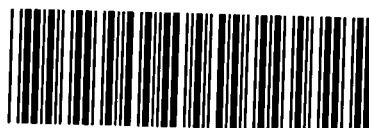


Charity Registration No. 1148986

Company Registration No. 08147968 (England and Wales)

MESSIANIC TESTIMONY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 Rev J L Hayward (joined 23 November 2018)
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 Foskett 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 2018

The Trustees present their report and financial statements for the year ended 31 December 2018.

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. 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 2018

Achievements and performance

During 2018, 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 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 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), Mind, Body, Spirit Festivals in London 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 continues to include teaching on Jewish matters as well as regular news updates from our workers. The title of the magazine throughout 2018 was Selah, but it will be changed to Besorah, meaning 'Good News', during 2019.

The N Ireland Annual meeting in 2018 included meetings in several places. This format will continue in N Ireland in 2019, and it is hoped that this will harness the huge potential in the Province. A rally in the Midlands is also planned for summer 2019. Moreover, there has been good response to the fact that there have been more deputation visits to individual churches in the UK during 2018, and it is hoped to add more churches to the list in 2019. 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 2018

Financial review

During 2018, the finances of MT were overseen by the Trustees, with day to day duties delegated to Trustee Member and Treasurer, June M Marshall.

In 2018, outgoings exceeded income by £129,500. Net investment losses due to market increases accounted for £76,209 in 2018. However, legacies received amounted to £24,117. 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 £153,617.

The fact that outgoings exceeded income in 2018 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 17, at 31 December 2018 MT's designated reserves total £925,000 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
• £ 187,000	being the reserve for regular budgeted outgoings without income over 6 months
• £286,965	Towards the budgeted loss in 2019
• £ 34,274	Funds for worker projects.
• £144,375	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, and is likely to be used towards budget deficits in 2020 and 2021

£ 925,000	

In addition we held £2,000 in Restricted funds leaving free reserves of approximately £6,144.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2018

The Reserves Policy stated above and amplified in Note 17 in the accounts on Designated Funds is reviewed annually, the last review being on 28 June 2019.

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 a loss of 7%, the drop in capital values of the investments being due to a general fall in values on the stock market. (3.7% income less nearly 10% capital losses)

The Investment Policy, including our instructions to Charles Stanley & Co Limited is reviewed annually, the last review being on 28 June 2019.

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 2018. However, this was partly because the amount received in legacies and one-off donations was much more modest in 2018 than in the previous 3 years. 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 2018, 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. Moreover, the Trustees have agreed to implement during 2019 a new grant for an assistant worker in S Africa, and have extended the role and hours of one of the UK administration team.

However, the Trustees have budgeted for outgoings to exceed income by a substantial amount in 2019, partly because we do not expect to receive any Trust Grants during 2019 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.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

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

Rev T P Gamston
Rev J L Hayward (joined 23 November 2018)
Rev J C Leyshon
Miss J M Marshall
Mr M J Roberts

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 2018, the Trustees met four times to conduct the business of MT. During 2018, 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 2018 from Debbie Rodgers to Raluca Rusu, who was appointed in mid-December 2018. 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 below.

The Risk Management Policy is reviewed annually, the last review being on 28 June 2019.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

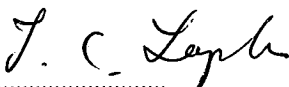
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 of Cansdales was appointed Independent Examiner to the company for 2018 and a resolution proposing the appointment for 2019 was put to the Trustees on 28 June 2019.



Rev J C Leyshon

Dated: 28 June 2019

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 2018.

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 Foscett FCA DChA
Cansdales Chartered Accountant & Business Advisers
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Dated: 28 JUNE 2019

MESSIANIC TESTIMONY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds	Designated funds	Restricted funds	Total 2018	Total 2017
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	2	160,193	24,117	442	184,752	319,148
Other trading activities	3	1,745	-	-	1,745	656
Investments	4	29,048	-	-	29,048	25,144
Total income		190,986	24,117	442	215,545	344,948
Expenditure on:						
Raising funds	5	5,302	-	-	5,302	4,729
Charitable activities	6	315,196	24,104	442	339,742	319,655
Total expenditure		320,498	24,104	442	345,044	324,384
Net gains on investments	8	(76,209)	-	-	(76,209)	16,472
Net (outgoing)/incoming resources before transfers		(205,721)	13	-	(205,708)	37,036
Gross transfers between funds		207,599	(207,599)	-	-	-
Net movement in funds		1,878	(207,586)	-	(205,708)	37,036
Fund balances at 1 January 2018	16, 17	4,266	1,132,586	2,000	1,138,852	1,101,816
Fund balances at 31 December 2018	16, 17	6,144	925,000	2,000	933,144	1,138,852

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 2017 figures all relate to unrestricted funds with the exception of £35,939 restricted and £10,350 designated donations and legacies income.

MESSIANIC TESTIMONY

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investment properties	9		72,386		72,386
Investments	10		665,310		787,902
			<u>737,696</u>		<u>860,288</u>
Current assets					
Debtors	11	13,113		80,944	
Cash at bank and in hand		189,381		202,477	
		<u>202,494</u>		<u>283,421</u>	
Creditors: amounts falling due within one year	12	(7,046)		(4,857)	
Net current assets			<u>195,448</u>		<u>278,564</u>
Total assets less current liabilities			<u><u>933,144</u></u>		<u><u>1,138,852</u></u>
Income funds					
Restricted funds	15		2,000		2,000
Designated funds	17		925,000		1,132,586
General unrestricted funds			6,144		4,266
			<u>933,144</u>		<u><u>1,138,852</u></u>

MESSIANIC TESTIMONY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

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 2018. 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 28 June 2019



Rev J C Leyshon
Trustee

Company Registration No. 08147968

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

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.

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 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 2018

2 Donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£	£
Donations and gifts	160,193	-	442	160,635	207,231
Legacies receivable	-	24,117	-	24,117	111,917
	160,193	24,117	442	184,752	319,148
For the year ended 31 December 2017	171,292	111,917	35,939		319,148

3 Other trading activities

	Unrestricted funds	Total
	2018 £	2017 £
Trading activity income: other	1,745	656

4 Investments

	Unrestricted funds	Total
	2018 £	2017 £
Income from listed investments	29,048	25,144

5 Raising funds

	2018 £	2017 £
<u>Fundraising and publicity</u>		
Other fundraising costs	4,682	4,498
<u>Trading costs</u>		
Purchase of books and DVDs etc	620	231

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Raising funds	(Continued)	
	5,302	4,729
6	Charitable activities	
	Unrestricted 2018 £	Unrestricted 2017 £
Evangelism and spreading the Gospel	339,742	319,655
Analysis by fund		
Unrestricted funds	315,196	309,305
Endowment funds - designated	24,104	10,350
Restricted funds	442	-
	339,742	319,655
For the year ended 31 December 2017		
Unrestricted funds	309,305	
Endowment funds - designated	10,350	
	319,655	

Included within unrestricted charitable activities is independent examiner's remuneration of £2,154 (2017: £2,382) and £1,320 (2017: £1,266) relating to other services.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Employees	6	6
Pensioners	5	5
	<u>11</u>	<u>11</u>

Employment costs

	2018 £	2017 £
Wages and salaries	118,124	122,655
Social security costs	7,610	6,573
Other pension costs	11,435	9,988
	<u>137,169</u>	<u>139,216</u>

Wages and salaries include gratuities paid direct from income to pensioners of £15,833 (2017: £15,833).

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

8 Net gains/(losses) on investments

	Unrestricted funds	Total
	2018 £	2017 £
Revaluation of investments	<u>(76,209)</u>	<u>16,472</u>

9 Investment property

	2018 £
Fair value	
At 1 January 2018 and 31 December 2018	<u>72,386</u>

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 2018.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2018	787,902
Additions	191,440
Valuation changes	(76,209)
Disposals	(237,823)
	<hr/>
At 31 December 2018	665,310
	<hr/>
Carrying amount	
At 31 December 2018	665,310
	<hr/>
At 31 December 2017	787,902
	<hr/>

11 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	10,617	76,103
Prepayments and accrued income	2,496	4,841
	<hr/>	<hr/>
	13,113	80,944
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	7,046	4,857
	<hr/>	<hr/>

13 Trustees and Key Management

During his time as ED, Mr J Taylor received a salary of £10,200 (2017: £13,020) and was reimbursed travel expenses totalling £1,744 (2017: £2,975). 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 3 trustees were reimbursed for expenses totalling £3,315 (2017: 2 trustees, £2,271).

During the year the charity bought Trustee Liability Insurance at a cost of £843 (2017: £629).

During the year Trustees made unrestricted donations totalling £718 (2017: £953).

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 £	Movement in funds		Balance at 31 December 2018 £
		Income £	Expenditure £	
BUD fund	2,000	442	(442)	2,000
	<u>2,000</u>	<u>442</u>	<u>(442)</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 2018

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 2018	Movement in funds			Balance at 31 December 2018
	£	Income £	Expenditure £	Transfers £	£
Contingency for sustainability	305,550	-	(13,103)	(105,447)	187,000
Contingency for budgeted deficits	365,000	24,117	-	(102,152)	286,965
To grow salaries & grants	150,000	-	(5,625)	-	144,375
Worker Projects	39,650	-	(5,376)	-	34,274
Realisable investments	200,000	-	-	-	200,000
Property investments	72,386	-	-	-	72,386
	<u>1,132,586</u>	<u>24,117</u>	<u>(24,104)</u>	<u>(207,599)</u>	<u>925,000</u>

Total designated funds of £925,000 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 £187,000 as at 31.12.18. This has changed from 31.12.17, when we held 9 months' budgeted outgoings plus a reserve 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 31.12.18 for relatively large deficits over the next 3 years of £286,965. 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 £144,375 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.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Designated funds

(Continued)

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Designated funds £	Total £
Fund balances at 31 December 2018 are represented by:				
Investment properties	-	-	72,386	72,386
Investments	-	-	665,310	665,310
Current assets/(liabilities)	6,144	2,000	187,304	195,448
	<u>6,144</u>	<u>2,000</u>	<u>925,000</u>	<u>933,144</u>