

**OUR DAILY BREAD MINISTRIES TRUST
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2017**

Scott & Wilkinson LLP
Chartered Accountants and Registered Auditors
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

OUR DAILY BREAD MINISTRIES TRUST

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 to 20
Detailed Statement of Financial Activities	21 to 22

OUR DAILY BREAD MINISTRIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2017

Trustees

Mr R W DeHaan
Mr A Plowman
Mr P Baxendale
Mr D Mills

Principal address

Unit 4
Shoreline Business Park
Sandside
MILNTHORPE
LA7 7BF

Registered charity number

327384

Auditors

Scott & Wilkinson LLP
Chartered Accountants and Registered Auditors
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

Bankers

National Westminster Bank Plc
35 Bishopgate
LONDON
EC2M 3UR

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2017. 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 2015).

Objectives and activities

- Epitome of governing document

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 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.

- Aims of the charity

The advancement and propagation of the Christian Faith through public proclamation, and through the free distribution of Daily Devotional Materials and Biblical teaching resources through Study Booklets, Radio broadcasting, television programmes, Audio and Visual teaching DVD's/CD's 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 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 Our Daily Journey devotionals to encourage people to read the Word of God.
- Publication and distribution in print and digitally of Discovery Series booklets to provide a better understanding of Scripture and its practical application.
- Publication and distribution in print and digitally of Our Daily Bread Occasions, 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 to help people in their walk with our Lord Jesus Christ.
- Organising Bible conferences.

- Main objectives for the year ended 31 December 2017

- To continue "making the life changing wisdom of the Bible understandable and accessible to all".
- To continue introducing new resources to meet needs:
 - Looking Deeper titles
 - Looking at Life' resources (3 new titles)
 - Publish Teen Annual volume 2
 - Update and republish Jesus Journey To The Cross for Easter 2018
 - Exhibit and distribute materials at "The Big Church Day Out" and the "One Event"
 - Compile 10 day Easter ODB for Kids and other children's resources
 - Carry out an Active Renewal for Our Daily Bread Large Print in English
- To further develop digital resources and communications:
 - Stories of God at Work video/text
 - Digital content for the military website and investigate a SASRA/ODB military App
 - Youth resources in digital format including an Our daily Bread Teen mobile application
 - Grow social media 'likes' and increase engagement
 - Grow digital communications and use of the our daily bread mobile application
- To hold two Bible Conferences in London and Liverpool, and a Women's Conference in London

Achievement and performance

We praise God that He continues to use Our Daily Bread Ministries in Europe, and we continue to prayerfully seek his direction for the future.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017**

Achievement and performance (continued)

From the inauguration of President Trump in January to snap election in June and the UK Government's Brexit "breakthrough" in December, 2017 has seen continuing shifts in the political and cultural landscape nationally and globally. It's a year which will not be forgotten quickly by the UK, which endured four terror attacks and the devastating Grenfell Tower fire all within a three-month period, all against a global backdrop of political change, natural disasters and continuing conflict.

Production of audio and visual resources has continued. The in house recording studio has been used to produce German ODB audio using a German speaking volunteer based in the UK. Eight Looking Deeper Series titles have been made available in audio format. Video resources were produced to support the Bible Conferences and the Events the ministry attended in the summer. Six stories of God resources were completed; three in video format two in written format.

During the year distribution of the Teen Annual Volume 2 started. Both volumes of the Teen Annual were particularly well received at the conventions we attended. At Keswick Convention, One Event and Big Church Day Out it was a resource which generated much interest to the extant 'word of mouth' promotion brought many additional visitors to our stands.

Work with the UK military continues with the chaplaincy team at Catterick Garrison and all the infantry recruits in training at the Catterick Garrison are referred to the Military Website during training. Towards the end of the year we received an invitation to ORSLT Conference (Operational Religious Support Leadership Training Conference) an annual conference held for US military chaplains in Garmisch, Germany. It is hoped this will provide additional opportunities to provides resources to the US military in Coordination with other Our Daily Bread offices globally.

The development of new digital resources and making existing resources available through websites and mobile applications has continued. Engagement on social media platforms has increased and the campaign we ran in Facebook for photos for the Readers Calendar again produced a good response and many good images which the wider ODB Ministry has the right to use.

The Looking Deeper series offers Bible teaching for Christians. They are designed to be accessible to both the new Christian or a mature believer. These booklets are quick and easy to read, offering accessible and engaging introductions and explanations about tough subjects.

2017 saw additional titles being added to the Looking Deeper series which addresses issue:

What is worship?
How can we stop work becoming an idol?
How can I respond to Terrorism?

Looking at Life is a 'conversation starter' series which addresses relevant topics and questions being asked in the world around us. These booklets don't assume knowledge of the Bible or church, and they use 'everyday' language to tackle everyday issues, whilst introducing readers to the Person of Jesus Christ. Looking At Life Series additions were:

Should we care about Easter?
Help - I can't face tomorrow
Money - why is it never enough?
What does it take to be happy?
Where is my dream job?
Why in the world is there suffering?
What can I do with my worry?
What's the best gift you'll get this Christmas?

What's the best gift you'll get this Christmas? was offered with the October letter. Jesus Journey to the Cross, a lent devotional was updated during the year and will be offered with the 2018 January Letter.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

Achievement and performance (continued)

The UK Media Club continued to distribute resources throughout 2017. The following new titles were made available:

DVDs

Hope for the Gentiles

My utmost for His Highest

What Jesus said about God and the bible

CDs

Meeting the King

Psalms for the Journey (2017 Bible Conference talks)

Looking Deeper at.... (Four Looking Deeper Series audio recordings)

Throughout the year connections have continued to be made with churches in the UK. The church ministry team has continued to visit different churches to share how Our Daily Bread Ministries can serve them, and we have been able to support many of their events, meetings and outreach with our resources. In addition the ministry exhibited and distributed its resources at The Big Church Day out, The One Event and Keswick Convention and Capernwray Bible School.

In March we held a Bible Conferences at Bridge Chapel Liverpool and at Westminster Chapel (London), attended by approximately 1000 people. The theme was 'Psalms for the Journey' and Our Daily Bread Ministries' Bible teacher Rev Bill Crowder was again warmly received. We were given very positive feedback from those who attended the conference. Audio recordings of the talks were made available on the ministry website and Audio CD's made available after the conference for all who requested a copy.

- 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.

Financial review

Total incoming resources for the year were £1,698,796 compared to £2,346,735 for the previous year. Income for the year to 31 December 2017 was 27.6% below the total for the same period in the previous year. Income from legacies and bequests in 2017 was reduced. Underlying donations were 9.1% below the previous year. Total resources expended for the year to 31 December 2017 were £1,935,714 compared to £1,826,465 for the previous year. Consequently net outgoing resources (before investment gains or losses) in the year to 31 December 2017 were £236,918 compared incoming resources in the previous year of £520,270.

The net assets of the charity were £1,226,560 at 31 December 2017 compared to £1,463,478 at 31 December 2016.

- 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.

Total unrestricted reserves held at the year end amounted to £1,226,560. The charity held no restricted reserves.

Further details are given in Note 16 to the financial statements.

The trustees' target level of free reserves is £700,000. At 31 December 2017 the actual level of free reserves was £960,707 (2016 - £1,203,187). The trustees will take steps during future periods to maintain free reserves at an amount similar to the target level.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017**

Financial review (continued)

- Investment policy

Our Daily Bread Ministries Trust has a policy to maintain reserves for the purposes given above. The reserves are to be invested in conservative financial instruments that will provide a reasonable return on the funds.

Investment criteria

- Protection and availability of the funds invested
- Growth of reserves to assist in expansion of the ministry.

Goals:

- Safety
- Liquidity
- Earning above inflation

The investment policy and performance against the policy is to be reviewed at each board meeting with management instructed to carry out any recommended changes as to the investment instruments. The trustees were satisfied with the performance of the investments in the year.

Future plans

- To continue "making the life changing wisdom of the Bible understandable and accessible to all".
- To continue introducing new resources to meet needs:
 - Looking Deeper titles
 - Looking at Life' resources
 - Introduce the Journey Through series subscription
 - Increase the number of 'Quantity Distributors' with targeted mailing and Facebook campaign
 - Teen Annual volume 3
 - Exhibit and distribute materials at "The Big Church Day Out" and the "One Event"
 - Offer the Easter devotional Jesus Journey to the Cross
- To further develop digital resources and communications:
 - Stories of God at Work videos
 - Digital content for the military website
 - Youth resources in digital format including an Our Daily Bread Teen mobile application
 - Grow social media 'likes' and increase engagement
 - Grow digital communications and use of the our daily bread mobile application
- To hold two Bible Conferences in London and Liverpool, and a Women's Conference in London.

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.

- Policy and procedures for the training and induction of trustees

All of the trustees of Our Daily Bread Ministries Trust have been or are trustees in other organisations and are experienced in the operations of such organisations. As part of the induction process all the trustees are taken through the Trust Deed and the structure, policies and objectives of the Trust.

- Organisational structure of the ministry

The trustees of the charity normally meet annually in the spring to review and approve plans, and budget for the year, convene the Annual General Meeting, and to monitor the progress of the ministry. The ministry is managed by the Executive Director who is given authority by, and is accountable to, the trustees for the operation of the ministry in accordance with the plan and budget. Any significant change from the approved plan or budget is brought to the trustees for their approval. The trustees do not normally get involved in the day-to-day operation of the ministry. However, the Executive Director is in regular contact with a majority of the trustees throughout the year regarding the delivery of the agreed objectives in the plan and budget.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2017

Structure, governance and management (continued)

- Relationship of the charity to other Our Daily Bread offices

The ministry of Our Daily Bread operates offices in over 30 countries around the world, with the President of Our Daily Bread globally located in Grand Rapids, Michigan, USA. We are a network of independently constituted but interdependent ministry offices and we operate in such a way as to capitalise on the unique strengths of each office to most effectively carry forward the mission entrusted to us. This mission is "To make the life changing wisdom of the Bible understandable and accessible to all". For this reason we maintain relationships with other Our Daily Bread ministry offices for mutual support and encouragement. Much of our printing takes place through the UK, Malaysian and Indonesian Our Daily Bread offices. Graphics design work takes place in Our Daily Bread UK, Singapore and the USA, and our Technology Systems support comes from in house staff, Indonesia, Singapore and the USA. In addition to the UK based team member, Technology Support staff provide support remotely, and 'experts' will visit the UK office as required. There often may be transfers of funds or loaning of staff or expertise between Our Daily Bread offices either to pay for services or to give support when needed.

- Relationship of the charity to other ministries

The global nature of the work makes it difficult for one charity to address all the needs and opportunities, which arise as God's plan for the nations unfold. For this reason we work with other ministries to cooperate in providing either publication rights, ministry materials or funding to help extend the reach of Our Daily Bread. Normally these partners operate in countries or in languages where we have no immediate plans to set up Our Daily Bread operations. These relationships are governed by agreements which are subject to renewal each year. In Europe we currently have ongoing ministry partner relationships in Croatia, Bulgaria, Romania, Slovakia, Czech Republic, Hungary, Greece, Sweden and Azerbaijan.

- Risk management

The trustees have examined the major strategic, financial and operational risks that the charity faces and confirm that plans have been put in place to mitigate the potential impact of these risks.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish the Charity's auditor is aware of that information. The trustees confirm there is no relevant information that they know of and of which the auditor is unaware.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

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".

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 18 June 2018 and signed on its behalf by:

Mr R W DeHaan - 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 2017 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 2017 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 the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 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, 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 Act 2011 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

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.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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.

Scott & Wilkinson LLP

Scott & Wilkinson LLP

Chartered Accountants and Registered Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Dalton House

9 Dalton Square

LANCASTER

LA1 1WD

Date: ~~21~~ June 2018

OUR DAILY BREAD MINISTRIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted fund £	Restricted fund £	2017 Total funds £	2016 Total funds £
Income and endowments from					
Donations and legacies	2	1,456,881	5,673	1,462,554	2,124,024
Charitable activities	4				
Christian literature		194,540	-	194,540	198,914
International ministry		41,522	-	41,522	21,798
Investment income	3	<u>180</u>	<u>-</u>	<u>180</u>	<u>1,999</u>
Total		<u>1,693,123</u>	<u>5,673</u>	<u>1,698,796</u>	<u>2,346,735</u>
Expenditure on					
Charitable activities	5				
Christian literature		188,441	-	188,441	208,558
International ministry		430,397	6,414	436,811	436,534
Biblical literature		<u>1,310,462</u>	<u>-</u>	<u>1,310,462</u>	<u>1,181,373</u>
Total		<u>1,929,300</u>	<u>6,414</u>	<u>1,935,714</u>	<u>1,826,465</u>
Net income/(expenditure)		<u>(236,177)</u>	<u>(741)</u>	<u>(236,918)</u>	<u>520,270</u>
Reconciliation of funds					
Total funds brought forward		<u>1,462,737</u>	<u>741</u>	<u>1,463,478</u>	<u>943,208</u>
Total funds carried forward		<u><u>1,226,560</u></u>	<u><u>-</u></u>	<u><u>1,226,560</u></u>	<u><u>1,463,478</u></u>

Continuing operations

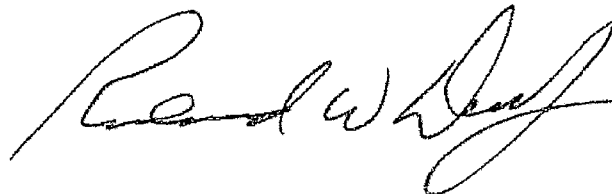
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

OUR DAILY BREAD MINISTRIES TRUST

BALANCE SHEET
AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	265,853	259,550
Current assets			
Stocks	13	64,307	65,044
Debtors	14	47,722	144,190
Cash at bank and in hand		985,904	1,090,079
		1,097,933	1,299,313
Creditors			
Amounts falling due within one year	15	(137,226)	(95,385)
Net current assets		960,707	1,203,928
Total assets less current liabilities		1,226,560	1,463,478
Net assets		1,226,560	1,463,478
Funds	17		
Unrestricted funds		1,226,560	1,462,737
Restricted funds		-	741
Total funds		1,226,560	1,463,478



The financial statements were approved by the Board of Trustees on 18 June 2018 and were signed on its behalf by:

Mr R W DeHaan -Trustee

The notes form part of these financial statements

OUR DAILY BREAD MINISTRIES TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	20	<u>(62,550)</u>	<u>502,200</u>
Net cash provided by (used in) operating activities		<u>(62,550)</u>	<u>502,200</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(49,605)	(28,292)
Sale of tangible fixed assets		7,800	(2)
Interest received		<u>180</u>	<u>1,999</u>
Net cash provided by (used in) investing activities		<u>(41,625)</u>	<u>(26,295)</u>
 Change in cash and cash equivalents in the reporting period		 (104,175)	 475,905
Cash and cash equivalents at the beginning of the reporting period		<u>1,090,079</u>	<u>614,174</u>
 Cash and cash equivalents at the end of the reporting period		 <u><u>985,904</u></u>	 <u><u>1,090,079</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 2015)', 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	- 5% Straight line
Fixtures and fittings	- 25% Straight line

Individual fixed assets costing £500 or more are recognised as assets and initially recorded at cost.

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

2. Donations and legacies

	2017	2016
	£	£
Donations	1,175,624	1,397,277
Gift aid	105,400	106,076
Legacies	181,530	620,671
	<u>1,462,554</u>	<u>2,124,024</u>

3. Investment income

	2017	2016
	£	£
Deposit account interest	<u>180</u>	<u>1,999</u>

4. Income from charitable activities

	2017	2016
Activity	£	£
Christian literature	194,540	198,914
International ministry	<u>41,522</u>	<u>21,798</u>
	<u>236,062</u>	<u>220,712</u>

5. Charitable activities costs

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Christian literature	169,307	19,134	188,441
International ministry	415,988	20,823	436,811
Biblical literature	<u>1,191,830</u>	<u>118,632</u>	<u>1,310,462</u>
	<u>1,777,125</u>	<u>158,589</u>	<u>1,935,714</u>

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Support costs

	Finance	Other	Governance costs	Totals
	£	£	£	£
Christian literature	698	17,832	604	19,134
International ministry	2,788	16,440	1,595	20,823
Biblical literature	<u>10,456</u>	<u>101,740</u>	<u>6,436</u>	<u>118,632</u>
	<u>13,942</u>	<u>136,012</u>	<u>8,635</u>	<u>158,589</u>

7. Auditors' remuneration

The auditors' remuneration for the year in respect of the audit of the financial statements was £6,120 (2016 - £5,964).

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2017 nor for the year ended 31 December 2016.

9. Staff costs

	2017	2016
	£	£
Wages and salaries	492,109	514,788
Social security costs	38,934	39,201
Other pension costs	<u>27,163</u>	<u>19,955</u>
	<u>558,206</u>	<u>573,944</u>

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

	2017	2016
	<u>24</u>	<u>22</u>
Average number of staff		

The number of employees whose emoluments fell within the £60,001 - £70,000 band was 1 (2016 - 1).

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

10. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fund £	Total funds £
Income and endowments from			
Donations and legacies	2,123,283	741	2,124,024
Charitable activities			
Christian literature	198,914	-	198,914
International ministry	21,798	-	21,798
Investment income	<u>1,999</u>	<u>-</u>	<u>1,999</u>
Total	2,345,994	741	2,346,735
Expenditure on			
Charitable activities			
Christian literature	208,558	-	208,558
International ministry	436,534	-	436,534
Biblical literature	<u>1,181,373</u>	<u>-</u>	<u>1,181,373</u>
Total	1,826,465	-	1,826,465
Net income/(expenditure)	519,529	741	520,270
Reconciliation of funds			
Total funds brought forward	943,208	-	943,208
Total funds carried forward	<u>1,462,737</u>	<u>741</u>	<u>1,463,478</u>

11. Foreign currency

The foreign exchange gains recognised in net income/expenditure during the year were £1,174 (2016 - £200).

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

12. Tangible fixed assets

	Long leasehold £	Fixtures and fittings £	Totals £
Cost			
At 1 January 2017	445,164	198,487	643,651
Additions	-	49,605	49,605
Disposals	-	(24,197)	(24,197)
At 31 December 2017	<u>445,164</u>	<u>223,895</u>	<u>669,059</u>
Depreciation			
At 1 January 2017	222,427	161,674	384,101
Charge for year	22,258	21,044	43,302
Eliminated on disposal	-	(24,197)	(24,197)
At 31 December 2017	<u>244,685</u>	<u>158,521</u>	<u>403,206</u>
Net book value			
At 31 December 2017	<u>200,479</u>	<u>65,374</u>	<u>265,853</u>
At 31 December 2016	<u>222,737</u>	<u>36,813</u>	<u>259,550</u>

13. Stocks

	2017 £	2016 £
Stocks	<u>64,307</u>	<u>65,044</u>

14. Debtors: amounts falling due within one year

	2017 £	2016 £
Other debtors	39,786	133,832
Prepayments and accrued income	<u>7,936</u>	<u>10,358</u>
	<u>47,722</u>	<u>144,190</u>

15. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	60,203	17,906
Social security and other taxes	13,722	10,556
VAT	6,234	7,894
Other creditors	44,097	40,950
Accrued expenses	<u>12,970</u>	<u>18,079</u>
	<u>137,226</u>	<u>95,385</u>

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

16. Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	2017 Total funds £	2016 Total funds £
Fixed assets	265,853	-	265,853	259,550
Current assets	1,097,933	-	1,097,933	1,299,313
Current liabilities	(137,226)	-	(137,226)	(95,385)
	<u>1,226,560</u>	<u>-</u>	<u>1,226,560</u>	<u>1,463,478</u>

17. Movement in funds

	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
Unrestricted funds			
General fund	1,462,737	(236,177)	1,226,560
Restricted funds			
International funds	741	(741)	-
TOTAL FUNDS	<u>1,463,478</u>	<u>(236,918)</u>	<u>1,226,560</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,693,123	(1,929,300)	(236,177)
Restricted funds			
International funds	5,673	(6,414)	(741)
TOTAL FUNDS	<u>1,698,796</u>	<u>(1,935,714)</u>	<u>(236,918)</u>

OUR DAILY BREAD MINISTRIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. Movement in funds - continued

Comparatives for movement in funds

	At 1/1/16 £	Net movement in funds £	At 31/12/16 £
Unrestricted Funds			
General fund	943,208	519,529	1,462,737
Restricted Funds			
International funds	-	741	741
TOTAL FUNDS	<u>943,208</u>	<u>520,270</u>	<u>1,463,478</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,345,994	(1,826,465)	519,529
Restricted funds			
International funds	741	-	741
TOTAL FUNDS	<u>2,346,735</u>	<u>(1,826,465)</u>	<u>520,270</u>

18. Pension commitments

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 £27,163 (2016 - £19,955).

Contributions totalling £33,364 (2016 - £23,981) were payable to the scheme at the end of the year and are included in other creditors.

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

19. Related party disclosures

During the year the charity purchased literature, books and sundry items amounting to £43,783 (2016: £51,713) from Our Daily Bread Ministries (USA), an organisation based in the USA in which Mr R DeHaan is a trustee. In addition the charity received contributions and gifts from Our Daily Bread Ministries (USA) amounting to £9,183 (2016: £7,580). At the year end the charity owes £10,733 (2016: £16,968) to Our Daily Bread Ministries (USA).

During the year the charity provided funds of £47,503 (2016: £86,856) to Religious Mission Our Daily Bread, an organisation based in Belarus in which Mr K Gregory is a trustee. These funds were to support the ministry in that country.

During the year the charity provided funds of £45,252 (2016: £88,551) to Christian Mission Our Daily Bread, an organisation based in Ukraine in which Mr K Gregory is a trustee. These funds were to support the ministry in that country.

During the year the charity provided funds of £13,873 (2016: £nil) to Our Daily Bread Ministries Ireland, an organisation based in Ireland in which Mr K Gregory is a trustee.

During the year the charity provided funds of £40,803 (2016: £nil) to Our Daily Bread E.V, an organisation based in Germany in which Mr K Gregory is a trustee. In addition the charity provided goods and services to Our Daily Bread E.V, amounting to £18,718 (2016: £21,798). At the year end the charity is owed £4,170 (2016: £3,719) by Our Daily Bread E.V.

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(236,918)	520,270
Adjustments for:		
Depreciation charges	43,302	39,101
(Profit)/loss on disposal of fixed assets	(7,800)	2
Interest received	(180)	(1,999)
Decrease/(increase) in stocks	737	(2,068)
Decrease/(increase) in debtors	96,467	(63,409)
Increase in creditors	<u>41,842</u>	<u>10,303</u>
Net cash provided by (used in) operating activities	<u>(62,550)</u>	<u>502,200</u>

OUR DAILY BREAD MINISTRIES TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Income and endowments		
Donations and legacies		
Donations	1,175,624	1,397,277
Gift aid	105,400	106,076
Legacies	<u>181,530</u>	<u>620,671</u>
	1,462,554	2,124,024
Investment income		
Deposit account interest	180	1,999
Charitable activities		
International support	41,522	21,798
Christian literature	<u>194,540</u>	<u>198,914</u>
	<u>236,062</u>	<u>220,712</u>
Total incoming resources	1,698,796	2,346,735
Expenditure		
Charitable activities		
Wages	492,109	514,788
Social security	38,934	39,201
Pensions	27,163	19,955
Purchase of literature for distribution	398,827	275,675
Purchase of books, CDs, DVDs and calendars	95,486	108,763
VAT on overheads	4,514	4,889
VAT paid on building	4,547	4,639
Bible conference and presentations	38,235	19,233
Freight and carriage	320,423	340,874
Subcontracted mailing services	17,479	22,521
International ministry expenses	336,623	316,872
Private health insurance	1,536	1,557
Staff training	<u>1,249</u>	<u>990</u>
	1,777,125	1,669,957
Support costs		
Finance		
Bank charges	13,942	15,041
Other		
Rates and water	4,681	4,598
Insurance	3,112	1,455
Light and heat	5,178	5,267
Carried forward	<u>12,971</u>	<u>11,320</u>

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OUR DAILY BREAD MINISTRIES TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	£	£
Other		
Brought forward	12,971	11,320
Telephone	7,036	7,357
Stationery and photocopying	6,304	6,974
Sundries	23,596	20,142
Maintenance	14,202	13,728
Computer maintenance	15,984	11,901
Travel and subsistence	21,591	25,158
Foreign currency (gains)/losses	(1,174)	(200)
Depreciation of freehold property	22,258	22,258
Depreciation of fixtures and fittings	21,044	16,843
(Profit)/loss on sale of tangible fixed assets	(7,800)	2
	136,012	135,483
Governance costs		
Audit fees	6,120	5,964
Legal and professional fees	2,515	20
	8,635	5,984
Total resources expended	1,935,714	1,826,465
Net (expenditure)/income	(236,918)	520,270

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