

Charity registration number 1148986

Company registration number 08147968 (England and Wales)

MESSIANIC TESTIMONY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

MESSIANIC TESTIMONY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev J C Leyshon	
	Mr M J Roberts	
	Mrs H K Williams	
	Mr P M Williams	
	Rev J L Hayward	(Resigned 4 June 2022)
	Miss C L Rodgers	
	Miss J M Marshall	(Resigned 30 June 2021)
Director Emeritus	Mr T S Mayr-Lori	
Hon. General Director	Rev J C Leyshon	
Charity number	1148986	
Company number	08147968	
Principal address	PO Box 7475 Hook RG27 8SP	
Registered office	Bourbon Court Nightingales Corner Little Chalfont Bucks HP7 9QS	
Independent examiner	James Foskett FCA, BSc (Hons), DChA Cansdales Business Advisers Limited Bourbon Court Nightingales Corner Little Chalfont Bucks 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 2021

The Trustees present their report and financial statements for the year ended 31 December 2021.

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.
1. 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, 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 normally 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.

Achievements and performance

The year has again been overshadowed to a major degree by the COVID-19 pandemic. As from the beginning of the pandemic, all of MT's workers, whether UK Staff or those in receipt of grants, have continued to obey 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 including preaching, speaking and teaching opportunities and musical outreach, although some has been possible by digital means, and indeed there have still been opportunities to lead funerals. One-to-one activities in person have been strictly limited, although meeting with one other person to walk and talk has been legal throughout most of lock-down. However, some of these activities have been continued – and indeed expanded – by digital means. Indeed, our main website and those run by individual workers have been more valuable than ever during this time. Collaboration between workers and coordination between missions has been continued digitally, and our supporters have continued to receive our quarterly magazines. However, during the second half of 2021, it has been possible to restart some of the smaller live meetings.

Nevertheless some of our workers' time has been freed up which has been employed in writing articles and preparing materials which can be used in future work. For example, one of the workers has been able to spend more time than usual on her art work, and she has not only started exhibiting her work during 2021 but has also been selling for use during 2022 her first calendar based on her own Jewish art work. Also, during the year, one of our workers in Israel has completed the preparation of their new building for occupation by their fellowship, and is now busy on projects which this building enables them to start. However, as we take up the reigns of our work again, prayer groups will be working even harder to back it.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

During 2021, the finances of MT were overseen by the Trustees, with day-to-day duties delegated to Treasurer, June M Marshall, who was also a Trustee until 30 June 2021.

Once again, the year has been overshadowed to a major extent by the COVID-19 pandemic. 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 during the first lock-down in 2020 because anyone furloughed was not allowed to do any work for the mission, and all the evangelists were continuing some contacts by electronic means. Subsequently, when the government allowed employers to claim furlough support for an individual for part of the week whilst that individual worked the other days in order to get people back to work, it still did not seem right for us to take advantage of this.

Having held up very well during 2020, donations dropped off a little during 2021. However, in the second half of 2021, it has been possible to hold a few small rallies and make a few deputation visits. Workers' expenses were low in the first half of the year as their work was still largely curtailed by COVID-19, but things started to spring back again during the second half of the year.

We started the year with good reserves, and it was also good to note that by the end of the year, capital values of our investments had more than recovered from the big fall in March 2020 and subsequent smaller falls, all due to COVID-19.

In 2021, after legacies received amounting to £24,056, outgoings exceeded income by £145,574. Net investment gains due to market increases accounted for £41,113 in 2021, decreasing our deficit to £104,641. 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 £169,810.

The fact that outgoings exceeded income in 2021 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 14, at 31 December 2021 MT's designated reserves total £710,057 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
£161,000 being the reserve for regular budgeted outgoings without income over 6 months
£383,867 Towards the budgeted loss in 2022-23
£12,837 Funds for worker projects.
£14,476 Future Residential Conferences planned for September 2022 in UK
£65,491 To be used for additional salaries and grants, and the introduction of new workers over the next 2-3 years

£710,057

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2021

In addition we held £2,000 in Restricted funds leaving free reserves of approximately £1,118.

The Reserves Policy stated in the last four paragraphs above and amplified in Note 14 in the accounts on Designated Funds is reviewed annually, the last review being on 1 July 2022.

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 10.3%, the rise in capital values of the investments being due to a general increase in values on the stock market. (2021: Income yield 3.1%, Capital return 7.2% - from Matthew Roffey's letter of 12.01.22)

The Investment Policy, including our instructions to Charles Stanley & Co Limited is reviewed annually, the last review being on 1 July 2022.

Plans for the Future

For a number of years prior to 2012 outgoings exceeded income. Then income first just exceeded outgoings in 2012 and this continued up to and including 2017, then reverting to outgoings exceeded income for 2018, 2019 and 2020. The Trustees are disappointed to have to report that outgoings again exceeding income during 2021. This was partly because the amount received in legacies and one-off donations was again much more modest in 2021 than in the years 2015-16. However, given that 2021 was again dominated by the COVID-19 pandemic, a loss of only £104,641 is actually quite a good result. Also, in view of MT's current large reserves, the Trustees have not felt justified in applying for any Trust Grants. Nevertheless, despite the in-year deficit in 2021, the Trustees are also pleased to report that they have asked for a bonus, albeit smaller than recent years, to be paid to each member of staff and associate, funded from Reserves.

However, the Trustees have budgeted for outgoings to exceed income by a substantial amount in 2022, partly because we do not expect to receive any Trust Grants during 2022 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 steering the right path 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. However, as June Marshall stood down as a Trustee with effect from 30 June 2021, the Board is looking to strengthen its capability in the areas of business and finance. 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 Emeritus, Tom Mayr-Lori.

As the Lord has safely seen MT through 2021 with its challenges, MT is facing the future with renewed confidence. 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 as opportunities for outreach open up again and, at the same time, with renewed dependence upon God and his people to stand with us as we seek to maximise our potential as a ministry to Jewish people.

Structure, governance and management

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Governing document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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

Rev J L Hayward (Resigned 4 June 2022)
Rev J C Leyshon
Miss J M Marshall (Resigned 30 June 2021)
Mr M J Roberts
Miss C L Rodgers
Mrs H K Williams
Mr P M Williams

The mission is being led by Rev Colin Leyshon, Chairman of the Trustees and Honorary General Director. Also, our Director Emeritus, 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 2021, the Trustees met four times to conduct the business of MT. During 2021, 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 Directors, Treasurer and at least one other Trustee.

Raluca Rusu was the administrator during 2021, and the office work has continued much as usual during 2021 despite the COVID-19 pandemic because we normally all work from home. Chrissy Rodgers has continued to edit MT's magazine throughout 2021, and she has been able to organise a few smaller regional meetings during the latter half of 2021. Also, workers have been able to restart some of their deputation work during the latter half of 2021.

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 on page 2.

The Risk Management Policy is reviewed annually, the last review being on 1 July 2022.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2021

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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Examiner

James Foscett of Cansdales Business Advisers Limited was appointed Independent Examiners to the company for 2021 and a resolution proposing the appointment for 2022 was put to the Trustees on 1 July 2022.

Disclosure of Information to Independent Examiner

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 independent Examiner is aware of such information.

On behalf of the Trustees

Rev J C Leyshon

Trustee

Dated: 1 July 2022

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 2021.

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 Business Advisers Limited
Chartered Accountant & Business Advisers
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Dated: 7 July 2022

MESSIANIC TESTIMONY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds	Designated funds	Restricted funds	Total 2021	Total 2020
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	2	128,011	24,056	-	152,067	298,938
Other trading activities	3	5,433	-	-	5,433	1,191
Investments	4	14,850	-	-	14,850	16,799
Total income		148,294	24,056	-	172,350	316,928
Expenditure on:						
Raising funds		6,265	-	-	6,265	5,212
Charitable activities	5	197,177	114,662	-	311,839	325,171
Total expenditure		203,442	114,662	-	318,104	330,383
Net gains on investments	7	41,113	-	-	41,113	(25,264)
Net outgoing resources before transfers		(14,035)	(90,606)	-	(104,641)	(38,719)
Gross transfers between funds		8,756	(8,756)	-	-	-
Net movement in funds		(5,279)	(99,362)	-	(104,641)	(38,719)
Fund balances at 1 January 2021	16, 17	6,397	809,419	2,000	817,816	856,535
Fund balances at 31 December 2021	16, 17	1,118	710,057	2,000	713,175	817,816

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 2020 figures all relate to unrestricted funds with the exception of £88,319 designated donations and legacies income, and £100,636 designated charitable activities expenditure.

MESSIANIC TESTIMONY

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	8		72,386		72,386
Investments	9		443,816		522,848
			<u>516,202</u>		<u>595,234</u>
Current assets					
Debtors	10	14,486		64,476	
Cash at bank and in hand		187,947		163,559	
		<u>202,433</u>		<u>228,035</u>	
Creditors: amounts falling due within one year	11	(5,460)		(5,453)	
Net current assets			196,973		222,582
Total assets less current liabilities			<u>713,175</u>		<u>817,816</u>
Income funds					
Restricted funds	15		2,000		2,000
Designated funds	17		710,057		809,419
General unrestricted funds			1,118		6,397
			<u>713,175</u>		<u>817,816</u>

MESSIANIC TESTIMONY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

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

The financial statements will be approved by the Trustees at their meeting on 1 July 2022

Rev J C Leyshon

Trustee

Company Registration No. 08147968

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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, particularly amongst the Jewish people and relief of those in need.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

Designated Funds are funds set aside by the Board of Management out of unrestricted general funds for specific purposes or projects.

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 2021

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 Investment properties

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Fixed asset investments are 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.

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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Other transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction except for transactions in SAR, where we put the transactions through assuming 1SAR is worth £0.05, and then make the adjustment at the end of the year to the actual conversion rate. Exchange differences are taken into account in arriving at the operating result.

1.9 COVID - 19

The Coronavirus (COVID-19) had emerged globally resulting in a significant impact on businesses worldwide. As a result some business operations had been restricted. However the trust continued to operate using alternative methods and remote working. The trustees were unable to evaluate the overall financial impact on the business. 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 2021

2 Donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£	£
Donations and gifts	128,011	-	-	128,011	210,619
Legacies receivable	-	24,056	-	24,056	88,319
For the year ended 31 December 2021	128,011	24,056	-	152,067	298,938

3 Other trading activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Trading activity income: other	5,433	1,191

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from listed investments	14,850	16,799

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities

	Unrestricted 2021 £	Unrestricted 2020 £
Evangelism and spreading the Gospel	311,839	325,171
Analysis by fund		
Unrestricted funds	197,177	224,535
Endowment funds - designated	114,662	100,636
	311,839	325,171

Included within unrestricted charitable activities is independent examiner's remuneration of £2,411 (2020: £2,286) and £1,860 (2020: £1,848) relating to other services.

6 Employees

The average monthly number of employees during the year was

Employees	7	7
Pensioners	4	5
	11	12
Employment costs	2021	2020
	£	£
Wages and salaries	149,949	143,143
Social security costs	9,559	9,198
Other pension costs	13,511	12,236
	173,019	164,577

Wages and salaries include gratuities paid direct from income to pensioners of £18,872 (2020: £20,358). Three small pensions were restored during 2019 to a previous value as agreed with the Trustees in 2011, out of which one of the people receiving a small pension died in October 2020.

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

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Revaluation of investments	41,113	(25,264)

8 Investment property

	2021 £
Fair value	
At 1 January 2021 and 31 December 2021	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 2021.

9 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	522,848
Additions	69,873
Valuation changes	41,113
Disposals	(190,018)
At 31 December 2021	443,816
Carrying amount	
At 31 December 2021	443,816
At 31 December 2020	522,848

There were no investment assets outside the UK.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	11,302	61,599
Prepayments and accrued income	3,184	2,877
	<u>14,486</u>	<u>64,476</u>

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	5,460	5,453
	<u>5,460</u>	<u>5,453</u>

12 Trustees and Key Management

Chrissie Rodger was paid as Mission Development Administrator salary of £18,547 (2020 - £2,790).

None of the other trustees (or any persons connected with them) received any remuneration during the year, but trustees were reimbursed for expenses totalling £2,590 (2020: £1,698).

During the year the charity bought Trustee Liability Insurance at a cost of £933 (2020: £933).

During the year Trustees made unrestricted donations totalling £1,700 (2020: £1,512).

13 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.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 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 2021	Movement in funds		Transfers	Balance at 31 December 2021
	£	Income	Expenditure	£	£
		£	£		
Contingency for sustainability	171,000	-	-	(10,000)	161,000
Contingency for budgeted deficits	339,554	24,056	(82,750)	103,007	383,867
To grow salaries & grants	97,003	-	(31,512)	-	65,491
Worker Projects	13,237	-	(400)	-	12,837
Realisable investments	100,000	-	-	(100,000)	-
Property investments	72,386	-	-	-	72,386
Future Residential Conference	16,239	-	-	(1,763)	14,476
	<u>809,419</u>	<u>24,056</u>	<u>(114,662)</u>	<u>(8,756)</u>	<u>710,057</u>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Designated funds

(Continued)

Total designated funds of £712,938 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 £161,000 as at 31.12.2021.

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 31.12.2021 for relatively large deficits over the next 2 years of £383,867. 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 £65,491 as at 31.12.2021 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, with £12,837 still committed as at 31.12.2021.

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.

Future Residential Conferences - This is to help fund future residential conferences for all workers, and given the effects of the COVID-19 pandemic, the next is planned for September 2022 in UK.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021	Movement in funds		Balance at 31 December 2021
	£	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.

16 Analysis of net assets between funds

	Unrestricted	Designated Restricted funds		Total
	£	£	£	£
Fund balances at 31 December 2021 are represented by:				
Investment properties	-	72,386	-	72,386
Investments	-	443,816	-	443,816
Current assets/(liabilities)	1,118	193,855	2,000	196,973
	<u>1,118</u>	<u>710,057</u>	<u>2,000</u>	<u>713,175</u>

17 Related Party Disclosures

During the year the charity made purchases totalling £90.80 (2020: £121.5) from Manna Music Limited, a company with which the charity shares two trustees Mrs Helen K Williams and Miss Chrissy L Rodgers for books and CDs.

Charity has received £600 (2020: £600) from Bethesda Shalom Church in which one of trustee of charity, Mr Paul M Williams is a pastor.