

Charity Registration No. 1148986

Company Registration No. 08147968 (England and Wales)

MESSIANIC TESTIMONY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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COMPANIES HOUSE

MESSIANIC TESTIMONY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev J C Leyshon Miss J M Marshall Mr M J Roberts Mrs H K Williams Mr P M Williams Rev J L Hayward	(Appointed 1 September 2019) (Appointed 14 October 2019)
Charity number	1148986	
Company number	08147968	
Principal address	PO Box 7475 Hook RG27 8SP	
Registered office	Cansdales Bourbon Court Nightingales Corner Little Chalfont HP7 9QS	
Independent examiner	James Foscett FCA, BSc (Hons), DChA Cansdales Bourbon Court Nightingales Corner Little Chalfont HP7 9QS	
Bankers	Barclays Bank plc 255 Fleet Road Fleet GU51 3BN	
Solicitors	Lloyd Jones & Co 8/10 Southbourne Grove Westcliff-on-Sea SS0 9UR	
Investment advisors	Charles Stanley & Co Ltd 2 Westover Road Bournemouth BH1 2BY	

MESSIANIC TESTIMONY

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MESSIANIC TESTIMONY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)"

Objectives and activities

The charity's objects are:

1. The advancement of the Christian faith by the following means:
 - (a) through the evangelisation and discipleship of Jewish people in the UK and throughout the world; and
 - (b) by the teaching of Biblical truth with specific regard to the purposes of God for Israel and the Jewish people.
2. The relief of those in need, hardship and distress through acts of compassion and care in the UK and throughout the world.

MT staff based in various parts of the UK, together with associates of MT based in France, Germany, Israel, Russia and South Africa carry out these aims and are supported financially and prayerfully by other staff, associates and supporters of MT. Moreover, a number of our workers are assisted by volunteers, who help with various aspects including background office work as well as refreshments and book tables at meetings.

In seeking to achieve these objects, the Trustees are confident that the results will be for the benefit of many: education for young people, harmony and reconciliation in families and communities as well as the spiritual blessing in individual lives resulting in inner peace and greater sense of purpose. As seen below, our staff and associates are involved in various activities in the community, including teaching English as a foreign language, sharing on British history and culture abroad, as well as teaching in the UK on the positive role of the church towards Jewish people, visiting the elderly and helping children with special needs. The Trustees will continue to conduct the affairs of the Charity having regard to the Charity Commission's guidance on Public Benefit.

MESSIANIC TESTIMONY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

During 2019, a number of significant MT rallies were held throughout the UK; for example, in London's West End when MT were able to use Regent Hall; similar meetings were held in Northern Ireland, West Midlands and South Wales. These are excellent opportunities for our supporters to come together to enjoy a time of fellowship as well as ministry from the Word of God and up-to-date reports from some of our UK staff and associates from elsewhere in the world.

The work of MT has followed a similar pattern to previous years with staff members continuing to have numerous preaching and teaching opportunities in a wide range of evangelical congregations as well as speaking to groups including Jewish people. Many of our personnel have contacts with local synagogues and some are able to contribute positively at cultural events in such centres, and to provide consolation and support when communities face increased anti-semitism. Our associates in the Galilee in northern Israel are now enjoying their new, bigger meeting place for their fellowship and in particular their coffee bar for young adults is well used by both their own folks and people from the community. Another church with whom MT is associated in Israel continues to take part in running a prayer room in the centre of town, which is also being well used.

In countries where sensitivity demands it, some of our associates find it necessary to use less direct forms of evangelism such as teaching English as a foreign language, sharing on British history and culture, etc. Also, two of our staff and one trustee are involved in sharing the Gospel via a music group, and another now sings with a Jewish Choral Society. Further other workers are able to use musicians they know in outreach meetings. Another of our workers who is also an artist is now using her paintings as a means of communicating with Jewish people, both in person as she paints, through exhibitions and through her website. All our associates worldwide are engaged in one-to-one activities such as befriending people in different situations, visiting elderly Jewish people in care homes, as well as engaging in all kinds of family life counselling. Sometimes an invite to lead a funeral of a messianic believer leads to a closer link with the local Jewish community. Increasingly, especially in Israel, MT people are engaged in unique ministry among elderly Holocaust victims. Others are involved in a holistic ministry within recognised care homes. Their quarterly reports speak of many Jewish people coming to faith in the Lord Jesus through each of these ministry activities.

MT has been effectively represented at a number of major Christian events in the last year, such as the Keswick in Wales Convention (Llandrindod Wells), Mind, Body, Spirit Festivals in London and other joint mission conferences. Indeed, collaboration between workers from different missions is becoming more common in certain areas. The website www.messianictestimony.com is increasingly seen as a valuable tool for resources and information on various ministry activities. Hits from all around the world have been recorded with a steady stream of new people coming on board to support the ministry by prayer and online giving. Our quarterly newsletter continues to include teaching on Jewish matters as well as regular news updates from our workers. The title of the magazine was changed from Selah to Besorah, meaning 'Good News', in summer 2019.

The N Ireland Annual meeting in 2019 included meetings in several places, and it is hoped that this will harness the huge potential in the Province. The first rally in the Midlands in June 2019 was well received. Moreover, there has been good response to the fact that there have been more deputation visits to individual churches in the UK during 2019, and it is hoped to add more churches to the list in 2020. Unique opportunities to speak about MT on the radio have been grasped and God has been pleased to use these as a means of furthering the ministry.

MESSIANIC TESTIMONY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial review

During 2019, the finances of MT were overseen by the Trustees, with day to day duties delegated to Trustee Member and Treasurer, June M Marshall.

In 2019, after legacies received amounting to £23,815, outgoings exceeded income by £154,484. Net investment gains due to market increases accounted for £77,875 in 2019. However, legacies received amounted to £23,815. Whilst we are immensely grateful to God for those whose foresight in making a will has been of considerable benefit to MT, we would note that, without the legacies, outgoings would have exceeded income before capital gains by £178,299.

The fact that outgoings exceeded income in 2019 accentuates the Trustees' concern that the underlying trend is one of falling support, especially in larger one-off donations and, in particular, increased nursing costs for the elderly could lead to a reduction in legacies received.

The Trustees believe, by faith, that necessary funds will be forthcoming to meet the needs of the work, and this has been true since MT's inception. However, the Trustees are conscious that, once they have established good leadership, they need to give priority to increasing support and balancing the budget.

As MT's main sources of income, other than from investments, are generally from donations, legacies and tax refunds on gift-aided donations, the flow of income is irregular. However, MT has a regular stream of outgoings in salaries, grants and expenses. It is therefore MT's policy to maintain sufficient reserves to be able to cope with any excess of outgoings over income in the short to medium term (say 1 to 5 years), thus minimising disruptions to the funds held by our stockbrokers and a forced sale of our property investment.

Currently we are heavily financially dependent on receiving legacies which are few, spasmodic, unknown and impossible to budget. However we are seeking ways to increase our regular income in an attempt to minimise the uneven cash flows that we experience.

As outlined in Note 16, at 31 December 2019 MT's designated reserves total £845,000 made up of the following items which are in keeping with our "Reserves Policy" :-

• £ 72,386	which is invested in a property so it would be difficult to realise these funds without disrupting the use of the property
• £ 169,000	being the reserve for regular budgeted outgoings without income over 6 months
• £242,803	Towards the budgeted loss in 2020-21
• £18,000	Conference 2020
• £ 26,768	Funds for worker projects.
• £116,043	To be used for additional salaries and grants, and the introduction of new workers over the next 2-3 years
• £200,000	which the trustees had designated in previous years to help with the unevenness in cash flows and for investment to generate income for use by the mission

£ 845,000	

In addition we held £2,000 in Restricted funds leaving free reserves of approximately £9,535.

MESSIANIC TESTIMONY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Reserves Policy stated above and amplified in Note 16 in the accounts on Designated Funds is reviewed annually, the last review being on 26 June 2020.

MT have delegated investment of certain general funds to Charles Stanley & Co Limited, with the portfolio managed on an ethical/best endeavours basis with medium/low risk. The total return on these investments during the last 12 months amounted to just over 14%, the rise in capital values of the investments being due to a general increase in values on the stock market (3.52% income plus 10.65% capital gains).

The Investment Policy, including our instructions to Charles Stanley & Co Limited is reviewed annually, the last review being on 26 June 2020.

Plans for the Future

After a number of years in which outgoings have exceeded income followed by income first just exceeding outgoings in 2012, the Trustees are disappointed to have to report that outgoings exceeded income during 2019. However, this was partly because the amount received in legacies and one-off donations was again much more modest in 2019 than in the years 2015-17. Also, in view of MT's current large reserves, the Trustees have not felt justified in applying for any Trust Grants. However, despite the in-year deficit in 2019, the Trustees are also pleased to report that they have asked for a bonus to be paid to each member of staff and associates, funded from Reserves.

However, the Trustees have budgeted for outgoings to exceed income by a substantial amount in 2020, partly because we do not expect to receive any Trust Grants during 2020 and partly because we are trying to use some of our recent legacy income for the purpose for which it was given. The Trustees continue to actively address the matter of getting the right balance between balancing their budget and making sure that supporters' donations are put to use as quickly as possible.

The Trustees are actively engaged in the process of establishing good leadership. They have so far been unsuccessful in recruiting the right ED over the last three years, but feel that it was more important to find the right person than to recruit someone quickly who did not quite fit the needs of the mission. In the meantime, Rev Colin Leyshon, Chairman of the Trustees and Honorary General Director, is co-ordinating the work of the mission with help from the other Trustees and from our Director Emeritas, Tom Mayr-Lori.

MT is facing the future with renewed confidence – there are clear signs of God's blessing on the entire ministry. We will continue to look for new opportunities to expand the work as funds allow. We step out into the coming months with a sense of excitement and, at the same time, renewed dependence upon God and his people to stand with us as we seek to maximise our potential as a ministry to Jewish people.

From the beginning of the pandemic, all of MT's workers, whether UK Staff or those in receipt of grants, are obeying the rules on lock-down of the country in which they are located. For most, that has meant ceasing much of their evangelistic work, particularly group meetings and street work. However, most are continuing to make contact with people via electronic methods, and some have found some new ingenious ways to keep up their contacts. Nevertheless some time has been freed up which can be employed in writing articles and preparing materials which can be used in future work. Meanwhile, the office work continues much as usual because we all work from home.

From the financial point of view, consideration was given to whether any of the UK employees could be put on furlough, but this did not prove possible because anyone furloughed was not allowed to do any work for the mission, and all the evangelists were continuing some contacts by electronic means. We have yet to see how the pandemic affects donations, but some of our supporters will suffer financial difficulties themselves and therefore have to reduce their donations in the short term. However, where we have had to cancel rallies and other meetings, we are grateful that most of our deposits have been refunded in full. Mercifully we started the year with good reserves, but as our investments are affected by the recession into which the UK has been thrown, we shall have to take care to spread any withdrawals and take any precautions we can to limit the damage to our investments. In the meantime, there is more time for the greatest work, namely the work of prayer.

MESSIANIC TESTIMONY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance and management

The names of the Trustees who served during the year were:

Rev T P Gamston	(resigned 29 October 2019)
Rev J L Hayward	
Rev J C Leyshon	
Miss J M Marshall	
Mr M J Roberts	
Mrs H K Williams	(joined 1 September 2019)
Mr P M Williams	(joined 14 October 2019)

The mission is being led by Rev Colin Leyshon, Chairman of the Trustees and Honorary General Director. Also, our Director Emeritas, Tom Mayr-Lori, is able to help with mentoring and pastoral support when needed.

The work is overseen by its Board of Trustees, which is made up of the trustees listed above. During 2019, the Trustees met three times to conduct the business of MT. During 2019, the Trustees were assisted in their oversight by former Trustee Andrew F Benke, who meets with the Treasurer, June M Marshall, before each Trustee Meeting to discuss the financial situation and help prepare a succinct overview thereof for the Trustees.

The Trustees are conscious of the need to have trustees who are sympathetic and supportive of the aims and objectives of the charity and will, when deemed necessary, invite such individuals to join with them. Prospective trustees are interviewed and assessed as to their suitability before being appointed.

Following the recruitment of a new Trustee, he or she is pointed to the Charity Commission guidance entitled, 'The Essential Trustee'. For anyone who is still unclear about their role as a Trustee after having read this, a suitable training course for them to attend will be sought. The new Trustee is inducted into the work of MT by means of a series of one-to-one sessions with its Executive Director, Treasurer and at least one other Trustee.

There was a change of administrator during 2019. Chrissy Rodgers continues to edit MT's magazine. Also, Jon Taylor is developing a role including deputation work and liaison with other missions.

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that adequate systems are in place to mitigate exposure to all such risks. The Trustees consider that the main risk MT faces is maintaining sufficient funds to meet its commitments. The Trustees seek to overcome this risk through addressing its many constituent parts covered by the Risk Management Policy alongside its Reserves Policy considered in the Financial Review.

The Risk Management Policy is reviewed annually, the last review being on 26 June 2020.

MESSIANIC TESTIMONY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

Independent Examiner

James Foscett at Cansdales was appointed Independent Examiner to the company for 2019 and a resolution proposing the appointment for 2019 was put to the Trustees on 26 June 2020.

Disclosure of Information to Auditors

Each of the trustees of MT has confirmed that there is no information of which they are aware which is relevant to the Independent Examination, but of which the Independent Examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Trustees

Rev J C Leyshon

Trustee

Dated: 26 June 2020



MESSIANIC TESTIMONY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MESSIANIC TESTIMONY

I report to the Trustees on my examination of the financial statements of Messianic Testimony (the charitable company) for the year ended 31 December 2019.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my Independent Examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



James Foskett FCA DChA

Cansdales Chartered Accountant & Business Advisers

Bourbon Court

Nightingales Corner

Little Chalfont

Bucks

HP7 9QS

Dated: 14 July 2020

MESSIANIC TESTIMONY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds	Designated funds	Restricted funds	Total 2019	Total 2018
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	2	154,950	23,815	-	178,765	184,752
Other trading activities	3	1,305	-	-	1,305	1,745
Investments	4	26,293	-	-	26,293	29,048
Total income		182,548	23,815	-	206,363	215,545
Expenditure on:						
Raising funds	5	6,272	-	-	6,272	5,302
Charitable activities	6	200,091	154,484	-	354,575	339,742
Total expenditure		206,363	154,484	-	360,847	345,044
Net gains on investments	8	77,875	-	-	77,875	(76,209)
Net incoming/(outgoing) resources before transfers		54,060	(130,669)	-	(76,609)	(205,708)
Gross transfers between funds		(50,669)	50,669	-	-	-
Net movement in funds		3,391	(80,000)	-	(76,609)	(205,708)
Fund balances at 1 January 2019	16, 17	6,144	925,000	2,000	933,144	1,138,852
Fund balances at 31 December 2019	16, 17	9,535	845,000	2,000	856,535	933,144

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The 2018 figures all relate to unrestricted funds with the exception of £24,117 designated and £442 restricted donations and legacies income. As well as £24,104 designated and £442 restricted charitable activities expenditure.

MESSIANIC TESTIMONY

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investment properties	9		72,386		72,386
Investments	10		656,354		665,310
			<u>728,740</u>		<u>737,696</u>
Current assets					
Debtors	11	7,223		13,113	
Cash at bank and in hand		126,189		189,381	
		<u>133,412</u>		<u>202,494</u>	
Creditors: amounts falling due within one year	12	(5,617)		(7,046)	
Net current assets			<u>127,795</u>		<u>195,448</u>
Total assets less current liabilities			<u>856,535</u>		<u>933,144</u>
Income funds					
Restricted funds	15		2,000		2,000
Designated funds	17		845,000		925,000
General unrestricted funds			9,535		6,144
			<u>856,535</u>		<u>933,144</u>

MESSIANIC TESTIMONY

BALANCE SHEET (CONTINUED)

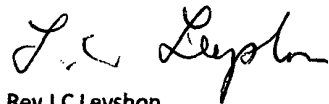
AS AT 31 DECEMBER 2019

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The Trustees' responsibilities are for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements will be approved by the Trustees at their meeting on 26 June 2020



Rev J C Leyshon
Trustee

Company Registration No. 08147968

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Messianic Testimony is a private company limited by guarantee incorporated in England and Wales. The registered office is shown on the legal and administrative information page.

1.1 Accounting convention

Messianic Testimony is a charitable company incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given on the legal and administrative information page. The nature of the charity's operations and principal activities are that of the advancement of the Christian faith and relief of those in need.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 issued on July 2014 (as updated through the Update Bulletin for periods commencing after 1 January 2019), the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Income, including donations

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

1.5 Expenditure

All expenditure which directly relates to the objects of the charity is treated as charitable expenditure. All other costs, including the costs of administration, are allocated to the various sources of activity as appropriate.

Support costs represent those administrative costs directly associated with the charitable activity of Evangelism and spreading the Gospel.

All expenditure includes non-recoverable VAT.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of 1 Rand to £0.05 with an adjustment being made at the end of the year.

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the Balance Sheet date. All differences are included in the net income/expenditure.

1.9 Post Balance sheet Events

Since the year end, the Coronavirus (COVID-19) has emerged globally resulting in a significant impact on businesses worldwide. As a result some business operations have been restricted. However the trust continues to operate using alternative methods and remote working. The trustees are unable to evaluate the overall financial impact on the business at present. Hence financial statements do not include any adjustments that might result from the outcome of this uncertainty. The trustees are continuing to monitor, assess and react to the current changing environment in order to position the trust to ensure its future success.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£	£
Donations and gifts	154,950	-	-	154,950	160,635
Legacies receivable	-	23,815	-	23,815	24,117
	154,950	23,815	-	178,765	184,752
For the year ended 31 December 2018	160,193	24,117	442		184,752

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2019 £	2018 £
Trading activity income: other	1,305	1,745

4 Investments

	Unrestricted funds	Unrestricted funds
	2019 £	2018 £
Income from listed investments	26,293	29,048

5 Raising funds

	2019 £	2018 £
<u>Fundraising and publicity</u>		
Other fundraising costs	6,103	4,682
<u>Trading costs</u>		
Purchase of books and DVDs etc	169	620

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Raising funds	(Continued)	
	6,272	5,302
6 Charitable activities		
	Unrestricted 2019 £	Unrestricted 2018 £
Evangelism and spreading the Gospel	354,575	339,742
Analysis by fund		
Unrestricted funds	200,091	315,196
- Endowment funds - designated	154,484	24,104
Restricted funds	-	442
	354,575	339,742

Included within unrestricted charitable activities is independent examiner's remuneration of £2,220 (2018: £2,154) and £1,362 (2018: £1,320) relating to other services.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Employees	6	6
Pensioners	5	5
	<u>11</u>	<u>11</u>

Employment costs

	2019 £	2018 £
Wages and salaries	146,731	118,124
Social security costs	8,270	7,610
Other pension costs	12,192	11,435
	<u>167,193</u>	<u>137,169</u>

Wages and salaries include gratuities paid direct from income to pensioners of £36,749 (2018: £15,833). The increase is due to three small pensions restored to a previous value as agreed with the Trustees in 2011 as well as compensation being paid in 2019 for not having restored them 4 years earlier.

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

8 Net gains/(losses) on investments

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
Revaluation of investments	<u>77,875</u>	<u>(76,209)</u>

9 Investment property

	2019 £
Fair value	
At 1 January 2019 and 31 December 2019	<u>72,386</u>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Investment property

(Continued)

The charity holds a 21.9% interest in the property at 26 Pakes Way, Epping, Essex. The property is valued at the cost of purchase of the interest on 27 September 2007 and in the opinion of the trustees this is similar to its fair value at 31 December 2019.

10 Fixed asset investments

Listed
investments
£

Cost or valuation

At 1 January 2019	665,310
Additions	170,990
Valuation changes	77,874
Disposals	(257,820)

At 31 December 2019	656,354
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Carrying amount

At 31 December 2019	656,354
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At 31 December 2018	665,310
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11 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	2,610	10,617
Prepayments and accrued income	4,613	2,496
	<u>7,223</u>	<u>13,113</u>

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	<u>5,617</u>	<u>7,046</u>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Trustees and Key Management

During his time as ED, Mr J Taylor received a salary of £Nil (2018: £10,200) and was reimbursed travel expenses totalling £Nil (2018: £1,744). No other staff members are considered key management.

None of the other trustees (or any persons connected with them) received any remuneration during the year, but 6 trustees were reimbursed for expenses totalling £2,715 (2018: 3 trustees, £3,315).

During the year the charity bought Trustee Liability Insurance at a cost of £880 (2018: £843).

During the year Trustees made unrestricted donations totalling £850 (2018: £718).

14 Retirement benefit schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019 £	Movement in funds		Balance at 31 December 2019 £
		Income £	Expenditure £	
BUD fund	2,000	-	-	2,000
	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>

The BUD fund is to be used for ministry and outreach to Jewish people by MT staff and associates and, when appropriate, to help support new people and projects.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2019	Movement in funds		Transfers	Balance at 31 December 2019
	£	Income £	Expenditure £	£	£
Contingency for sustainability	187,000	-	-	(18,000)	169,000
Contingency for budgeted deficits	286,965	23,815	(118,646)	50,669	242,803
To grow salaries & grants	144,375	-	(28,332)	-	116,043
Worker Projects	34,274	-	(7,506)	-	26,768
Realisable investments	200,000	-	-	-	200,000
Property investments	72,386	-	-	-	72,386
Conference 2020	-	-	-	18,000	18,000
	<u>925,000</u>	<u>23,815</u>	<u>(154,484)</u>	<u>50,669</u>	<u>845,000</u>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Designated funds

(Continued)

Total designated funds of £845,000 are made up of the following:

Contingency for sustainability - MT has regular outgoings on salaries and grants. However, as its income is mainly from supporter donations, trust grants and legacies, income is erratic and unpredictable. Thus the Trustees have agreed that it is appropriate to hold a reserve equal to 6 months' budgeted outgoings amounting to £169,000 as at 31.12.19.

Contingency for budgeted deficits - As it is not possible to budget for legacy income, MT generally budgets to spend a little more each year than it expects to receive in the form of supporter donations and Trust grants, but limits the budgeted deficit to an amount which is reasonably sustainable in the context of its reserves. However, in 2015 and 2016, legacy income was disproportionately large compared with other income. Moreover, MT is going through a period of change with regard to its leadership and support staff. Thus, MT is reserving as at 31.12.19 for relatively large deficits over the next 2 years of £242,803. However, the Trustees are aware that, after sorting their leadership issues, the next challenge is to seek to balance regular income and regular outgoings.

To grow salaries & grants - During 2015 and 2016, income from legacies was disproportionately high compared to income from donations and trust grants. The best way to put this money to use is to grow the number of evangelists we support. The Trustees have therefore agreed to reserve £116,043 to cover new salaries and grants for such evangelists over a period of 3-5 years.

Worker projects - A second way to put this money to use is to ask existing workers if they have ideas for one-off projects to further the work of the mission. Thus, in spring 2017, the Trustees invited all workers to submit ideas for projects costing up to £5,000. The ideas that have come in have included funding for an event with a special speaker or musician, development of a new facility for use in outreach, etc. Some of these have now been completed but others are still ongoing.

Realisable investments - The Trustees have designated certain funds for investments to help with the unevenness in cash flows and for investments to generate income for use by the mission.

Property investments - This covers investments in property where it would be difficult to realise the funds without disrupting the use of the property.

Conference 2020 - The trustees were planning an informative conference which was planned in 2020 but it was deferred because of COVID-19 and is currently expected to take place in March 2021.

17 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2019 are represented by:				
Investment properties	-	72,386	-	72,386
Investments	-	656,354	-	656,354
Current assets/(liabilities)	9,535	116,260	2,000	127,795
	<u>9,535</u>	<u>845,000</u>	<u>2,000</u>	<u>856,535</u>