

REGISTERED CHARITY NUMBER: 327384

**OUR DAILY BREAD MINISTRIES TRUST
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2018**

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

OUR DAILY BREAD MINISTRIES TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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OUR DAILY BREAD MINISTRIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2018

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

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report with the financial statements of the charity for the year ended 31 December 2018. 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

- Eptome 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 2018

- 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

Achievement and performance

We are thankful to God for the ways we have been able to serve him though Our Daily Bread Europe and we continue to pray for his direction and guidance in the future

A royal wedding, a royal baby and even a good run in the football World Cup for England in 2018 are all over shadowed by one thing. The apparent inability of the UK Parliament to come to a consensus on the process and agreements necessary for the UK to leave the European Union.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

Achievement and performance

Production of audio and visual resources has continued. Further Looking Deeper Series titles have been made available in audio format. Additional 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 3 started. All volumes of the Teen Annual continue to be well received at the conventions we attended. At Keswick Convention, One Event and Big Church Day Out. The Teen Annual is a resource which generated much interest to the extent '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 where they can request print copies of the Military Annual.

In January 2018 Our Daily Bread attended the ORSLT Conference (Operational Religious Support Leadership Training Conference) an annual conference held for US military chaplains in Garmisch, Germany. Our Daily Bread was able to present to the conference, and the reception we received exceeded all expectation. It was agreed to produce a US version of the Military Annual and it is hoped to have this available in early 2019.

The development of new digital resources and making existing resources available through websites and mobile applications has continued. Engagement on social media platforms has further increased.

Subscription to the Journey Through series was introduced in 2018, following the withdrawal of the Our Daily Journey devotional

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

2018 saw additional titles being added to the Looking Deeper series which addresses issue of:

What is the danger of comparing?

What does Christian marriage look like?

How can I face my trials?

What is the armour of God?

How do I fight temptation?

Is God the same in the Old & New Testament?

To judge or not to judge?

What does it mean to repent?

What is prayer?

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:

2018 World Cup

What is the Easter story?

Adapted titles in the Looking at Life series have been made available for the Christian Motorcycle Association (CMA) and also titles aimed at teenagers

CMA

Need a jump start?

What can I do with my worry?

A practical guide to staying alive

Obsession

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

Achievement and performance

Teenagers

What does it mean to be free?

Does going to church mean I am a Christian?

Are we meant for more than Instagram?

The UK Media Club continued to distribute resources throughout 2018. The following new titles were made available:

DVDs

In Pursuit of Paul the Apostle

Lord, I'm Yours: The Life of Billy Graham

In Pursuit of Peter the Apostle

CDs

Jesus: Word of Life!

Old Testament Basics

David: Warrior, Shepherd, Poet King (Bible Conference 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 multiple events at Capernwray Bible School.

In March we held a Bible Conference at Bridge Chapel Liverpool and at Westminster Chapel (London), attended by approximately 1100 people. The theme was 'David: Warrior, Shepherd, Poet King' and Our Daily Bread Ministries' Bible teacher Revd. 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 £1,670,016 compared to £1,698,796 for the previous year. Income for the year to 31 December 2018 was 1.7% below the total for the same period in the previous year. Income from legacies and bequests in 2018 was significantly reduced from the previous year. Underlying donations were 6.0% above the previous year. Total resources expended for the year to 31 December 2018 were £2,075,788 compared to £1,935,714 for the previous year. Consequently net outgoing resources (before investment gains or losses) in the year to 31 December 2018 were £405,772 compared to outgoing resources in the previous year of £236,918.

The net assets of the charity were £820,788 at 31 December 2018 compared to £1,226,560 at 31 December 2017.

- 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.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review

Total unrestricted reserves held at the year-end amounted to £820,788. The charity held no restricted reserves.

Further details are given in Note 17 to the financial statements.

The trustees' target level of free reserves is £700,000. At 31 December 2018 there were no free reserves as the charity has a net current liability of £72,201. This is due to the purchase and development of a new building in the year which is included in fixed assets. The charity plans to dispose of the previous building soon in order to return net current assets to a more stable position. The net current liability is also due to the receipt of a loan from Our Daily Bread (USA) which was provided to cover the cash flow implications of the property changes and has been included in current liabilities, as disclosed in note 20. The trustees are taking steps to return free reserves to an amount similar to the target level.

- 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.

Goal:

- 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
 - Increase the number and range of 'teen' material available
 - Increase the number of 'Quantity Distributors' with targeted mailing and Facebook campaign
 - Teen Annual volume 4
 - Exhibit and distribute materials at "Spring Harvest" and the "Keswick Convention"
- 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.

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.

OUR DAILY BREAD MINISTRIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

- 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.

- 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 2018

Statement of trustees' responsibilities

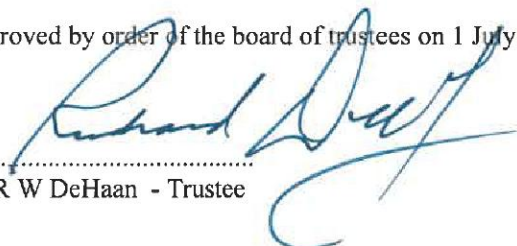
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard 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 1 July 2019 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 2018 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 2018 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, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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: 2 July 2019

OUR DAILY BREAD MINISTRIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted fund £	Restricted fund £	2018 Total funds £	2017 Total funds £
Income and endowments from					
Donations and legacies	2	1,424,640	-	1,424,640	1,462,554
Charitable activities	4				
Christian literature		214,483	-	214,483	194,540
International ministry		30,566	-	30,566	41,522
Investment income	3	<u>327</u>	<u>-</u>	<u>327</u>	<u>180</u>
Total		<u>1,670,016</u>	<u>-</u>	<u>1,670,016</u>	<u>1,698,796</u>
Expenditure on					
Charitable activities	5				
Christian literature		201,983	-	201,983	188,441
International ministry		520,879	-	520,879	436,811
Biblical literature		<u>1,352,926</u>	<u>-</u>	<u>1,352,926</u>	<u>1,310,462</u>
Total		<u>2,075,788</u>	<u>-</u>	<u>2,075,788</u>	<u>1,935,714</u>
Net income/(expenditure)		<u>(405,772)</u>	<u>-</u>	<u>(405,772)</u>	<u>(236,918)</u>
Reconciliation of funds					
Total funds brought forward		<u>1,226,560</u>	<u>-</u>	<u>1,226,560</u>	<u>1,463,478</u>
Total funds carried forward		<u><u>820,788</u></u>	<u><u>-</u></u>	<u><u>820,788</u></u>	<u><u>1,226,560</u></u>

The notes form part of these financial statements

OUR DAILY BREAD MINISTRIES TRUST**BALANCE SHEET
AT 31 DECEMBER 2018**

		2018	2017
	Notes	£	£
Fixed assets			
Tangible assets	12	892,989	265,854
Current assets			
Stocks	13	51,359	64,307
Debtors	14	97,147	47,722
Cash at bank and in hand		<u>242,100</u>	<u>985,903</u>
		390,606	1,097,932
Creditors			
Amounts falling due within one year	15	(462,807)	(137,226)
Net current assets/(liabilities)		<u>(72,201)</u>	<u>960,706</u>
Total assets less current liabilities		<u>820,788</u>	<u>1,226,560</u>
Net assets		<u>820,788</u>	<u>1,226,560</u>
Funds	18		
Unrestricted funds		820,788	1,226,560
Restricted funds		<u>-</u>	<u>-</u>
Total funds		<u>820,788</u>	<u>1,226,560</u>

The financial statements were approved by the Board of Trustees on 1 July 2019 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 2018**

		2018 £	2017 £
Cash flows from operating activities:	Notes		
Cash generated from operations	21	<u>(350,473)</u>	<u>(62,550)</u>
Net cash provided by (used in) operating activities		<u>(350,473)</u>	<u>(62,550)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(696,037)	(49,606)
Sale of tangible fixed assets		2,380	7,800
Interest received		<u>327</u>	<u>180</u>
Net cash provided by (used in) investing activities		<u>(693,330)</u>	<u>(41,626)</u>
Cash flows from financing activities:			
Loans received		<u>300,000</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>300,000</u>	<u>-</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(743,803)	(104,176)
Cash and cash equivalents at the beginning of the reporting period		<u>985,903</u>	<u>1,090,079</u>
Cash and cash equivalents at the end of the reporting period		<u><u>242,100</u></u>	<u><u>985,903</u></u>

The notes form part of these financial statements

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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.

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 £	2017 £
Donations	1,270,033	1,175,624
Gift aid	100,423	105,400
Legacies	<u>54,184</u>	<u>181,530</u>
	<u>1,424,640</u>	<u>1,462,554</u>

3. Investment income

	2018 £	2017 £
Deposit account interest	<u>327</u>	<u>180</u>

4. Income from charitable activities

Activity	2018 £	2017 £
Christian literature	214,483	194,540
International support	<u>30,566</u>	<u>41,522</u>
	<u>245,049</u>	<u>236,062</u>

5. Charitable activities costs

	Direct costs £	Support costs (See note 6) £	Totals £
Christian literature	180,839	21,144	201,983
International ministry	495,401	25,478	520,879
Biblical literature	<u>1,210,063</u>	<u>142,863</u>	<u>1,352,926</u>
	<u>1,886,303</u>	<u>189,485</u>	<u>2,075,788</u>

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

6. Support costs

	Finance £	Other £	Governance costs £	Totals £
Christian literature	677	19,900	567	21,144
International ministry	2,709	21,824	945	25,478
Biblical literature	<u>10,157</u>	<u>124,443</u>	<u>8,263</u>	<u>142,863</u>
	<u>13,543</u>	<u>166,167</u>	<u>9,775</u>	<u>189,485</u>

7. Auditors' remuneration

The auditors' remuneration for the year in respect of the audit of the financial statements was £6,300 (2017 - £6,120).

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the year ended 31 December 2017.

9. Staff costs

	2018 £	2017 £
Wages and salaries	505,092	492,109
Social security costs	39,784	38,934
Other pension costs	<u>12,455</u>	<u>27,163</u>
	<u>557,331</u>	<u>558,206</u>

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

	2018	2017
Average number of staff	<u>23</u>	<u>24</u>

The number of employees whose emoluments fell within the £60,001 - £70,000 band was 1 (2017 - 1).

During the year the total remuneration paid in respect of key management personnel was £120,938.

OUR DAILY BREAD MINISTRIES TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018****10. Comparatives for the statement of financial activities**

	Unrestricted fund £	Restricted fund £	Total funds £
Income and endowments from			
Donations and legacies	1,456,881	5,673	1,462,554
Charitable activities			
Christian literature	194,540	-	194,540
International ministry	41,522	-	41,522
Investment income	<u>180</u>	<u>-</u>	<u>180</u>
Total	1,693,123	5,673	1,698,796
Expenditure on			
Charitable activities			
Christian literature	188,441	-	188,441
International ministry	430,397	6,414	436,811
Biblical literature	<u>1,310,462</u>	<u>-</u>	<u>1,310,462</u>
Total	1,929,300	6,414	1,935,714
Net income/(expenditure)	(236,177)	(741)	(236,918)
Reconciliation of funds			
Total funds brought forward	1,462,737	741	1,463,478
Total funds carried forward	<u>1,226,560</u>	<u>-</u>	<u>1,226,560</u>

11. Foreign currency

The foreign exchange gains recognised in net income/expenditure during the year were £891 (2017 - £1,174).

OUR DAILY BREAD MINISTRIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Tangible fixed assets

	Long leasehold £	Fixtures and fittings £	Totals £
Cost			
At 1 January 2018	445,164	223,896	669,060
Additions	656,086	39,951	696,037
Disposals	-	(4,235)	(4,235)
At 31 December 2018	<u>1,101,250</u>	<u>259,612</u>	<u>1,360,862</u>
Depreciation			
At 1 January 2018	244,685	158,521	403,206
Charge for year	43,288	25,614	68,902
Eliminated on disposal	-	(4,235)	(4,235)
At 31 December 2018	<u>287,973</u>	<u>179,900</u>	<u>467,873</u>
Net book value			
At 31 December 2018	<u>813,277</u>	<u>79,712</u>	<u>892,989</u>
At 31 December 2017	<u>200,479</u>	<u>65,375</u>	<u>265,854</u>

13. Stocks

	2018 £	2017 £
Stocks	<u>51,359</u>	<u>64,307</u>

14. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	1,356	-
Other debtors	83,765	39,786
VAT	1,405	-
Prepayments and accrued income	<u>10,621</u>	<u>7,936</u>
	<u>97,147</u>	<u>47,722</u>

OUR DAILY BREAD MINISTRIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Creditors: amounts falling due within one year

	2018	2017
	£	£
Other loans (see note 16)	300,000	-
Trade creditors	86,312	60,203
Social security and other taxes	14,032	13,722
VAT	-	6,234
Other creditors	30,798	44,097
Accrued expenses	<u>31,665</u>	<u>12,970</u>
	<u>462,807</u>	<u>137,226</u>

16. Loans

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>300,000</u>	<u>-</u>

17. Analysis of net assets between funds

	Unrestricted fund	Restricted fund	2018 Total funds	2017 Total funds
	£	£	£	£
Fixed assets	892,989	-	892,989	265,854
Current assets	390,606	-	390,606	1,097,932
Current liabilities	<u>(462,807)</u>	<u>-</u>	<u>(462,807)</u>	<u>(137,226)</u>
	<u>820,788</u>	<u>-</u>	<u>820,788</u>	<u>1,226,560</u>

OUR DAILY BREAD MINISTRIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Movement in funds

	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
General fund	1,226,560	(405,772)	820,788
TOTAL FUNDS	<u>1,226,560</u>	<u>(405,772)</u>	<u>820,788</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,670,016	(2,075,788)	(405,772)
TOTAL FUNDS	<u>1,670,016</u>	<u>(2,075,788)</u>	<u>(405,772)</u>

Comparatives for 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>

Comparative 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 2018

19. 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 £12,455 (2017 - £27,163).

Contributions totalling £21,794 (2017 - £33,364) were payable to the scheme at the end of the year and are included in other creditors.

20. Related party disclosures

During the year the charity purchased literature, books and sundry items amounting to £26,396 (2017: £43,783) from Our Daily Bread Ministries (USA), an organisation based in the USA in which Mr R DeHaan is a trustee. The charity received contributions and gifts from Our Daily Bread Ministries (USA) amounting to £1,981 (2017: £9,183). During the year the charity received an interest free loan of £300,000. The repayment terms have not been formally agreed and therefore the charity has included this loan in current liabilities. At the year end the charity owes £309,004 (2017: £10,733) to Our Daily Bread Ministries (USA).

During the year the charity provided funds of £68,267 (2017: £47,503) 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 £60,089 (2017: £45,252) 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 £35,918 (2017: £13,873) 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 £40,781 (2017: £40,803) 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 £33,270 (2017: £18,718). At the year end the charity is owed £15,390 (2017: £4,170) by Our Daily Bread E.V.

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(405,772)	(236,918)
Adjustments for:		
Depreciation charges	68,902	43,302
Profit on disposal of fixed assets	(2,380)	(7,800)
Interest received	(327)	(180)
Decrease in stocks	12,948	737
(Increase)/decrease in debtors	(49,425)	96,468
Increase in creditors	<u>25,581</u>	<u>41,841</u>
Net cash provided by (used in) operating activities	(350,473)	(62,550)

OUR DAILY BREAD MINISTRIES TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Income and endowments		
Donations and legacies		
Donations	1,270,033	1,175,624
Gift aid	100,423	105,400
Legacies	<u>54,184</u>	<u>181,530</u>
	1,424,640	1,462,554
Investment income		
Deposit account interest	327	180
Charitable activities		
International support	30,566	41,522
Christian literature	<u>214,483</u>	<u>194,540</u>
	<u>245,049</u>	<u>236,062</u>
Total incoming resources	1,670,016	1,698,796
Expenditure		
Charitable activities		
Wages	505,092	492,109
Social security	39,784	38,934
Pensions	12,455	27,163
Purchase of literature for distribution	393,891	398,827
Purchase of books, CDs, DVDs and calendars	105,020	95,486
VAT on overheads	5,345	4,514
VAT paid on building	4,465	4,547
Bible conference and presentations	24,149	38,235
Freight and carriage	359,254	320,423
Subcontracted mailing services	21,514	17,479
International ministry expenses	410,543	336,623
Private health insurance	1,854	1,536
Staff training	<u>2,937</u>	<u>1,249</u>
	1,886,303	1,777,125
Support costs		
Finance		
Bank charges	13,543	13,942
Other		
Rates and water	5,560	4,681
Insurance	1,931	3,112
Light and heat	8,938	5,178
Carried forward	16,429	12,971

OUR DAILY BREAD MINISTRIES TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Other		
Brought forward	16,429	12,971
Telephone	5,823	7,036
Stationery and photocopying	12,297	6,304
Sundries	11,602	23,596
Maintenance	31,138	23,284
Computer maintenance	6,898	6,902
Travel and subsistence	16,349	21,591
Foreign currency (gains)/losses	(891)	(1,174)
Depreciation of freehold property	43,288	22,258
Depreciation of fixtures and fittings	25,614	21,044
(Profit)/loss on sale of tangible fixed assets	<u>(2,380)</u>	<u>(7,800)</u>
	166,167	136,012
Governance costs		
Audit fees	6,300	6,120
Legal and professional fees	<u>3,475</u>	<u>2,515</u>
	<u>9,775</u>	<u>8,635</u>
Total resources expended	2,075,788	1,935,714
	<hr/>	<hr/>
Net expenditure	<u><u>(405,772)</u></u>	<u><u>(236,918)</u></u>

This page does not form part of the statutory financial statements