300
	<u>687</u>	<u>9,820</u>	<u>10,507</u>

Included within governance costs are amounts payable to the independent examiner of £2,412 (2023:£2,256) for the independent examination of the statutory accounts and £4,108 (2023:£4,841) for other accountancy work.

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	30.9.24 £	30.9.23 £
Depreciation - owned assets	<u>9,054</u>	<u>9,054</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

Two children of one of the trustees received remuneration during the year totalling £23,902 (2023: £43,776), one is employed as a teaching assistant, the other is employed by Shepherd Hills Furniture Limited until its sale in May 2024. Specific permission to employ them was granted by the Charity Commission.

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

12. STAFF COSTS

	30.9.24 £	30.9.23 £
Wages and salaries	27,200	50,016
Social security costs	-	1,896
Other pension costs	-	436
	<u>27,200</u>	<u>52,348</u>

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

	30.9.24	30.9.23
School room	3	4
Community hosts	1	2
	<u>4</u>	<u>6</u>

No employees received emoluments in excess of £60,000.

U K MENNONITE MINISTRIES**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2024****13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	81,114	21,899	103,013
Charitable activities			
Other Charitable Income	1,269	-	1,269
Rental Income	4,600	-	4,600
Other Income	159	-	159
Investment income	43	-	43
Total	87,185	21,899	109,084
EXPENDITURE ON			
Charitable activities			
Staff Costs	11,025	41,323	52,348
Depreciation	9,055	-	9,055
Bible Conference	17,496	-	17,496
Church Hall Costs	5,977	1,455	7,432
Schoolroom Running Costs	13,372	-	13,372
Rent of Ministerial Accommodation	15,335	-	15,335
Church Supplies	1,104	-	1,104
Hospitality	2,781	-	2,781
Books and Literature	3,730	-	3,730
Other Miscellaneous Costs	21	-	21
Grants to Institutions - Mission Fund	-	4,473	4,473
Grants to Individuals	5,477	-	5,477
Administrative Costs	2,088	-	2,088
Accountancy	7,097	-	7,097
Insurance	400	-	400
Legal and Professional	-	420	420
Total	94,958	47,671	142,629
Net gains/(losses) on investments	(44,098)	-	(44,098)
NET INCOME/(EXPENDITURE)	(51,871)	(25,772)	(77,643)
Transfers between funds	(25,772)	25,772	-
Net movement in funds	(77,643)	-	(77,643)
RECONCILIATION OF FUNDS			
Total funds brought forward	767,981	-	767,981
TOTAL FUNDS CARRIED FORWARD	690,338	-	690,338

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2024

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 October 2023 and 30 September 2024	559,432	12,540	571,972
DEPRECIATION			
At 1 October 2023	23,649	9,108	32,757
Charge for year	6,189	2,865	9,054
At 30 September 2024	29,838	11,973	41,811
NET BOOK VALUE			
At 30 September 2024	529,594	567	530,161
At 30 September 2023	535,783	3,432	539,215

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 October 2023	119,346
Disposals	(119,346)
At 30 September 2024	-
NET BOOK VALUE	
At 30 September 2024	-
At 30 September 2023	119,346

There were no investment assets outside the UK.

16. STOCKS

	30.9.24 £	30.9.23 £
Stocks	9,612	-

U K MENNONITE MINISTRIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 SEPTEMBER 2024**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.24	30.9.23
	£	£
Other debtors	12,772	7,687

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.24	30.9.23
	£	£
Other loans (see note 19)	4,254	-
Social security and other taxes	-	275
Other creditors	-	72
Amounts owed to subsidiary undertakings	-	4,257
Accrued expenses	7,540	10,658
	11,794	15,262

19. LOANS

An analysis of the maturity of loans is given below:

	30.9.24	30.9.23
	£	£
Amounts falling due within one year on demand:		
Other loans	4,254	-

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.9.24	30.9.23
	£	£
Within one year	595	2,045

The charity rents a number of properties which are generally held on short term tenancies with 1 or 2 month notice periods.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	30.9.24 Total funds	30.9.23 Total funds
	£	£	£	£
Fixed assets	530,161	-	530,161	539,215
Investments	-	-	-	119,346
Current assets	116,658	-	116,658	47,039
Current liabilities	(11,794)	-	(11,794)	(15,262)
	635,025	-	635,025	690,338

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2024

22. MOVEMENT IN FUNDS

	At 1.10.23 £	Net movement in funds £	Transfers between funds £	At 30.9.24 £
Unrestricted funds				
General fund	690,338	(56,371)	1,058	635,025
Restricted funds				
Building Fund	-	1,974	(1,974)	-
School Fund	-	(1,807)	1,807	-
Mission Fund	-	891	(891)	-
	-	1,058	(1,058)	-
TOTAL FUNDS	690,338	(55,313)	-	635,025

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	118,510	(136,649)	(38,232)	(56,371)
Restricted funds				
Building Fund	3,307	(1,333)	-	1,974
School Fund	16,993	(18,800)	-	(1,807)
Mission Fund	3,765	(2,874)	-	891
	24,065	(23,007)	-	1,058
TOTAL FUNDS	142,575	(159,656)	(38,232)	(55,313)

Comparatives for movement in funds

	At 1.10.22 £	Net movement in funds £	Transfers between funds £	At 30.9.23 £
Unrestricted funds				
General fund	767,981	(51,871)	(25,772)	690,338
Restricted funds				
Building Fund	-	6,754	(6,754)	-
School Fund	-	(32,466)	32,466	-
Mission Fund	-	(60)	60	-
	-	(25,772)	25,772	-
TOTAL FUNDS	767,981	(77,643)	-	690,338

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	87,185	(94,958)	(44,098)	(51,871)
Restricted funds				
Building Fund	8,629	(1,875)	-	6,754
School Fund	8,857	(41,323)	-	(32,466)
Mission Fund	4,413	(4,473)	-	(60)
	<u>21,899</u>	<u>(47,671)</u>	<u>-</u>	<u>(25,772)</u>
TOTAL FUNDS	<u>109,084</u>	<u>(142,629)</u>	<u>(44,098)</u>	<u>(77,643)</u>

The Building fund holds monies given for the purpose of acquiring a property for use by the church. The transfer to unrestricted funds arose as the funds were expended for the purpose given and to repay loans.

The School fund receives gifts towards the cost of running the school.

The Mission fund receives monies to support the work of other Christian workers and organisations.

23. RELATED PARTY DISCLOSURES

Remuneration of key management personnel

The key management are the trustees and none of them received any remuneration in the year.

Transactions with other related parties

During the year the charity sold its shareholding in the wholly owned subsidiary, Shepherd Hills Furniture Limited on an arms length basis for its fair value at the time of £81,112.

Included within creditors are amounts due to Shepherd Hills Furniture Limited, a company which one of the trustees is director of, totalling £4,254 (2023 - £4,257 and was included within amounts owed to subsidiary undertakings).

Included within rent are payments to Shepherd Hills Furniture Limited totalling £33,600 which includes £28,800 of backdated rent. Rent is payable at £1,200 per month.

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 £60,000 (2023 - £45,000) to UK Mennonite Ministries during the year under review.

Many donations, other than from United Kingdom Mennonite Ministries USA, are received anonymously and it is not possible to identify donations from trustees. However, during the year identifiable donations of £17,900 (2023 - £18,035) were received from trustees and related parties.

Accounts

REGISTERED COMPANY NUMBER: 07613549 (England and Wales)
REGISTERED CHARITY NUMBER: 1142737

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023
FOR
U K MENNONITE MINISTRIES

D.R.E. & Co. Limited
Chartered Accountants
Kingsland House
39 Abbey Foregate
Shrewsbury
Shropshire
SY2 6BL

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 18

U K MENNONITE MINISTRIES

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

TRUSTEES	J A Byler D W Eberly J M Fisher J H Kulp P E Martin P W Miller K D Witmer
COMPANY SECRETARY	K D Witmer
REGISTERED OFFICE	44 Shrewsbury Road Craven Arms Shropshire SY7 9PY
REGISTERED COMPANY NUMBER	07613549 (England and Wales)
REGISTERED CHARITY NUMBER	1142737
INDEPENDENT EXAMINER	D.R.E. & Co. Limited Chartered Accountants Kingsland House 39 Abbey Foregate Shrewsbury Shropshire SY2 6BL

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's object is the advancement of the Christian Faith. UKMM began activities in February 2012. From the original three families that moved from America, the church the charity planted continues to grow. The youth sing and pass out tracts on the streets several times a month in Shropshire and several times a year travel further out to other cities. The church communicates with contacts from the U.K. and from the Continent.

The charity has their own meeting house at Gillawarra, Clun Road, Craven Arms, Shropshire, SY7 9AA. Regular meetings for worship, teaching and fellowship are held. Sunday School is also provided for the families who attend. They also made a considerable effort to start a Sunday School for the local community in the summer of 2022 and consider further how to develop it.

Extensive support is provided for those involved in Home Schooling. The charity's subsidiary trading company has seen a steady demand for Rod & Staff school publications and other teaching materials. The 16th annual Bible Conference took place in December 2023, at the Cefn Lea Conference Centre in Wales. The conference was well supported by delegates from the UK, America and other European countries.

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.

ACHIEVEMENT AND PERFORMANCE

The charity operates a church known as the Shropshire Hills Mennonite Church which has welcomed new members and now has a total of thirty one adults. Three ordained ministers share the duties of pastoring and teaching. All the sermons are recorded and made available for local and national distribution. Other publications are also available, such as 'The Christian Contender', 'The Christian Example', 'The Christian School Builder', 'The Christian Pathway' and 'The Wee Lambs'.

The church also engages in activities of outreach through revival meetings, 'Songs of Praise', and singing and passing tracts on the streets.

The charity has a part time school to assist families in the church community to home educate their children and also help other families with education. 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 a ministry where singles can be mentored by living within the church community. 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.

Shepherd Hills Bible Correspondence Courses has also been established and provides free Bible Study courses including exams and grading.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

FINANCIAL REVIEW

During the year under review the charity had a deficit of income over expenditure of £77,643 (2022- £191,184 Surplus). The trustees are grateful for the continued financial support of United Kingdom Mennonite Ministries which has made donations 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 net current assets held in 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. Unrestricted net current assets at the end of the year were £31,777 which exceed three month's unrestricted fund expenses amounting to £23,739. The charity continues to be reliant on the continued financial support of United Kingdom Mennonite Ministries in the USA and are pleased that the higher reserves bring greater resilience. The board of that organisation has confirmed it will support the UK charity to ensure its continued future operations. The trustees are working towards improving self-reliance.

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 and up to the date of signature of the financial statements were:

Paul Martin

Kenneth Witmer

James Kulp

James Byler

Dirk Eberly

John Fisher

Paul Miller

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 Paul Martin and James Kulp retired by rotation and all were re-appointed.

None of the trustees has any beneficial interest in the company. All 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 three church leaders, who fill this role 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. In the current year the charity made the decision to privatize and sell Shepherd Hills Furniture, Ltd. and strengthen their focus on their object—the advancement of the Christian faith.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of U K Mennonite Ministries for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the board of trustees on 12 September 2024 and signed on its behalf by:

K D Witmer - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
U K MENNONITE MINISTRIES**

Independent examiner's report to the trustees of U K Mennonite Ministries ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2023.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.

F Nock FCCA

D.R.E. & Co. Limited
Chartered Accountants
Kingsland House
39 Abbey Foregate
Shrewsbury
Shropshire
SY2 6BL

13 September 2024

U K MENNONITE MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2023

		Unrestricted fund £	Restricted funds £	30.9.23 Total funds £	30.9.22 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	81,114	21,899	103,013	146,865
Charitable activities	6				
Other Charitable Income		1,269	-	1,269	895
Rental Income		4,600	-	4,600	4,642
Other Income		159	-	159	143,164
Investment income	5	43	-	43	-
Total		87,185	21,899	109,084	295,566
EXPENDITURE ON					
Charitable activities	7				
Staff Costs		11,025	41,323	52,348	52,606
Depreciation		9,055	-	9,055	9,486
Bible Conference		17,496	-	17,496	10,089
Church Hall Costs		5,977	1,455	7,432	3,319
Schoolroom Running Costs		13,372	-	13,372	10,038
Rent of Ministerial Accommodation		15,335	-	15,335	15,665
Church Supplies		1,104	-	1,104	195
Evangelism and Outreach		-	-	-	1,229
Hospitality		2,781	-	2,781	849
Books and Literature		3,730	-	3,730	1,244
Other Miscellaneous Costs		21	-	21	252
Grants to Institutions		-	-	-	3,111
Grants to Institutions - Mission Fund		-	4,473	4,473	3,325
Grants to Individuals		5,477	-	5,477	4,130
Administrative Costs		2,088	-	2,088	2,082
Accountancy		7,097	-	7,097	4,800
Insurance		400	-	400	420
Legal and Professional		-	420	420	864
Total		94,958	47,671	142,629	123,704
Net gains/(losses) on investments		(44,098)	-	(44,098)	19,322
NET INCOME/(EXPENDITURE)		(51,871)	(25,772)	(77,643)	191,184
Transfers between funds	20	(25,772)	25,772	-	-
Net movement in funds		(77,643)	-	(77,643)	191,184
RECONCILIATION OF FUNDS					
Total funds brought forward		767,981	-	767,981	576,797
TOTAL FUNDS CARRIED FORWARD		690,338	-	690,338	767,981

The notes form part of these financial statements

U K MENNONITE MINISTRIES (REGISTERED NUMBER: 07613549)

BALANCE SHEET
30 SEPTEMBER 2023

	Notes	30.9.23 £	30.9.22 £
FIXED ASSETS			
Tangible assets	14	539,215	548,269
Investments	15	119,346	163,444
		658,561	711,713
CURRENT ASSETS			
Debtors	16	7,687	10,311
Cash at bank		39,352	56,699
		47,039	67,010
CREDITORS			
Amounts falling due within one year	17	(15,262)	(10,742)
NET CURRENT ASSETS		31,777	56,268
TOTAL ASSETS LESS CURRENT LIABILITIES		690,338	767,981
NET ASSETS		690,338	767,981
FUNDS	20		
Unrestricted funds		690,338	767,981
TOTAL FUNDS		690,338	767,981

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12 September 2024 and were signed on its behalf by:

K D Witmer - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements 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) (effective 1 January 2019)". 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.

Income

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 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.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

useful lives on the following bases:

Buildings 50 years - land is not depreciated
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 the statement of financial activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

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.

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 unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

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).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. ACCOUNTING POLICIES - continued

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.

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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

4. DONATIONS AND LEGACIES

	30.9.23	30.9.22
	£	£
Gifts	4,199	6,409
Donations	93,234	136,323
Gift aid	5,580	4,133
	103,013	146,865

5. INVESTMENT INCOME

	30.9.23	30.9.22
	£	£
Other Interest	43	-

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 SEPTEMBER 2023

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30.9.23 £	30.9.22 £
Charitable income	Other Charitable Income	1,269	895
Charitable rental income	Rental Income	4,600	4,642
Other income	Other Income	159	143,164
		<u>6,028</u>	<u>148,701</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
Staff Costs	52,348	-	-	52,348
Depreciation	9,055	-	-	9,055
Bible Conference	17,496	-	-	17,496
Church Hall Costs	7,432	-	-	7,432
Schoolroom Running Costs	13,372	-	-	13,372
Rent of Ministerial Accommodation	15,335	-	-	15,335
Church Supplies	1,104	-	-	1,104
Hospitality	2,781	-	-	2,781
Books and Literature	3,730	-	-	3,730
Other Miscellaneous Costs	21	-	-	21
Grants to Institutions - Mission Fund	-	4,473	-	4,473
Grants to Individuals	-	5,477	-	5,477
Administrative Costs	-	-	2,088	2,088
Accountancy	-	-	7,097	7,097
Insurance	-	-	400	400
Legal and Professional	-	-	420	420
	<u>122,674</u>	<u>9,950</u>	<u>10,005</u>	<u>142,629</u>

8. GRANTS PAYABLE

	30.9.23 £	30.9.22 £
Grants to Institutions	-	3,111
Grants to Institutions - Mission Fund	4,473	3,325
Grants to Individuals	5,477	4,130
	<u>9,950</u>	<u>10,566</u>

The total grants paid to institutions during the year was as follows:

	30.9.23 £	30.9.22 £
Grace Press	-	1,241
Suceava Church	-	1,770
Lakeside Mennonite Church	-	1,915
Grants <£1,000	1,698	1,510
Lamp and Lake	1,345	-
Georgia Mission	1,430	-
	<u>4,473</u>	<u>6,436</u>

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. GRANTS PAYABLE - continued

9. SUPPORT COSTS

	Support costs £	Governance costs £	Totals £
Administrative Costs	2,088	-	2,088
Accountancy	-	7,097	7,097
Insurance	400	-	400
Legal and Professional	-	420	420
	<u>2,488</u>	<u>7,517</u>	<u>10,005</u>

Included within governance costs are amounts payable to the independent examiner of £2,256 (2022:£1,650) for the independent examination of the statutory accounts and £4,841 (2022:£3,150) for other accountancy work.

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	30.9.23 £	30.9.22 £
Depreciation - owned assets	<u>9,054</u>	<u>9,486</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

Two children of one of the trustees received remuneration during the year totalling £43,776 (2022: £34,846), one is employed as a teaching assistant, the other is employed by Shepherd Hills Furniture Limited. Specific permission to employ them was granted by the Charity Commission.

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

12. STAFF COSTS

	30.9.23 £	30.9.22 £
Wages and salaries	50,016	49,358
Social security costs	1,896	2,628
Other pension costs	436	620
	<u>52,348</u>	<u>52,606</u>

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

	30.9.23	30.9.22
School room	4	2
Community hosts	2	3
	<u>6</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

U K MENNONITE MINISTRIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 SEPTEMBER 2023**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	125,604	21,261	146,865
Charitable activities			
Other Charitable Income	895	-	895
Rental Income	4,642	-	4,642
Other Income	143,164	-	143,164
Total	<u>274,305</u>	<u>21,261</u>	<u>295,566</u>
EXPENDITURE ON			
Charitable activities			
Staff Costs	46,553	6,053	52,606
Depreciation	9,486	-	9,486
Bible Conference	10,089	-	10,089
Church Hall Costs	3,319	-	3,319
Schoolroom Running Costs	10,038	-	10,038
Rent of Ministerial Accommodation	15,665	-	15,665
Church Supplies	195	-	195
Evangelism and Outreach	1,229	-	1,229
Hospitality	849	-	849
Books and Literature	1,244	-	1,244
Other Miscellaneous Costs	252	-	252
Grants to Institutions	3,111	-	3,111
Grants to Institutions - Mission Fund	-	3,325	3,325
Grants to Individuals	4,130	-	4,130
Administrative Costs	2,082	-	2,082
Accountancy	4,800	-	4,800
Insurance	420	-	420
Legal and Professional	144	720	864
Total	<u>113,606</u>	<u>10,098</u>	<u>123,704</u>
Net gains on investments	<u>19,322</u>	<u>-</u>	<u>19,322</u>
NET INCOME	180,021	11,163	191,184
Transfers between funds	<u>11,163</u>	<u>(11,163)</u>	<u>-</u>
Net movement in funds	191,184	-	191,184
RECONCILIATION OF FUNDS			
Total funds brought forward	576,797	-	576,797
TOTAL FUNDS CARRIED FORWARD	<u><u>767,981</u></u>	<u><u>-</u></u>	<u><u>767,981</u></u>

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 October 2022	559,432	15,311	574,743
Disposals	-	(2,771)	(2,771)
At 30 September 2023	559,432	12,540	571,972
DEPRECIATION			
At 1 October 2022	17,461	9,013	26,474
Charge for year	6,188	2,866	9,054
Eliminated on disposal	-	(2,771)	(2,771)
At 30 September 2023	23,649	9,108	32,757
NET BOOK VALUE			
At 30 September 2023	535,783	3,432	539,215
At 30 September 2022	541,971	6,298	548,269

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 October 2022	163,444
Revaluations	(44,098)
At 30 September 2023	119,346
NET BOOK VALUE	
At 30 September 2023	119,346
At 30 September 2022	163,444

There were no investment assets outside the UK.

Cost or valuation at 30 September 2023 is represented by:

	Shares in group undertaking £
Valuation in 2021	133,429
Valuation in 2022	30,013
Valuation in 2023	(44,098)
Cost	2
	119,346

The subsidiary company was sold in May 2024 for its fair value at the time of £81,112.

U K MENNONITE MINISTRIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 SEPTEMBER 2023**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.23	30.9.22
	£	£
Other debtors	7,687	10,311
	<u><u>7,687</u></u>	<u><u>10,311</u></u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.23	30.9.22
	£	£
Social security and other taxes	275	833
Other creditors	72	3,663
Amounts owed to subsidiary undertakings	4,257	2,815
Accrued expenses	10,658	3,431
	<u><u>15,262</u></u>	<u><u>10,742</u></u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.9.23	30.9.22
	£	£
Within one year	2,045	8,525
	<u><u>2,045</u></u>	<u><u>8,525</u></u>

The charity rents a number of properties. One property is leased for 3 years from 1 October 2020. The other properties are generally held on short term tenancies with 1 or 2 month notice periods.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	30.9.23 Total funds	30.9.22 Total funds
	£	£	£	£
Fixed assets	539,215	-	539,215	548,269
Investments	119,346	-	119,346	163,444
Current assets	47,039	-	47,039	67,010
Current liabilities	(15,262)	-	(15,262)	(10,742)
	<u><u>690,338</u></u>	<u><u>-</u></u>	<u><u>690,338</u></u>	<u><u>767,981</u></u>

U K MENNONITE MINISTRIES**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023****20. MOVEMENT IN FUNDS**

	At 1.10.22 £	Net movement in funds £	Transfers between funds £	At 30.9.23 £
Unrestricted funds				
General fund	767,981	(51,871)	(25,772)	690,338
Restricted funds				
Building Fund	-	6,754	(6,754)	-
School Fund	-	(32,466)	32,466	-
Mission Fund	-	(60)	60	-
	-	(25,772)	25,772	-
TOTAL FUNDS	767,981	(77,643)	-	690,338

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	87,185	(94,958)	(44,098)	(51,871)
Restricted funds				
Building Fund	8,629	(1,875)	-	6,754
School Fund	8,857	(41,323)	-	(32,466)
Mission Fund	4,413	(4,473)	-	(60)
	21,899	(47,671)	-	(25,772)
TOTAL FUNDS	109,084	(142,629)	(44,098)	(77,643)

Comparatives for movement in funds

	At 1.10.21 £	Net movement in funds £	Transfers between funds £	At 30.9.22 £
Unrestricted funds				
General fund	576,797	180,021	11,163	767,981
Restricted funds				
Building Fund	-	11,177	(11,177)	-
Mission Fund	-	(14)	14	-
	-	11,163	(11,163)	-
TOTAL FUNDS	576,797	191,184	-	767,981

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30 SEPTEMBER 2023**

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	274,305	(113,606)	19,322	180,021
Restricted funds				
Building Fund	11,897	(720)	-	11,177
School Fund	6,053	(6,053)	-	-
Mission Fund	3,311	(3,325)	-	(14)
	<u>21,261</u>	<u>(10,098)</u>	<u>-</u>	<u>11,163</u>
TOTAL FUNDS	<u>295,566</u>	<u>(123,704)</u>	<u>19,322</u>	<u>191,184</u>

The Building fund holds monies given for the purpose of acquiring a property for use by the church. The transfer to unrestricted funds arose as the funds were expended for the purpose given and to repay loans.

The School fund receives gifts towards the cost of running the school.

The Mission fund receives monies to support the work of other Christian workers and organisations.

21. RELATED PARTY DISCLOSURES

Remuneration of key management personnel

The key management are the trustees and none of them received any remuneration in the year.

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

The subsidiary company's principal activity is the construction and sale of handmade furniture, although it also sells Christian literature and homemade bakery products. The accounts of the subsidiary for the year to 30 September 2023 show net assets of £118,904 (2022- net assets of £163,444). For the year to 30 September 2023 the subsidiary's accounts show a loss of £44,540 (2022- profit £28,177).

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 £45,000 (2022- £158,720) to UK Mennonite Ministries during the year under review.

Many donations, other than from United Kingdom Mennonite Ministries USA, are received anonymously and it is not possible to identify donations from trustees. However, during the year identifiable donations of £18,035 (2022- £12,615) were received from trustees and related parties.

U K MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

22. POST BALANCE SHEET EVENTS

The subsidiary company was sold in May 2024 on an arms length basis for its fair value at the time of £81,112.

Accounts

Charity registration number 1142737

Company registration number 07613549 (England and Wales)

UK MENNONITE MINISTRIES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

UK MENNONITE MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Kenneth Witmer Paul Martin James Kulp James Byler Dirk Eberly John Fisher Paul Miller
Secretary	Kenneth Witmer
Charity number	1142737
Company number	07613549
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

UK MENNONITE MINISTRIES

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 17

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2022

The trustees present their annual report and financial statements for the year ended 30 September 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)".

Objectives and activities

The charity's object is the advancement of the Christian Faith. UKMM began activities in February 2012. From the original three families that moved from America, the church the charity planted continues to grow. The youth sing and pass out tracts on the streets several times a month in Shropshire and several times a year travel further out to other cities. We communicate with contacts from the U.K. and as far afield as Denmark, Germany, Netherlands, Sweden, France and Switzerland.

The charity has their own meeting house at Gillawarra, Clun Road, Craven Arms, Shropshire, SY7 9AA. Regular meetings for worship, teaching and fellowship are held. Sunday School is also provided for the families who attend. They also made a considerable effort to start a Sunday School for the local community in the summer of 2022 and consider further how to develop it.

Extensive support is provided for those involved in Home Schooling. The charity's subsidiary trading company has seen a steady demand for Rod & Staff school publications and other teaching materials. The 15th annual Bible Conference took place in December 2022, at the Cefn Lea Conference Centre in Wales. The conference was well supported by delegates from the UK, America and other European countries.

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

The charity operates a church known as the Shropshire Hills Mennonite Church which has welcomed new members and now has a total of twenty-eight adults. Three 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'.

The charity has been able to resume the activities of outreach through revival meetings, 'Songs of Praise', and singing and passing tracts on the streets.

The charity has a part time school to assist families in the church community to home educate their children and also help other families with education. 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 a ministry where singles can be mentored by living within the church community. 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.

Shepherd Hills Bible Correspondence Courses has also been established and provides free Bible Study courses including exams and grading.

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Financial review

During the year under review the charity had a surplus of income over expenditure of £191,184 (2021- £225,576). 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 net current assets held in 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. Unrestricted net current assets at the end of the year were £56,267 which exceed three month's unrestricted fund expenses amounting to £28,402. The charity continue to be reliant on the continued financial support of United Kingdom Mennonite Ministries in the USA and are pleased that the higher reserves bring greater resilience. The board of that organisation has confirmed it will support the UK charity to ensure its continued future operations. The trustees are working towards improving self reliance.

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 and up to the date of signature of the financial statements were:

Kenneth Witmer

Paul Martin

James Kulp

James Byler

Dirk Eberly

John Fisher

Paul Miller

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 John Fisher retired by rotation and all were re-appointed.

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.

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2022*

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

Kenneth Witmer
Trustee

1 June 2023

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 2022.

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

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

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe 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: 9 June 2023

UK MENNONITE MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies		125,605	21,261	146,866	146,086	23,526	169,612
Income from charitable activities	3	148,701	-	148,701	60,790	-	60,790
Investments	4	-	-	-	14	-	14
Total income		<u>274,306</u>	<u>21,261</u>	<u>295,567</u>	<u>206,890</u>	<u>23,526</u>	<u>230,416</u>
Expenditure on:							
Charitable activities	5	<u>113,607</u>	<u>10,098</u>	<u>123,705</u>	<u>139,526</u>	<u>10,554</u>	<u>150,080</u>
Net gains/(losses) on investments	10	<u>30,013</u>	<u>-</u>	<u>30,013</u>	<u>133,429</u>	<u>-</u>	<u>133,429</u>
Net incoming resources before transfers		190,712	11,163	201,875	200,793	12,972	213,765
Gross transfers between funds		<u>11,163</u>	<u>(11,163)</u>	<u>-</u>	<u>54,237</u>	<u>(54,237)</u>	<u>-</u>
Net incoming resources		201,875	-	201,875	255,030	(41,265)	213,765
Other recognised gains and losses							
Other gains or losses	11	<u>(10,691)</u>	<u>-</u>	<u>(10,691)</u>	<u>11,811</u>	<u>-</u>	<u>11,811</u>
Net movement in funds		191,184	-	191,184	266,841	(41,265)	225,576
Fund balances at 1 October 2021		<u>576,796</u>	<u>-</u>	<u>576,796</u>	<u>309,955</u>	<u>41,265</u>	<u>351,220</u>
Fund balances at 30 September 2022		<u><u>767,980</u></u>	<u><u>-</u></u>	<u><u>767,980</u></u>	<u><u>576,796</u></u>	<u><u>-</u></u>	<u><u>576,796</u></u>

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		548,269		555,486
Investments	13		163,444		133,431
			<u>711,713</u>		<u>688,917</u>
Current assets					
Debtors	15	10,311		6,418	
Cash at bank and in hand		56,699		41,834	
		<u>67,010</u>		<u>48,252</u>	
Creditors: amounts falling due within one year	17	(10,743)		(160,373)	
Net current assets/(liabilities)			<u>56,267</u>		<u>(112,121)</u>
Total assets less current liabilities			<u>767,980</u>		<u>576,796</u>
Income funds					
Unrestricted funds			<u>767,980</u>		<u>576,796</u>
			<u>767,980</u>		<u>576,796</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 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 1 June 2023

Kenneth Witmer
Trustee

Company registration number 07613549

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 financial statements 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) (effective 1 January 2019)". 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.

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.

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 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 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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:

Buildings	50 years - land is not depreciated
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 the statement of financial activities.

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 unless fair value cannot be measured reliably in which case it is measured at cost less impairment. 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).

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.

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.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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 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.

3 Income from charitable activities

	2022 £	2021 £
Income from charitable activities	895	2,003
Charitable rental income	4,642	7,569
Other income	143,164	51,218
	<u>148,701</u>	<u>60,790</u>

Other income includes £143,100 (2021- £51,136) received from United Kingdom Mennonite Ministries in the US by way of loan waiver.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Investments

	Total	Unrestricted funds
	2022	2021
	£	£
Interest receivable	-	14

5 Charitable activities

	2022	2021
	£	£
Staff costs	52,606	91,409
Depreciation and impairment	9,486	8,919
Bible conference	10,089	-
Rent of ministerial accommodation	15,665	8,400
Mentor homes running costs	-	6,870
Church supplies	195	1,295
Church hall costs	3,319	6,088
Schoolroom running costs	10,037	9,025
Evangelism and outreach	1,229	-
Hospitality	849	-
Literature and CDs	1,244	1,083
Other miscellaneous costs	254	-
	<u>104,973</u>	<u>133,089</u>
Grant funding of activities (see note 6)	10,566	6,489
Share of support costs (see note 7)	2,502	4,398
Share of governance costs (see note 7)	5,664	6,104
	<u>123,705</u>	<u>150,080</u>
Analysis by fund		
Unrestricted funds	113,607	
Restricted funds	10,098	
	<u>123,705</u>	

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

6 Grants payable

	2022 £	2021 £
Grants to institutions:		
Grace Press	1,241	-
Suceava Church	1,770	-
Lakeside Mennonite Church	1,915	-
Grants of £1000 or less	1,510	2,614
	<u>6,436</u>	<u>2,614</u>
Grants to individuals	4,130	3,875
	<u>10,566</u>	<u>6,489</u>

7 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Administrative costs	2,082	-	2,082	3,428	3,428
Insurance	420	-	420	970	970
Accountancy	-	4,800	4,800	-	5,341
Legal and professional	-	864	864	-	763
	<u>2,502</u>	<u>5,664</u>	<u>8,166</u>	<u>4,398</u>	<u>10,502</u>
Analysed between					
Charitable activities	<u>2,502</u>	<u>5,664</u>	<u>8,166</u>	<u>4,398</u>	<u>10,502</u>

Governance costs includes amounts payable to the independent examiner of £3,100 (2021- £3,800) for preparation and independent examination of the statutory accounts and £1,700 (2021- £1,541) for other work. This includes an under provision of £nil for earlier years (2021- under provision for the previous year of £700).

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

8 Trustees

Arland Eberly, father of Dirk Eberly was employed by UKMM as a minister until 30 November 2021. His employment pre dates the appointment of Dirk Eberly as trustee and Dirk is not permitted to vote on matters relating to his father's remuneration. Arland Eberly received a salary of £5,400 (2021- £32,400) and pension contributions of £131 (2021- £785) for his services as a minister. Kenneth Witmer's daughter Jennifer Hershberger is employed as a teaching assistant and received salary of £8,400 (2021- £8,400). Jennifer Hershberger is financially independent of Kenneth Witmer. Kenneth Witmer's daughter, Charlotte Witmer received salary of £6,800 (2021- £7,200) for work as a teaching assistant until 31 May 2022.

One other child of Kenneth Witmer's is employed by Shepherd Hills Furniture Limited. Linford Witmer received salary of £26,446 (2021- £23,817) and pension contributions of £nil (2021- £475). He is employed as a joiner and specific permission to employ him was granted by the Charity Commission. A further son of Kenneth Witmer, Randall Witmer, was paid £nil during the year for building services (2021- £2,033) .

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

Six trustees and their families attended the annual conference without charge at a cost of £1,120 in 2022. No annual conference happened in 2021, However, no charge was made to anyone attending the conference so the trustees attended on the same basis as all other participants. A free-will offering was taken at the conference towards costs.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Ministerial/pastoral	-	2
School room	2	2
Community hosts	3	2
	<u>5</u>	<u>6</u>

Employment costs

	2022 £	2021 £
Wages and salaries	49,358	85,320
Social security costs	2,628	4,811
Other pension costs	620	1,278
	<u>52,606</u>	<u>91,409</u>

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

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	30,013	133,429

The revaluation for 2021 has been restated to be included in the statement of financial affairs.

11 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Foreign exchange losses/(gains)	10,691	(11,811)

12 Tangible fixed assets

	Buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 October 2021	559,432	13,042	572,474
Additions	-	2,269	2,269
At 30 September 2022	559,432	15,311	574,743
Depreciation and impairment			
At 1 October 2021	11,272	5,716	16,988
Depreciation charged in the year	6,189	3,297	9,486
At 30 September 2022	17,461	9,013	26,474
Carrying amount			
At 30 September 2022	541,971	6,298	548,269
At 30 September 2021	548,160	7,326	555,486

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 October 2021	133,431
Valuation changes	30,013
At 30 September 2022	163,444
Carrying amount	
At 30 September 2022	163,444
At 30 September 2021	133,431

The above investment represents the fair value of shares 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 net assets being £163,444 at 30 September 2022.

14 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.

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	10,311	6,418

16 Loans and overdrafts

	2022 £	2021 £
Other loans	-	146,182
Payable within one year	-	146,182

The terms of the loans are set out in the note on related party transactions.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Borrowings	-	146,182
Other taxation and social security	833	2,399
Amounts owed to subsidiary undertakings	2,816	1,345
Other creditors	3,663	7,016
Accruals and deferred income	3,431	3,431
	10,743	160,373

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

18 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:

	Movement in funds				Movement in funds				
	Balance at 1 October 2020	Incoming resources	Resources expended	Transfers	Balance at 1 October 2021	Incoming resources	Resources expended	Transfers	Balance at 30 September 2022
	£	£	£	£	£	£	£	£	£
Building fund	41,265	19,161	(6,189)	(54,237)	-	11,897	(720)	(11,177)	-
School fund	-	2,285	(2,285)	-	-	6,053	(6,053)	-	-
Mission fund	-	2,080	(2,080)	-	-	3,311	(3,325)	14	-
	<u>41,265</u>	<u>23,526</u>	<u>(10,554)</u>	<u>(54,237)</u>	<u>-</u>	<u>21,261</u>	<u>(10,098)</u>	<u>(11,163)</u>	<u>-</u>

The Building fund holds monies given for the purpose of acquiring a property for use by the church. The transfer to unrestricted funds arose as the funds were expended for the purpose given and to repay loans.

The School fund receives gifts towards the cost of running the school.

The Mission fund receives monies to support the work of other Christian workers and organisations.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Operating lease commitments

The charity rents a number of properties. One property is leased for 3 years from 1 October 2020. 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:

	2022 £	2021 £
Within one year	8,525	7,895
Between two and five years	-	5,900
	<u>8,525</u>	<u>13,795</u>

20 Related party transactions

Remuneration of key management personnel

The key management are the trustees and none of them received any remuneration in the year.

Transactions with related parties

During the year the charity a gift of £1,350 was given to Arland Eberly, father of trustee Dirk Eberly.

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

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 2022 show net assets of £163,444 (2021- net assets of £133,431). For the year to 30 September 2022 the subsidiary's accounts show a profit before tax of £28,177 (2021- profit £187,398).

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 £158,720 (2021- £201,537) to UK Mennonite Ministries during the year under review. An unsecured loan by United Kingdom Mennonite Ministries in the US was repaid in full during the year principally by way of waiver (2021- £138,182 remained outstanding) . No interest is chargeable and no agreement on when the amount is to be repaid.

An unsecured loan advance by Charlotte Witmer, Kenneth Witmer's daughter, of £8,000 was repaid in full during the year (2021- £8,000 remained outstanding) . No interest is chargeable and no agreement on when the amount is to be repaid.

Many donations, other than from United Kingdom Mennonite Ministries USA, are received anonymously and it is not possible to identify donations from trustees. However, during the year identifiable donations of £12,615 (2021- £11,180) were received from trustees and related parties

Accounts

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 2021

UK MENNONITE MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Kenneth Witmer Paul Martin James Kulp James Byler Dirk Eberly John Fisher Paul Miller
Secretary	Kenneth Witmer
Charity number	1142737
Company number	07613549
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

UK MENNONITE MINISTRIES

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 19

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees present their annual report and financial statements for the year ended 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)".

Objectives and activities

The charity's object is the advancement of the Christian Faith. UKMM began activities in February 2012. From the original three families that moved from America, the church the charity planted continues to grow. The pandemic of 2020 greatly hindered the hospitality elements of the work but they continue contact with various families and give teaching on Bible principles in various areas of home, vocation and church life. Their contacts come from the U.K. and as far afield as Germany, Netherlands, Sweden, France and Switzerland. They also work with immigrants from Eastern Europe.

The charity has their own meeting house at Gillawarra, Clun Road, Craven Arms, Shropshire, SY7 9AA. Regular meetings for worship, teaching and fellowship are held. Sunday School is also provided for the families who attend. The church property was purchased in April 2020. It was a residential property in Craven Arms for which planning permission was granted to convert to a church and an extension for a meeting room. Building works commenced in May 2020.

Extensive support has been provided for those involved in Home Schooling. The charity's subsidiary trading company has seen a steady demand for Rod & Staff school publications and other teaching materials. The 14th annual Bible Conference took place in December 2021, at the Cefn Lea Conference Centre in Wales. Due to Covid restrictions this was primarily attended by delegates from the UK, plus Ireland, the USA and Canada.

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

The charity operates a church known as the Shropshire Hills Mennonite Church which has welcomed new members and now has a total of twenty-eight adults. Three 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 (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The charity has been able to resume the activities of outreach through revival meetings, 'Songs of Praise', and singing and passing tracts on the streets.

The charity has a part time school to assist families in the church community to home educate their children and also help other families with education. 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 a ministry where singles can be mentored by living within the church community. 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.

Shepherd Hills Bible Correspondence Courses has also been established and provides free Bible Study courses including exams and grading.

Financial review

During the year under review the charity had a surplus of income over expenditure of £92,147 ((2020- £333,243). 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 net current assets held in 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. Unrestricted net current liabilities at the end of the year were £112,121 which includes loans payable of £146,182. While these loans are repayable on demand, the lenders are fully aware of the charity's financial affairs and have confirmed that they will continue to support the charity financially in order to meet its charitable objectives. Excluding these loans, unrestricted net current assets at the year end were £34,061 which is close to three month's unrestricted fund expenses amounting to £34,881. The trustees are working towards improving reserves but recognise that at present they are totally reliant on the continued financial support of United Kingdom Mennonite Ministries in the USA. The board of that organisation has confirmed it will support the UK charity to ensure its continued future operations.

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 and up to the date of signature of the financial statements were:

Kenneth Witmer

Paul Martin

James Kulp

James Byler

Dirk Eberly

John Fisher

Paul Miller

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2021*

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 John Fisher retired by rotation and all were re-appointed.

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

24 June 2022

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 2021.

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: 27 June 2022

UK MENNONITE MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies		146,086	23,526	169,612	173,428	304,948	478,376
Income from charitable activities	3	60,790	-	60,790	8,044	-	8,044
Investments	4	14	-	14	2	-	2
Total income		206,890	23,526	230,416	181,474	304,948	486,422
Expenditure on:							
Charitable activities	5	139,526	10,554	150,080	168,882	8,748	177,630
Net incoming resources before transfers		67,364	12,972	80,336	12,592	296,200	308,792
Gross transfers between funds		54,237	(54,237)	-	270,587	(270,587)	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		121,601	(41,265)	80,336	283,179	25,613	308,792
Other recognised gains and losses							
Other gains or losses	10	11,811	-	11,811	24,451	-	24,451
Net movement in funds		133,412	(41,265)	92,147	307,630	25,613	333,243
Fund balances at 1 October 2020		309,955	41,265	351,220	2,325	15,652	17,977
Fund balances at 30 September 2021		443,367	-	443,367	309,955	41,265	351,220

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		555,486		509,141
Investments	12		2		2
			<u>555,488</u>		<u>509,143</u>
Current assets					
Debtors	14	6,418		8,271	
Cash at bank and in hand		41,834		75,713	
		<u>48,252</u>		<u>83,984</u>	
Creditors: amounts falling due within one year	16	(160,373)		(241,907)	
Net current liabilities			(112,121)		(157,923)
Total assets less current liabilities			<u>443,367</u>		<u>351,220</u>
Income funds					
Restricted funds	17		-		41,265
Unrestricted funds			443,367		309,955
			<u>443,367</u>		<u>351,220</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 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 24 June 2022

Kenneth Witmer
Trustee

Company Registration No. 07613549

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 financial statements 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) (effective 1 January 2019)". 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.

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.

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 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 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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:

Buildings	50 years - land is not depreciated
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 the statement of financial activities.

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 unless fair value cannot be measured reliably in which case it is measured at cost less impairment. 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).

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

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.

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 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 2021

3 Income from charitable activities

	2021 £	2020 £
Income from charitable activities	2,003	954
Charitable rental income	7,569	7,000
Other income	51,218	90
	<u>60,790</u>	<u>8,044</u>

The above income from charitable activities includes an amount recharged to the charity's subsidiary of £nil (2020- £122) for wages of staff who undertake work for both the charity and its subsidiary.

Other income includes £51,136 received from United Kingdom Mennonite Ministries in the US by way of loan waiver.

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>14</u>	<u>2</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Charitable activities

	2021 £	2020 £
Staff costs	91,409	105,203
Depreciation and impairment	8,919	5,514
Bible conference	-	16,242
Rent of ministerial accommodation	8,400	8,400
Mentor homes running costs	6,870	15,430
Church supplies	1,295	-
Church hall costs	6,088	2,541
Schoolroom running costs	9,025	10,627
Hospitality	-	1,237
Literature and CDs	1,083	2,528
Miscellaneous staff costs	-	190
	<u>133,089</u>	<u>167,912</u>
Grant funding of activities (see note 6)	6,489	3,648
Share of support costs (see note 7)	4,398	1,302
Share of governance costs (see note 7)	6,104	4,768
	<u>150,080</u>	<u>177,630</u>
Analysis by fund		
Unrestricted funds	139,526	
Restricted funds	10,554	
	<u>150,080</u>	

6 Grants payable

	2021 £	2020 £
Grants to institutions:		
Grants of £1000 or less	2,614	996
Grants to individuals	3,875	2,652
	<u>6,489</u>	<u>3,648</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Administrative costs	3,428	-	3,428	572	-	572
Insurance	970	-	970	730	-	730
Accountancy	-	5,341	5,341	-	4,768	4,768
Legal and professional	-	763	763	-	-	-
	<u>4,398</u>	<u>6,104</u>	<u>10,502</u>	<u>1,302</u>	<u>4,768</u>	<u>6,070</u>
Analysed between						
Charitable activities	<u>4,398</u>	<u>6,104</u>	<u>10,502</u>	<u>1,302</u>	<u>4,768</u>	<u>6,070</u>

Governance costs includes amounts payable to the independent examiner of £3,800 (2020- £2,622) for preparation and independent examination of the statutory accounts and £1,541 (2020- £2,146) for other work. This includes an under provision of £700 for earlier years (2020- under provision for the previous year of £222).

8 Trustees

Dirk Eberly was paid £nil (2020- £15,600) remuneration and £nil (2020- £344) pension contributions by the charity of which £nil (2020- £122) was recharged at cost to its wholly owned subsidiary Shepherd Hills Furniture Limited for work carried out for Shepherd Hills Furniture Limited. Dirk Eberly is not paid for his position as a trustee and was an existing employee working for the subsidiary company when appointed. He transitioned to a new role within the holding charity until his resignation from employment in May 2020. He was not permitted to influence the decision about any pay increases since his appointment.

Arland Eberly, father of Dirk Eberly was employed by UKMM as a minister. His employment pre dates the appointment of Dirk Eberly as trustee and Dirk is not permitted to vote on matters relating to his father's remuneration. Arland Eberly received a salary of £32,400 (2020- £32,250) and pension contributions of £785 (2020- £782) for his services as a minister. Kenneth Witmer's daughter Jennifer Hershberger is employed as a teaching assistant and received salary of £8,400 (2020- £8,400). Jennifer Hershberger is financially independent of Kenneth Witmer. Kenneth Witmer's daughter, Charlotte Witmer received salary of £7,200 (2020- £4,400) for work as a teaching assistant.

One other child of Kenneth Witmer's was employed by Shepherd Hills Furniture Limited. Linford Witmer received salary of £23,817 (2020- £22,596) and pension contributions of £475 (2020- £58). He was employed as a joiner and specific permission to employ him was granted by the Charity Commission. A further son of Kenneth Witmer, Randall Witmer, was paid £2,033 during the year for building services (2020- £8,245).

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

No annual conference happened this year, Six trustees and their families attended the annual conference without charge at a cost of £1,449 in 2020. However, no charge was made to anyone attending the conference so the trustees attended on the same basis as all other participants. A free-will offering was taken at the conference towards costs.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Ministerial/pastoral	2	2
School room	2	3
Community hosts	2	2
	<u>6</u>	<u>7</u>

Employment costs

	2021 £	2020 £
Wages and salaries	85,320	97,529
Social security costs	4,811	6,127
Other pension costs	1,278	1,547
	<u>91,409</u>	<u>105,203</u>

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

10 Other gains or losses

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Foreign exchange gains	<u>(11,811)</u>	<u>(24,451)</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Tangible fixed assets

	Buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 October 2020	504,168	13,042	517,210
Additions	55,264	-	55,264
At 30 September 2021	559,432	13,042	572,474
Depreciation and impairment			
At 1 October 2020	5,083	2,986	8,069
Depreciation charged in the year	6,189	2,730	8,919
At 30 September 2021	11,272	5,716	16,988
Carrying amount			
At 30 September 2021	548,160	7,326	555,486
At 30 September 2020	499,085	10,056	509,141

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 October 2020 & 30 September 2021	2
Carrying amount	
At 30 September 2021	2
At 30 September 2020	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 net assets being £133,431 at 30 September 2021.

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

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	6,418	8,271

15 Loans and overdrafts

	2021 £	2020 £
Other loans	146,182	209,129
Payable within one year	146,182	209,129

The terms of the loans are set out in the note on related party transactions.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Borrowings	146,182	209,129
Other taxation and social security	2,399	-
Amounts owed to subsidiary undertakings	1,345	10,560
Other creditors	7,016	19,375
Accruals and deferred income	3,431	2,843
	160,373	241,907

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 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:

	Movement in funds				Movement in funds				
	Balance at 1 October 2019	Incoming resources	Resources expended	Transfers	Balance at 1 October 2020	Incoming resources	Resources expended	Transfers	Balance at 30 September 2021
	£	£	£	£	£	£	£	£	£
Building fund	15,652	296,200	-	(270,587)	41,265	19,161	(6,189)	(54,237)	-
School fund	-	8,748	(8,748)	-	-	2,285	(2,285)	-	-
Mission fund	-	-	-	-	-	2,080	(2,080)	-	-
	<u>15,652</u>	<u>304,948</u>	<u>(8,748)</u>	<u>(270,587)</u>	<u>41,265</u>	<u>23,526</u>	<u>(10,554)</u>	<u>(54,237)</u>	<u>-</u>

The Building fund holds monies given for the purpose of acquiring a property for use by the church. The transfer to unrestricted funds arose as the funds were expended for the purpose given.

The School fund receives gifts towards the cost of running the school.

The Mission fund receives monies to support the work of other Christian workers and organisations.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 30 September 2021 are represented by:						
Tangible assets	555,486	-	555,486	509,141	-	509,141
Investments	2	-	2	2	-	2
Current assets/ (liabilities)	(112,121)	-	(112,121)	(199,188)	41,265	(157,923)
	<u>443,367</u>	<u>-</u>	<u>443,367</u>	<u>309,955</u>	<u>41,265</u>	<u>351,220</u>

19 Operating lease commitments

The charity rents a number of properties. One property is leased for 3 years from 1 October 2020. 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:

	2021 £	2020 £
Within one year	7,895	7,825
Between two and five years	5,900	11,800
	<u>13,795</u>	<u>19,625</u>

20 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 2021

20 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 charity has invested £2 by way of share capital in the subsidiary company.

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 2021 show net assets of £133,431 (2020- net liabilities of £52,131). For the year to 30 September 2021 the subsidiary's accounts show a profit before tax of £187,598 (2020- loss £8,844).

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 £237,209 (2020- £427,823) to UK Mennonite Ministries during the year under review. An unsecured loan by United Kingdom Mennonite Ministries in the US of £189,091 remained outstanding at 30 September 2021 (2020- £201,129) . No interest is chargeable and no agreement on when the amount is to be repaid.

An unsecured loan advance by Charlotte Witmer, Kenneth Witmer's daughter, of £8,000 remained outstanding at 30 September 2021 (2020- £8,000) . No interest is chargeable and no agreement on when the amount is to be repaid.

Many donations, other than from United Kingdom Mennonite Ministries USA, are received anonymously and it is not possible to identify donations from trustees. However, during the year identifiable donations of £11,180 (2020- £4,390) were received from trustees and related parties

Accounts

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 2020

UK MENNONITE MINISTRIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Kenneth Witmer Paul Martin James Kulp James Byler Dirk Eberly John Fisher Paul Miller	(Appointed 1 January 2020)
Secretary	Kenneth Witmer	
Charity number	1142737	
Company number	07613549	
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

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 19

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees present their report and financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)".

Objectives and activities

The charity's object is the advancement of the Christian Faith. UKMM began activities in February 2012. From the original three families that moved from America, the church the charity planted continues to grow. The pandemic of 2020 greatly hindered the hospitality elements of the work but they continue contact with various families and give teaching on Bible principles in various areas of home, vocation and church life. Their contacts come from the U.K. and as far afield as Germany, Netherlands, Sweden, France and Switzerland. They also work with immigrants from Eastern Europe.

The Sunday meetings continued in the village halls of Aston-on-Clun in Shropshire, providing opportunities for worship, teaching and fellowship until the lockdowns from the pandemic. Sunday School is also provided for the families who attend. A church property was purchased in April 2020. It was a residential property in Craven Arms for which planning permission was granted to convert to a church and an extension for a meeting room. Building works commenced in May 2020.

Extensive support has been provided for those involved in Home Schooling. The charity's subsidiary trading company has seen a steady demand for Rod & Staff school publications and other teaching materials. The 13th annual Bible Conference took place in December 2019, at the Cefn Lea Conference Centre in Wales. This was attended by delegates from all over the UK, plus Ireland, the USA, Canada, Switzerland, Russia, Romania, Germany, Netherlands, Spain, Sweden 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

The charity operates a church known as the Shropshire Hills Mennonite Church which has welcomed new members and now has a total of twenty-eight 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 (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The pandemic limited outreach through revival meetings, 'Songs of Praise', and singing on the streets. However, the brothers still went out 2 by 2 when they could to pass out tracts on the streets.

The charity assists families in the church community who jointly home educate their children and also help other families with education. 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 a ministry where youth can be mentored by living with mature Christians. 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.

Financial review

During the year under review the charity had a surplus of income over expenditure of £308,729 ((2019- a deficit of £10,797). 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 net current assets held in 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. Unrestricted net current liabilities at the end of the year were £190,055 which includes loans payable of £209,129. While these loans are repayable on demand, the lenders are fully aware of the charity's financial affairs and have confirmed that they will continue to support the charity financially in order to meet its charitable objectives. Excluding these loans, unrestricted net current assets at the year end were £19,074 which is more than one month's unrestricted fund expenses amounting to £14,079. The trustees are working towards improving reserves but recognise that at present they are totally reliant on the continued financial support of United Kingdom Mennonite Ministries in the USA. The board of that organisation has confirmed it will support the UK charity to ensure its continued future operations.

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 and up to the date of signature of the financial statements were:

Kenneth Witmer

Paul Martin

John Zimmerman

(Resigned 1 January 2020)

James Kulp

James Byler

Dirk Eberly

John Fisher

Paul Miller

(Appointed 1 January 2020)

UK MENNONITE MINISTRIES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

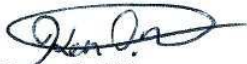
The trustees of the charity are also members of the charity. Trustees must retire by rotation; one third every year. Trustees are appointed by existing trustees and new trustees are familiarised with their duties and responsibilities by existing trustees. During the year under review Paul Martin and James Kulp retired by rotation and both were re-appointed. In December 2019 John Zimmerman and Dirk Eberly retired by rotation. Dirk Eberly was re-appointed; however, John Zimmerman stepped down as from 1 January 2020 and Paul Miller was appointed in his place from the same date.

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: 25 June 2021

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 2020.

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

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

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe 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: 25 June 2021

UK MENNONITE MINISTRIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies		173,428	304,948	478,376	140,825	17,614	158,439
Income from charitable activities	3	8,044	-	8,044	13,236	-	13,236
Investments	4	2	-	2	-	-	-
Total income		181,474	304,948	486,422	154,061	17,614	171,675
Expenditure on:							
Charitable activities	5	168,882	8,748	177,630	172,421	10,051	182,472
Net incoming/ (outgoing) resources before transfers		12,592	296,200	308,792	(18,360)	7,563	(10,797)
Gross transfers between funds		270,587	(270,587)	-	-	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		283,179	25,613	308,792	(18,360)	7,563	(10,797)
Other recognised gains and losses							
Other gains or losses	10	24,451	-	24,451	-	-	-
Net movement in funds		307,630	25,613	333,243	(18,360)	7,563	(10,797)
Fund balances at 1 October 2019		2,325	15,652	17,977	20,685	8,089	28,774
Fund balances at 30 September 2020		309,955	41,265	351,220	2,325	15,652	17,977

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	509,141		1,291	
Investments	12	2		2	
		<u>509,143</u>		<u>1,293</u>	
Current assets					
Debtors	14	8,271		4,722	
Cash at bank and in hand		75,713		28,980	
		<u>83,984</u>		<u>33,702</u>	
Creditors: amounts falling due within one year	16	(241,907)		(17,018)	
Net current (liabilities)/assets			(157,923)		16,684
Total assets less current liabilities			<u>351,220</u>		<u>17,977</u>
Income funds					
Restricted funds	17	41,265		15,652	
Unrestricted funds		309,955		2,325	
		<u>351,220</u>		<u>17,977</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 2020.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 25 June 2021



Kenneth Witmer
Trustee

Company Registration No. 07613549

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 financial statements 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) (effective 1 January 2019)". 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.

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.

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 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 2020

1 Accounting policies

(Continued)

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:

Buildings	50 years - land is not depreciated
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 unless fair value cannot be measured reliably in which case it is measured at cost less impairment. 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).

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.

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.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

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 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.

3 Income from charitable activities

	2020	2019
	£	£
Income from charitable activities	954	1,602
Charitable rental income	7,000	11,600
Other income	90	34
	<u>8,044</u>	<u>13,236</u>

The above income from charitable activities includes an amount recharged to the charity's subsidiary of £nil (2019- £122) for wages of staff who undertake work for both the charity and its subsidiary.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4 Investments

	Unrestricted funds	Total
	2020 £	2019 £
Interest receivable	2	-

5 Charitable activities

	2020 £	2019 £
Staff costs	105,203	106,854
Depreciation and impairment	5,514	694
Bible conference	16,242	15,677
Rent of ministerial accommodation	8,400	8,400
Mentor homes running costs	15,430	16,787
Church hall rent	2,541	3,340
Schoolroom running costs	10,627	12,968
Professional fees	-	1,368
Hospitality	1,237	440
Literature and CDs	2,528	3,153
Miscellaneous staff costs	190	124
Reimbursed expenditure	-	1,475
Other miscellaneous costs	572	2,537
	<u>168,484</u>	<u>173,817</u>
Grant funding of activities (see note 6)	3,648	1,772
Share of support costs (see note 7)	730	2,256
Share of governance costs (see note 7)	4,768	4,627
	<u>177,630</u>	<u>182,472</u>
Analysis by fund		
Unrestricted funds	168,882	
Restricted funds	8,748	
	<u>177,630</u>	

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Grants payable

	2020 £	2019 £
Grants to institutions:		
Grants of £1000 or less	996	1,772
Grants to individuals	2,652	-
	<u>3,648</u>	<u>1,772</u>

7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Administrative costs	-	-	-	1,424	-	1,424
Insurance	730	-	730	832	-	832
Legal and professional	-	4,768	4,768	-	4,627	4,627
	<u>730</u>	<u>4,768</u>	<u>5,498</u>	<u>2,256</u>	<u>4,627</u>	<u>6,883</u>
Analysed between						
Charitable activities	<u>730</u>	<u>4,768</u>	<u>5,498</u>	<u>2,256</u>	<u>4,627</u>	<u>6,883</u>

Governance costs includes amounts payable to the independent examiner of £2,622 (2019- £2,100) for preparation and independent examination of the statutory accounts and £2,146 (2019- £2,527) for other work. This includes an under provision of £222 for earlier years (2019- under provision for the previous year of £1,014).

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

8 Trustees

Dirk Eberly was paid £15,600 (2019- £9,535) remuneration and £344 (2019- £140) pension contributions by the charity of which £nil (2019- £122) was recharged at cost to its wholly owned subsidiary Shepherd Hills Furniture Limited for work carried out for Shepherd Hills Furniture Limited. Dirk Eberly is not paid for his position as a trustee and was an existing employee working for the subsidiary company when appointed. He transitioned to a new role within the holding charity until his resignation from employment in May 2020. He was not permitted to influence the decision about any pay increases since his appointment.

Arland Eberly, father of Dirk Eberly was employed by UKMM as a minister. His employment pre dates the appointment of Dirk Eberly as trustee and Dirk is not permitted to vote on matters relating to his father's remuneration. Arland Eberly received a salary of £32,250 (2019- £31,500) and pension contributions of £782 (2019- £656) for his services as a minister. Kenneth Witmer's daughter Jennifer Hershberger is employed as a teaching assistant and received salary of £8,400 (2019- £8,320). Jennifer Hershberger is financially independent of Kenneth Witmer. Kenneth Witmer's daughter, Charlotte Witmer received salary of £4,400 (2019- £4,400) for work as a teaching assistant.

Two further children of Kenneth Witmer's were employed by Shepherd Hills Furniture Limited. Linford Witmer received salary of £22,596 (2019- £19,965) and pension contributions of £58 (2019- £nil) and Randall Witmer received salary of £nil (2019- £9,840) and pension contributions of £nil (2019- £152); both were employed as joiners and specific permission to employ them was granted by the Charity Commission. Randall Witmer left employment on 1 October 2019. After leaving employment Randal Witmer's building business was paid £8,245 during the year for building services.

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

Six trustees and their families attended the annual conference without charge at a cost of £1,449 (2019- seven trustees and their families, £1,210). However, no charge was made to anyone attending the conference so the trustees attended on the same basis as all other participants. A free-will offering was taken at the conference towards costs.

Most donations, other than from United Kingdom Mennonite Ministries USA, are received anonymously and it is not possible to identify donations from trustees.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Ministerial/pastoral	2	3
School room	3	4
Community hosts	2	3
	<u>7</u>	<u>10</u>

Employment costs

	2020 £	2019 £
Wages and salaries	97,529	100,112
Social security costs	6,127	5,180
Other pension costs	1,547	1,562
	<u>105,203</u>	<u>106,854</u>

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

10 Other gains or losses

	Unrestricted funds	Total
	2020 £	2019 £
Foreign exchange gains	<u>(24,451)</u>	<u>-</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Tangible fixed assets

	Buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 October 2019	-	3,846	3,846
Additions	504,168	9,196	513,364
	<u>504,168</u>	<u>13,042</u>	<u>517,210</u>
At 30 September 2020			
Depreciation and impairment			
At 1 October 2019	-	2,555	2,555
Depreciation charged in the year	5,083	431	5,514
	<u>5,083</u>	<u>2,986</u>	<u>8,069</u>
At 30 September 2020			
Carrying amount			
At 30 September 2020	499,085	10,056	509,141
	<u>499,085</u>	<u>10,056</u>	<u>509,141</u>
At 30 September 2019	-	1,291	1,291
	<u>-</u>	<u>1,291</u>	<u>1,291</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 October 2019 & 30 September 2020	2
Carrying amount	
At 30 September 2020	2
At 30 September 2019	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

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	8,271	4,722

15 Loans and overdrafts

	2020 £	2019 £
Other loans	209,129	-
Payable within one year	209,129	-

The terms of the loans are set out in the note on related party transactions.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Borrowings	209,129	-
Other taxation and social security	-	2,323
Amounts owed to subsidiary undertakings	10,560	3,149
Other creditors	19,375	8,017
Accruals and deferred income	2,843	3,529
	<u>241,907</u>	<u>17,018</u>

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

17 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 2018	Movement in funds			Balance at 30 September 2020
		Incoming resources	Resources expended	Incoming resources	Resources expended
	£	£	£	£	£
Building fund	8,089	8,931	(1,368)	296,200	-
School fund	-	8,683	(8,683)	8,748	(8,748)
	8,089	17,614	(10,051)	304,948	(8,748)
				(270,587)	
					41,265

The Building fund holds monies given for the purpose of acquiring a property for use by the church. The transfer to unrestricted funds arose as the funds were expended for the purpose given.

The School fund receives gifts towards the cost of running the school.

UK MENNONITE MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 30 September 2020 are represented by:						
Tangible assets	509,141	-	509,141	1,291	-	1,291
Investments	2	-	2	2	-	2
Current assets/ (liabilities)	(199,188)	41,265	(157,923)	1,032	15,652	16,684
	<u>309,955</u>	<u>41,265</u>	<u>351,220</u>	<u>2,325</u>	<u>15,652</u>	<u>17,977</u>

19 Operating lease commitments

The charity rents a number of properties. One property is leased for 3 years from 1 October 2020. 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:

	2020 £	2019 £
Within one year	7,825	9,245
Between two and five years	11,800	-
	<u>19,625</u>	<u>9,245</u>

20 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 2020

20 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 charity has invested £2 by way of share capital in the subsidiary company.

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 2020 show net liabilities of £52,131 (2019- net liabilities of £43,287). For the year to 30 September 2020 the subsidiary's accounts show a loss before tax of £8,844 (2019- loss £12,512).

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 £427,823 (2019- £120,000) to UK Mennonite Ministries during the year under review. Unsecured loan advances were also made during the year by United Kingdom Mennonite Ministries in the US and £201,129 remained outstanding at 30 September 2020. No interest is chargeable and no agreement on when the amount is to be repaid.

An unsecured loan advance was also made during the year by Charlotte Witmer, Kenneth Witmer's daughter, and £8,000 remained outstanding at 30 September 2020. No interest is chargeable and no agreement on when the amount is to be repaid.