

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 2017

WEDNESDAY



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COMPANIES HOUSE

MESSIANIC TESTIMONY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev J C Leyshon Rev T P Gamston Miss J M Marshall Mr M J Roberts
Charity number	1148986
Company number	08147968
Principal address	PO Box 1168 Harrow HA1 9ND
Registered office	Cansdales Bourbon Court Nightingales Corner Little Chalfont HP7 9QS
Independent examiner	James Foskett FCA, BSc (Hons), DChA Cansdales Bourbon Court Nightingales Corner Little Chalfont HP7 9QS
Bankers	Barclays Bank plc 2 Station Parade Barking IG11 8DL
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 2017

The Trustees present their report and financial statements for the year ended 31 December 2017.

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 2015)"

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.

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 2017

Achievements and performance

During 2017, a number of significant MT rallies were held throughout the UK; for example, in Central London when MT were granted use of the City Temple; similar meetings were held in Northern Ireland 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 staff and associates from elsewhere in the world.

The work of MT has followed a similar pattern to previous years with staff and associate members continuing to have numerous preaching and teaching opportunities in a wide range of evangelical congregations as well as speaking to groups including Jews. 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. After some years of planning, followed by no church building at all, our associates in the Galilee in northern Israel have moved their church into its new, bigger building and are developing facilities for community use including a coffee bar for young adults. Another church with whom MT is associated in Israel is taking part in an experiment with a prayer room in the centre of town.

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 are involved in sharing the Gospel via a music group, and another now sings with a Jewish Choral Society. 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), Worldwide 2018 (Bangor), and other joint mission conferences. 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, Selah, continues to include teaching on Jewish matters as well as regular news updates from our workers.

A fresh approach was taken to the N Ireland Annual meeting in 2017, leading to meetings on a wider scale in 2018, and it is hoped that this will harness the huge potential in the Province. 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 2017

Financial review

During 2017, the finances of MT were overseen by the Trustees, with day to day duties delegated to Trustee Member and Treasurer, June M Marshall.

In 2017, income exceeded outgoings by £20,565. Net investment gains due to market increases accounted for £16,472 in 2017. However, legacies received amounted to £111,917. 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 by £74,880.

Whilst it is good that income did exceed outgoings in 2017, the Trustees still feel a 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 17, at 31 December 2017 MT's designated reserves total £1,132,586 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.
• £262,000	Being the reserve for regular budgeted outgoings without income over 9 months.
• £43,550	Needed in the event that MT had to wind up.
• £169,000	To cover budgeted loss in 2018.
• £196,000	To cover budgeted losses over 2019 and 2020
• £39,650	Funds for worker projects.
• £150,000	To be used for additional salaries and grants, and the introduction of new workers over the next 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.

£1,132,586	

In addition we held £2,000 in Restricted funds leaving free reserves of approximately £4,266.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2017

The Reserves Policy stated above and amplified in Note 17 in the accounts on Designated Funds is reviewed annually, the last review being on 22 June 2018.

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 return on these investments during the last 12 months of the year amounted to 5.9%. (3.6% income plus 2.3% capital gains)

The Investment Policy, including our instructions to Charles Stanley & Co Limited is reviewed annually, the last review being on 22 June 2018.

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 pleased to report that income again exceeded outgoings in 2017. However, as noted above, this was largely due to a significant amount of income in the form of legacies and large donations that may not be repeated. On the basis that income exceeded outgoings in 2017 courtesy of large legacy income that may not repeat itself, the Trustees are also pleased to report that they have asked for a bonus to be paid to each member of staff and associate. Moreover, the Trustees have agreed to implement during 2018 a new grant for a worker among Russian speakers in Israel, and are seeking to implement plans for further UK deputation work amongst supporters.

However, the Trustees have budgeted for outgoings to exceed income by a substantial amount in 2018, partly because we do not expect to receive any Trust Grants during 2018 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 an ED in 2016 and 2017, but felt 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.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2017

Structure, governance and management

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

Mr B J Chapman (resigned 16 October 2017)
Rev T P Gamston
Rev J C Leyshon
Miss J M Marshall
Mr M J Roberts

Even though the trustees have succeeded in strengthening the administration team during 2017, MT is still without someone who can fulfil the role of ED despite further recruitment initiatives during the year. In the meantime, the mission is being led by Rev Colin Leyshon, Chairman of the Trustees and Honorary General Director. Also, our Director Emeritas, Tom Mayr-Lori, provided pastoral support to the workers for most of 2017, and this is currently being provided by one of the central staff.

The work is overseen by its Board of Trustees, which is made up of the trustees listed above. During 2017, the Trustees met four times to conduct the business of MT. During 2017, the Trustees were assisted in their oversight by a Finance and Investment Committee was set up which worked mainly electronically.

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.

Throughout 2017, Debbie Rodgers continued to act as MT's administrator. Debbie Rodgers and Chrissy Rodgers continue jointly editing MT's magazine, Selah. Initially, Chrissy worked as a volunteer, but from February 2017 she became an employee.

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 below.

The Risk Management Policy is reviewed annually, the last review being on 22 June 2018.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2017

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' 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.

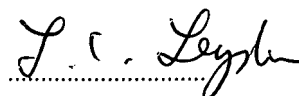
In so far as the trustees are aware:

- 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 Foskett of Cansdales was appointed Independent Examiners to the company for 2017 and a resolution proposing the appointment for 2018 was put to the Trustees on 22 June 2018.

The Trustees' report was approved by the Board of Trustees.



Rev J C Leyshon

Dated: 22/6/18

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 2017.

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

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the 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: 22 June 2018

MESSIANIC TESTIMONY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		Unrestricted funds	Designated funds	Restricted funds	Total 2017	Total 2016
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and legacies	2	171,292	111,917	35,939	319,148	573,971
Other trading activities	3	656	-	-	656	1,382
Investments	4	25,144	-	-	25,144	20,011
Total income		197,092	111,917	35,939	344,948	595,364
<u>Expenditure on:</u>						
Raising funds	5	4,729	-	-	4,729	3,848
Charitable activities	6	309,304	10,350	-	319,654	293,101
Total expenditure		314,033	10,350	-	324,383	296,949
Net gains on investments	8	16,472	-	-	16,472	36,410
Net (outgoing)/incoming resources before transfers		(100,469)	101,567	35,939	37,037	334,825
Gross transfers between funds		97,363	(61,424)	(35,939)	-	-
Net movement in funds		(3,106)	40,143	-	37,037	334,825
Fund balances at 1 January 2017	16, 17	7,372	1,092,443	2,000	1,101,815	766,990
Fund balances at 31 December 2017	16, 17	4,266	1,132,586	2,000	1,138,852	1,101,815

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 2016 figures all relate to unrestricted funds with the exception of £2,025 restricted donations and legacies income and £5,379 restricted charitable activities expenditure, giving a net deficit of £3,354.

MESSIANIC TESTIMONY

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investment properties	10		72,386		72,386
Investments	11		787,902		578,889
			<u>860,288</u>		<u>651,275</u>
Current assets					
Debtors	12	80,944		245,745	
Cash at bank and in hand		202,477		212,906	
		<u>283,421</u>		<u>458,651</u>	
Creditors: amounts falling due within one year	13	<u>(4,857)</u>		<u>(8,111)</u>	
Net current assets			278,564		450,540
Total assets less current liabilities			<u>1,138,852</u>		<u>1,101,815</u>
Income funds					
Restricted funds	16		2,000		2,000
Designated funds	17		1,132,586		1,092,443
General unrestricted funds			4,266		7,372
			<u>1,138,852</u>		<u>1,101,815</u>

MESSIANIC TESTIMONY

BALANCE SHEET (CONTINUED)

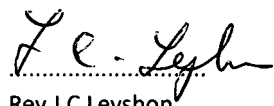
AS AT 31 DECEMBER 2017

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 2017. 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 were approved by the Trustees on 22 June 2018



Rev J C Leyshon

Trustee

Company Registration No. 08147968

MESSIANIC TESTIMONY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	19		156,968		125,501
Investing activities					
Purchase of investments		(285,534)		(113,877)	
Proceeds on disposal of investments		92,993		58,834	
Interest received		25,144		20,011	
Net cash used in investing activities			(167,397)		(35,032)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(10,429)		90,469
Cash and cash equivalents at beginning of year			212,906		122,437
Cash and cash equivalents at end of year			202,477		212,906
Short term deposits included in current asset investments			-		-
Bank overdrafts included in creditors payable within one year			-		-

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 Update Bulletin 1 published on 2 February 2016), 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 2017

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.

1.6 Tangible fixed assets

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

Land and Buildings	5% straight line
Fixtures, fittings & equipment	33% straight line

1.7 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.

1.8 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.

1.9 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of 1 Euro to £0.90 and 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.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£	£
Donations and gifts	171,292	-	35,939	207,231	228,888
Legacies receivable	-	111,917	-	111,917	345,083
	<u>171,292</u>	<u>111,917</u>	<u>35,939</u>	<u>319,148</u>	<u>573,971</u>
For the year ended 31 December 2016	<u>226,863</u>	<u>345,083</u>	<u>2,025</u>		<u>573,971</u>

3 Other trading activities

	2017	2016
	£	£
Trading activity income: other	<u>656</u>	<u>1,382</u>

4 Investments

	2017	2016
	£	£
Income from listed investments	<u>25,144</u>	<u>20,011</u>

5 Raising funds

	2017	2016
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	<u>4,498</u>	<u>3,338</u>
<u>Trading costs</u>		
Purchase of books and DVDs etc	<u>231</u>	<u>510</u>
	<u>4,729</u>	<u>3,848</u>

MESSIANIC TESTIMONY

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

6 Charitable activities

	2017 £	2016 £
Evangelism and spreading the Gospel	319,654	293,101

Included within unrestricted charitable activities is independent examiner's remuneration of £2,382 (2016: £2,220) and £1,266 (2016: £1,230) relating to other services.

Included in the expenditure for 2017 is £nil (2016: £5,379) relating to unrestricted funds.

7 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Employees	4	4
Pensioners	5	6
	9	10

Employment costs

	2017 £	2016 £
Wages and salaries	106,930	91,683
Social security costs	6,573	5,420
Other pension costs	9,988	8,360
	123,491	105,463

Wages and salaries include gratuities paid direct from income to pensioners of £15,833 (2016: £16,433).

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

8 Net gains/(losses) on investments

	2017 £	2016 £
Revaluation of investments	16,472	36,410

MESSIANIC TESTIMONY

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

9 Tangible fixed assets

	Land & Building	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2017	145,731	76,665	222,396
At 31 December 2017	145,731	76,665	222,396
Depreciation and impairment			
At 1 January 2017	145,731	76,665	222,396
At 31 December 2017	145,731	76,665	222,396
Carrying amount			
At 31 December 2017	-	-	-
At 31 December 2016	-	-	-

10 Investment property

	2017 £
Fair value	
At 1 January 2017 and 31 December 2017	72,386

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 2017.

Freehold	-	-
Long leasehold	-	-
Short leasehold	-	-

11 Fixed asset investments

MESSIANIC TESTIMONY

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

11 Fixed asset investments		(Continued)
		Listed investments £
Cost or valuation		
At 31 December 2016		578,889
Additions		285,534
Revaluation of investments		16,472
Disposals		(92,993)
		<u> </u>
At 31 December 2017		787,902
		<u> </u>
Carrying amount		
At 31 December 2017		787,902
		<u> </u>
At 31 December 2016		578,889
		<u> </u>
12 Debtors		
	2017	2016
	£	£
Amounts falling due within one year:		
Other debtors	76,103	244,568
Prepayments and accrued income	4,841	1,177
	<u> </u>	<u> </u>
	80,944	245,745
	<u> </u>	<u> </u>
13 Creditors: amounts falling due within one year		
	2017	2016
	£	£
Accruals and deferred income	4,857	8,111
	<u> </u>	<u> </u>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Trustees and Key Management

Mrs D A Rodgers, a trustee until 31.10.2016, received a salary in connection with bookkeeping services provided to the charitable company. The amount received during the year was £nil (2016: £13,858). The payment is permitted by the company's Memorandum and Articles of Association.

Mr S Gordon, key management, received a salary of £nil (2016: £10,417) for his role of Executive Director. He retired this position on 31 May 2016 and was replaced by interim Executive Director, Mr J Taylor, on 14 August 2017. Mr J Taylor received a salary of £13,020 (2016: £nil) and was reimbursed travel expenses totalling £2,975 (2016: £nil). 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 Colin Leyshon - £1,769 and Mike Roberts - £502 were reimbursed for travelling expenses and meeting accommodation (2016: Colin Leyshon - £895, Mike Roberts - £490).

During the year the charity bought Trustee Liability Insurance at a cost of £629 (2016: £566).

During the year Trustees made unrestricted donations totalling £953 (2016: £1,800).

15 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.

16 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 2017 £	Movement in funds			Balance at 31 December 2017 £
		Income £	Expenditure £	Transfers £	
BUD fund	2,000	35,939	-	(35,939)	2,000
	<u>2,000</u>	<u>35,939</u>	<u>-</u>	<u>(35,939)</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 2017

17 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 2017	Movement in funds			Balance at 31 December 2017
	£	Income £	Expenditure £	Transfers £	£
Contingency for sustainability	295,057	-	-	10,493	305,550
Contingency for budgeted deficits	365,000	111,917	-	(111,917)	365,000
To grow salaries & grants	100,000	-	-	50,000	150,000
Worker Projects	50,000	-	(10,350)	-	39,650
Realisable investments	210,000	-	-	(10,000)	200,000
Property investments	72,386	-	-	-	72,386
	<u>1,092,443</u>	<u>111,917</u>	<u>(10,350)</u>	<u>(61,424)</u>	<u>1,132,586</u>

Total designated funds of £1,132,586 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 9 months' budgeted outgoings amounting to £262,000 as at 31.12.17. In addition, as at 31.12.17, we are holding a reserve of £43,550 for likely costs in the event of wind-up.

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 31.12.17 for relative large deficits over the next 3 years of £365,000. However, the Trustees are aware that, after sorting their leadership issues, the next challenge is to seek to balance regular income and regular outgo.

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 £150,000 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.

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.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Designated funds £	Total £
Fund balances at 31 December 2017 are represented by:				
Investment properties	-	-	72,386	72,386
Investments	-	-	787,902	787,902
Current assets/(liabilities)	4,266	2,000	272,298	278,564
	<u>4,266</u>	<u>2,000</u>	<u>1,132,586</u>	<u>1,138,852</u>

19 Cash generated from operations

	2017 £	2016 £
Surplus for the year	37,037	334,825
Adjustments for:		
Investment income recognised in statement of financial activities	(25,144)	(20,011)
Fair value gains and losses on investments	(16,472)	(36,410)
Movements in working capital:		
Decrease/(increase) in debtors	164,801	(154,515)
(Decrease)/increase in creditors	(3,254)	1,612
Cash generated from operations	<u>156,968</u>	<u>125,501</u>