

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

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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	504,168	13,042	517,210
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	5,083	2,986	8,069
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	£
Building fund	8,089	8,931	(1,368)	296,200	41,265
School fund	-	8,683	(8,683)	8,748	-
	8,089	17,614	(10,051)	304,948	41,265
				(270,587)	
				(8,748)	
				(270,587)	

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.