

OUR DAILY BREAD MINISTRIES TRUST
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Xeinadin Audit Limited
Chartered Accountants and Registered Auditors
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OUR DAILY BREAD MINISTRIES TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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OUR DAILY BREAD MINISTRIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Mr R W DeHaan (resigned 20/12/2021) Mr A Plowman Mr P Baxendale Mr D Mills Mr M Brubaker (appointed 20/12/2021)
Principal address	Unit 5 Shoreline Business Park Sandside MILNTHORPE LA7 7BF
Registered charity number	327384
Auditors	Xeinadin Audit Limited Chartered Accountants and Registered Auditors Dalton House 9 Dalton Square LANCASTER LA1 1WD
Bankers	National Westminster Bank Plc 35 Bishopgate LONDON EC2M 3UR

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. 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

The object of the Trust shall be the proclamation and furtherance of the Gospel of God concerning His Son Jesus Christ Our Lord, and the preaching and teaching of the Christian faith throughout the United Kingdom of Great Britain, the Continent of Europe and elsewhere by the organisation, sponsorship, promotion of non-denominational Christian work, seeking to present the Gospel to every creature by every means, and to lead men and women and children to a saving faith in Our Lord Jesus Christ and to help and encourage them in the service of God.

- Aims of the charity

The advancement and propagation of the Christian Faith through public proclamation, and through the distribution of Daily Devotional Materials and Biblical teaching resources through Study Booklets, television programmes, Audio and Visual teaching DVDs/CDs and online resources available on the websites and mobile applications the ministry provides. These are made available throughout Europe, the United Kingdom of Great Britain, and elsewhere. The global ministry produces material in over 55 different languages.

- Activities

The following are undertaken in pursuit of the charity's objectives:

- Publication and distribution in print and digitally of Our Daily Bread and other devotionals to encourage people to read the Word of God.
- Publication and distribution in print and digitally of teaching booklets to provide a better understanding of Scripture and its practical application.
- Publication and distribution in print and digitally of Looking at Life and Looking Deeper series to provide relevant resources for specific events or occasions.
- Distribution of audio and visual teaching materials.
- Making Our Daily Bread Ministries' audio and visual teaching material available to broadcasters.
- Sale of Christian books and resources to help people in their walk with our Lord Jesus Christ.
- Organising Bible conferences.

- Main objectives for the year ended 31 December 2021

Our objectives for the year were as follows:

1. Expand our Reach
 - a. To grow the number of print subscriptions.
 - b. To grow the sales of print resources
 - c. Achieve specific engagement and growth targets on social media platforms.
2. Create content for leading people to become disciples of Christ
 - a. Launch regional content on print and digital platforms
 - b. Create a team of internal and external writers
 - c. Develop and roll out content for the Discipleship Plan
 - d. Develop new digital content and campaigns
3. Build a Christ-centred, committed, empowered staff team
 - a. Implement individual development plans
 - b. Implement the next level of SAFe Agile methodology into our work
 - c. Increase the effectiveness and influence of Team Leaders.
4. Create a relentless Audience-First experience.
 - a. Complete our Persona's project
 - b. Complete our data project
 - c. Implement findings from our leadership development programme
5. Build a higher level of brand awareness & trust
 - a. Promote our local teen apps
 - b. Build membership of Discipleship plan groups
 - c. Complete planned advertising programme

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Achievement and performance

2021 continued to be overshadowed by the Coronavirus pandemic, with restrictions within the UK affecting everyday life. Despite these challenges, the ministry continued to fulfil its charitable objectives by publishing a consistent output of resources and maintaining regular services to our subscribers.

Expand our Reach

We expanded our reach as we saw our digital subscriber base and engagement grow strongly throughout the year. Churches were not able to hold services in-person for the first half of the year due to government restrictions, and we saw engagement with our materials increase. We held an online Bible conference to replace the in-person conferences that we usually run. This was a resounding success, with hundreds watching it live and thousands watching it on catch-up. We will build this into future conferences. We saw our social media presence increase as we invested more staff time into developing content and campaigns for an increasing number of platforms.

We faced the continued challenges of working during the pandemic, offering hybrid and remote working to staff as appropriate. We held regular staff devotions and meetings to keep our teams connected and cared for. The staff and volunteer teams both responded valiantly and we are deeply grateful for their hard work and commitment. We had to work through the complications of the UK leaving the European Union. This affected our logistics and data teams, especially as they had to adapt to new regulations and systems imposed by new rules and postal services suppliers.

We saw the charity's resources for sale programme increase significantly. We recognised that people couldn't buy their Christian resources from normal routes, bookshops and events as they had closed for the pandemic, so with our regular newsletters, we offered a carefully curated selection of books and products for sale. The response was very positive with the revenue from this programme supporting the distribution of resources that we offer for no cost.

Create content for leading people to become disciples of Christ

We continued to create content to lead people to become disciples of Christ. We launched a year-long discipleship plan called Rooted. Which, through a FaceBook group and email subscription list offered teaching on various topics. We published numerous new resources throughout the year, these included titles such as The Bible at a Glance: A quick guide to the books of the Bible, Encouragement for Grandparents. A series of devotions, prayers and articles developed specifically for the pandemic with titles such as He Hears Us: God's Faithfulness, Found in Christ: Becoming the person you were made to be, and Yesterday, Today, Forever: Living each day with the One who holds them all.

We continued to publish the Journey Through series, both in print and accompanied by a free video series for small groups. Our most popular resource in 2021 was The Hope of Christmas: Finding a Firm Foundation in a Crumbling World. We supplied, at no cost, nearly 70,000 copies of this short, evangelistic resource to churches and individuals to use with Carol Services, within Christmas cards and for other uses.

We have introduced local, regional content into the Our Daily Bread devotional to better align ourselves with readers throughout Europe.

Build a Christ-centred, committed, empowered staff team

We continue to invest in our staff and volunteer teams. Our Annual Review process guides our training and development programme. We are using LinkedIn Learning and coaching as development tools. We hold staff devotions weekly in small groups and as a whole team monthly. As the pandemic allows we gather for town hall meetings for staff and volunteers to share vision and cross-departmental information. Our Team Leaders hold training sessions and operational meetings, and we are using Chartered Institute of Marketing online training courses.

Hybrid working has become a normal way of working, with an increased number of staff working remotely for part of their working week. We have invested in new technology to help facilitate this.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Our volunteer team continues to grow and we are deeply grateful for the support and commitment of this faithful band of volunteers who month by month give time and energy to help the work of the charity. They work in multiple areas, within the logistics area packing envelopes and parcels, sorting the postbags of mailing, processing administration. They are an essential part of the charity.

The pandemic has meant that we have not been able to travel to our European offices to spend time with the teams but regular video meetings are held to maintain relationships.

Create a relentless Audience-First experience.

We have created teams to build personas and an increased understanding of our data. These are ongoing programmes that are important rather than urgent. They are taking time to get going but will eventually give us helpful insights to make sure we are providing resources and programmes that our subscribers want and need.

Build a higher level of brand awareness & trust

Our Daily Bread is known, read and trusted by a loyal readership who depend on receiving their regular quarterly devotionals and associated resources. We don't take this for granted and continually strive to provide great service by post, phone, email and online. We recognise the rapid digital transformation and provide our readers with options to read Our Daily Bread. They can read the devotional online, in twenty-seven languages on our website, subscribe via email, listen via podcast or read or listen via our app. We partner with other Our Daily Bread offices to deliver these services.

We send out four ministry newsletters each year, sharing the work of the charity, providing biblical encouragement and offering more resources.

Summary

Overall, 2021 was another challenging year due to the impact of the pandemic and Brexit, but, by the grace of God, the commitment of the staff and volunteer team, the ministry was able to fulfil its charitable objectives, achieve a good proportion of our goals and build for the future. We are truly grateful to our subscribers for choosing to use our resources and to those who donate which permits the charity to offer our ministry resources at no cost to those who ask.

As we plan for the future, we know we live in complex, changing times and have to adapt our ministry methods to remain relevant and faithful to our mission and vision.

- Public benefit

The trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

Total incoming resources for the year were £2,212,944 compared to £2,269,360 for the previous year. This includes income from International Support which amounted to £nil from the US this year (2020 - £193,550). Underlying donations in 2021 (including gift aid) were 11.9% greater than the previous year. Total resources expended for the year to 31 December 2021 were £1,824,678 compared to £1,937,059 for the previous year. Consequently net incoming resources in the year to 31 December 2021 were £388,265 compared to the previous year of £332,301.

The net assets of the charity were £1,730,225 at 31 December 2021 compared to £1,341,960 at 31 December 2020.

The principal risks and uncertainties which the charity faces are that the charity relies heavily on donations to continue its operations. The current inflation levels and rising cost of living in the UK is expected to reduce disposable income and is likely to reduce the level of donations which the charity receives.

Reserves policy

Our Daily Bread Ministries Trust has in place a reserves policy which currently serves four primary purposes:

1. To allow for financial cycles. Our ministry income and expenses are cyclical, and there is a need to accumulate funds throughout the year during high levels of giving in order to cover expenses incurred during low levels of giving.
2. To seize opportunities. We are a regional office for Our Daily Bread Europe and it is prudent to hold some reserve funds to take advantages of opportunities that may present themselves during the fiscal year for which there was no budget allocated. Often needs arise during times of crisis that would call for the use of funds not previously budgeted.
3. To keep on hand a minimum of three to six months operating expenses which would allow us to continue to operate the ministry during that period even in the event of a total loss of income.
4. To build up sufficient reserves to be able to fund any facilities development.

The trustees' target level of free reserves is £700,000. At 31 December 2021 the actual level of free reserves was £1,063,252 (2020 - £557,992). The trustees will take steps during future periods to maintain free reserves at an amount similar to the target level.

Future plans

As we look to the future, we will continue to build resilience into the ministry by stewarding our resources carefully, simplifying our systems and processes and developing new resources for existing and future readers.

Structure, governance and management

Our Daily Bread Ministries Trust is an Unincorporated Association governed by a declaration of Trust dated 27 February 1987 as amended by deeds of variation dated 5 October 1999 and 12 May 2006. Appointment of trustees is vested in the trustees.

Statement of trustees' responsibilities

The trustees 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of trustees' responsibilities - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 25 March 2022 and signed on its behalf by:



Mr M Brubaker - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF OUR DAILY BREAD MINISTRIES TRUST

Opinion

We have audited the financial statements of Our Daily Bread Ministries Trust (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF OUR DAILY BREAD MINISTRIES TRUST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries are made of management and those charged with governance as to whether there is any knowledge of actual, suspected, or alleged fraud, whether there is any known non-compliance with laws or regulations, and whether the company has been subject to any litigation or any legal claims.
- minutes of meetings of management and those charged with governance are reviewed.
- audit work over the risk of management override of controls is undertaken. This includes testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- analytical reviews are performed on the financial statements at all stages of the audit by comparison to prior years, budgets and expectations to ensure the reasonableness of the figures therein.
- third party confirmation is obtained from the company's bankers to confirm bank balances, loan facilities and security held.
- detailed audit testing is undertaken in specific areas to ensure that income and expenditure is correctly recorded and is a genuine income or expense of the company.
- enquiries are made of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations.
- financial statement disclosures are reviewed and tested to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
OUR DAILY BREAD MINISTRIES TRUST**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Xeinadin Audit Limited

Xeinadin Audit Limited
Chartered Accountants and Registered Auditors
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

Date: *25/3/2022*

OUR DAILY BREAD MINISTRIES TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
	Notes				
Income and endowments from					
Donations and legacies	2	1,831,276	-	1,831,276	1,704,160
Charitable activities	4				
Christian literature		287,959	-	287,959	236,458
International ministry		15,820	-	15,820	17,557
Investment income	3	71	-	71	112
Other income	5	77,820	-	77,820	311,073
Total		2,212,946	-	2,212,946	2,269,360
Expenditure on					
Charitable activities	6				
Christian literature		343,722	-	343,722	309,787
International ministry		448,686	-	448,686	414,511
Biblical literature		1,032,273	-	1,032,273	1,212,761
Total		1,824,681	-	1,824,681	1,937,059
NET INCOME		388,265	-	388,265	332,301
Reconciliation of funds					
Total funds brought forward		1,341,960	-	1,341,960	1,009,659
Total funds carried forward		1,730,225	-	1,730,225	1,341,960

The notes form part of these financial statements

OUR DAILY BREAD MINISTRIES TRUST**BALANCE SHEET
31 DECEMBER 2021**

		2021	2020
	Notes	£	£
Fixed assets			
Tangible assets	12	666,973	783,968
Current assets			
Stocks	13	89,917	78,574
Debtors	14	83,033	94,158
Cash at bank and in hand		973,748	504,980
		<u>1,146,698</u>	<u>677,712</u>
Creditors			
Amounts falling due within one year	15	(83,446)	(119,720)
Net current assets		<u>1,063,252</u>	<u>557,992</u>
Total assets less current liabilities		<u>1,730,225</u>	<u>1,341,960</u>
NET ASSETS		<u>1,730,225</u>	<u>1,341,960</u>
Funds	17		
Unrestricted funds		<u>1,730,225</u>	<u>1,341,960</u>
Total funds		<u>1,730,225</u>	<u>1,341,960</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25 March 2022 and were signed on its behalf by:



Mr M Brubaker - Trustee

OUR DAILY BREAD MINISTRIES TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	20	195,121	326,291
Net cash provided by operating activities		195,121	326,291
Cash flows from investing activities			
Purchase of tangible fixed assets		(17,487)	(8,139)
Sale of tangible fixed assets		291,063	-
Interest received		71	112
Net cash provided by/(used in) investing activities		273,647	(8,027)
Change in cash and cash equivalents in the reporting period		468,768	318,264
Cash and cash equivalents at the beginning of the reporting period		504,980	186,716
Cash and cash equivalents at the end of the reporting period		973,748	504,980

The notes form part of these financial statements

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Indirect costs, including support and governance costs have been apportioned to the charity's activities using a basis consistent with the use of resources. For example, staff costs are apportioned by time spent, property costs by floor area and other costs by their usage.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% - 5% Straight line
Fixtures and fittings	- at varying rates on cost

Individual fixed assets costing £500 or more are recognised as assets and initially recorded at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Stocks

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

Stock is valued at the lower of cost and estimated selling price less costs to sell, after due regard for slow moving and obsolete stocks. Cost is determined using the first-in, first-out (FIFO) basis.

Taxation

The charity is exempt from 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.

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

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

Going concern

There are no material uncertainties regarding the charity's ability to continue as a going concern.

Government grants

The company receives government grants. These grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

2. Donations and legacies

	2021 £	2020 £
Donations	1,615,893	1,438,380
Gift aid	123,622	115,764
Legacies	91,761	150,016
	<u>1,831,276</u>	<u>1,704,160</u>

3. Investment income

	2021 £	2020 £
Deposit account interest	<u>71</u>	<u>112</u>

4. Income from charitable activities

	Activity	2021 £	2020 £
Christian literature	Christian literature	287,959	236,458
International support	International ministry	15,820	17,557
		<u>303,779</u>	<u>254,015</u>

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

5. Other income

	2021 £	2020 £
Income from Our Daily Bread Ministries (USA)	-	193,550
Information systems staff support	75,015	91,316
Job retention scheme	2,805	26,207
	<u>77,820</u>	<u>311,073</u>

6. Charitable activities costs

	Direct Costs £	Support costs (see note 7) £	Totals £
Christian literature	361,941	(18,219)	343,722
International ministry	442,442	6,244	448,686
Biblical literature	1,060,540	(28,267)	1,032,273
	<u>1,864,923</u>	<u>(40,242)</u>	<u>1,824,681</u>

7. Support costs

	Finance £	Other £	Governance costs £	Totals £
Christian literature	5,983	(23,718)	(484)	(18,219)
International ministry	-	6,728	(484)	6,244
Biblical literature	13,824	(51,829)	9,738	(28,267)
	<u>19,807</u>	<u>(68,819)</u>	<u>8,770</u>	<u>(40,242)</u>

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

9. Staff costs

	2021	2020
	£	£
Wages and salaries	640,823	595,930
Social security costs	46,743	46,004
Other pension costs	27,532	23,431
	<u>715,098</u>	<u>665,365</u>

The average monthly number of employees during the year was 26 (2020 - 25).

The number of employees whose emoluments fell within the £70,001 - £80,000 band was 1 (2020 - 1).

During the year the total remuneration paid in respect of key management personnel was £165,333 (2020 - £154,360).

10. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fund £	Total funds £
Income and endowments from			
Donations and legacies	1,704,160	-	1,704,160
Charitable activities			
Christian literature	236,458	-	236,458
International ministry	17,557	-	17,557
Investment income	112	-	112
Other income	311,073	-	311,073
Total	<u>2,269,360</u>	<u>-</u>	<u>2,269,360</u>
Expenditure on			
Charitable activities			
Christian literature	309,787	-	309,787
International ministry	414,511	-	414,511
Biblical literature	1,212,761	-	1,212,761
Total	<u>1,937,059</u>	<u>-</u>	<u>1,937,059</u>
NET INCOME	<u>332,301</u>	<u>-</u>	<u>332,301</u>
Reconciliation of funds			
Total funds brought forward	1,009,659	-	1,009,659
Total funds carried forward	<u>1,341,960</u>	<u>-</u>	<u>1,341,960</u>

OUR DAILY BREAD MINISTRIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Foreign currency

The foreign exchange losses recognised in net income/expenditure during the year were £5,040 (2020 - £5,358).

12. Tangible fixed assets

	Long leasehold £	Fixtures and fittings £	Totals £
Cost			
At 1 January 2021	1,106,234	279,217	1,385,451
Additions	-	17,487	17,487
Disposals	(303,500)	(43,638)	(347,138)
At 31 December 2021	802,734	253,066	1,055,800
Depreciation			
At 1 January 2021	373,112	228,371	601,483
Charge for year	23,989	19,679	43,668
Eliminated on disposal	(215,991)	(40,333)	(256,324)
At 31 December 2021	181,110	207,717	388,827
Net book value			
At 31 December 2021	621,624	45,349	666,973
At 31 December 2020	733,122	50,846	783,968

13. Stocks

	2021 £	2020 £
Stocks	89,917	78,574

14. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	396	2,156
Other debtors	47,667	51,622
Prepayments and accrued income	34,970	40,380
	83,033	94,158

OUR DAILY BREAD MINISTRIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	33,271	33,799
Social security and other taxes	12,919	13,722
VAT	6,105	4,280
Other creditors	18,881	27,755
Accrued expenses	12,270	40,164
	<u>83,446</u>	<u>119,720</u>

16. Analysis of net assets between funds

	Unrestricted fund	Restricted fund	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	666,973	-	666,973	783,968
Current assets	1,146,698	-	1,146,698	677,712
Current liabilities	(83,446)	-	(83,446)	(119,720)
	<u>1,730,225</u>	<u>-</u>	<u>1,730,225</u>	<u>1,341,960</u>

17. Movement in funds

	At 1/1/21	Net movement in funds	At 31/12/21
	£	£	£
Unrestricted funds			
General fund	1,341,960	388,265	1,730,225
TOTAL FUNDS	<u>1,341,960</u>	<u>388,265</u>	<u>1,730,225</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	2,212,946	(1,824,681)	388,265
TOTAL FUNDS	<u>2,212,946</u>	<u>(1,824,681)</u>	<u>388,265</u>

OUR DAILY BREAD MINISTRIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Movement in funds - continued

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	1,009,659	332,301	1,341,960
TOTAL FUNDS	<u>1,009,659</u>	<u>332,301</u>	<u>1,341,960</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,269,360	(1,937,059)	332,301
TOTAL FUNDS	<u>2,269,360</u>	<u>(1,937,059)</u>	<u>332,301</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/20 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
General fund	1,009,659	720,566	1,730,225
TOTAL FUNDS	<u>1,009,659</u>	<u>720,566</u>	<u>1,730,225</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,482,306	(3,761,740)	720,566
TOTAL FUNDS	<u>4,482,306</u>	<u>(3,761,740)</u>	<u>720,566</u>

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

18. Employee benefit obligations

The charity operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the charity to the scheme and amounted to £27,532 (2020 - £23,431).

Contributions totalling £18,881 (2020 - £27,755) were payable to the scheme at the end of the year and are included in other creditors.

19. Related party disclosures

During the year the charity purchased literature, books and sundry items amounting to £34,459 (2020: £66,575) from Our Daily Bread Ministries (USA), an organisation based in the USA in which Mr R DeHaan is a trustee. During the year the charity received £nil (2020 - £193,550) of support from Our Daily Bread Ministries (USA), which was recognised in other income. At the year end the charity was owed £18,289 (2020: £25,954) from Our Daily Bread Ministries (USA).

During the year the charity provided funds of £1,163 (2020: £560) to Our Daily Bread Ministries Ireland, an organisation based in Ireland in which Mr S Mitchell is a trustee and Mr B Watts is a board member, both of whom are also key management members of the charity.

During the year the charity provided funds of £52,381 (2020: £81,406) to Our Daily Bread E.V, an organisation based in Germany whose board members include key management of the UK charity. The charity also provided goods and services to Our Daily Bread E.V, for the sum of £15,785 (2020: £17,504). At the year end the charity was owed £8,511 (2020: £12,767) by Our Daily Bread E.V.

20. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	388,265	332,301
Adjustments for:		
Depreciation charges	43,668	52,723
Profit on disposal of fixed assets	(200,249)	-
Interest received	(71)	(112)
Increase in stocks	(11,343)	(24,008)
Decrease/(increase) in debtors	11,125	(23,424)
Decrease in creditors	(36,274)	(11,189)
Net cash provided by operations	<u>195,121</u>	<u>326,291</u>

21.. Analysis of changes in net funds

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	504,980	468,768	973,748
	<u>504,980</u>	<u>468,768</u>	<u>973,748</u>
Total	<u>504,980</u>	<u>468,768</u>	<u>973,748</u>

OUR DAILY BREAD MINISTRIES TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Donations	1,615,893	1,438,380
Gift aid	123,622	115,764
Legacies	91,761	150,016
	<u>1,831,276</u>	<u>1,704,160</u>
Investment income		
Deposit account interest	71	112
Charitable activities		
International support	15,820	17,557
Christian literature	287,959	236,458
	<u>303,779</u>	<u>254,015</u>
Other income		
Income from Our Daily Bread Ministries (USA)	-	193,550
Information systems staff support	75,015	91,316
Job retention scheme	2,805	26,207
	<u>77,820</u>	<u>311,073</u>
Total incoming resources	<u>2,212,946</u>	<u>2,269,360</u>
Expenditure		
Charitable activities		
Wages	634,266	595,930
Social security	46,743	46,004
Pensions	27,532	23,431
Purchase of literature for distribution	265,150	355,380
Purchase of books, CDs, DVDs and calendars	188,639	130,445
VAT on overheads	-	44
VAT paid on building	676	2,371
Bible conference and presentations	13,536	16,542
Freight and carriage	335,922	284,445
Subcontracted mailing services	21,185	19,809
International ministry expenses	322,835	301,961
Private health insurance	1,881	1,323
Staff training	6,558	4,308
	<u>1,864,923</u>	<u>1,781,993</u>
Support costs		

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OUR DAILY BREAD MINISTRIES TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Support costs		
Finance		
Bank charges	19,807	15,384
Other		
Rates and water	10,521	9,972
Insurance	5,356	3,962
Light and heat	6,668	6,683
Telephone	5,147	5,266
Stationery and photocopying	9,405	6,724
Sundries	10,270	6,758
Maintenance	17,989	16,330
Computer maintenance	11,993	11,107
Travel and subsistence	5,375	6,894
Foreign currency (gains)/losses	5,040	5,358
Depreciation of long leasehold property	23,988	30,057
Depreciation of fixtures and fittings	19,678	22,666
(Profit)/loss on sale of tangible fixed assets	(200,249)	-
	<u>(68,819)</u>	<u>131,777</u>
Governance costs		
Audit fees	6,778	6,559
Legal and professional fees	1,992	1,346
	<u>8,770</u>	<u>7,905</u>
Total resources expended	<u>1,824,681</u>	<u>1,937,059</u>
Net income	<u><u>388,265</u></u>	<u><u>332,301</u></u>

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