

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 2022

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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 Miss C L Rodgers | (Resigned 4 June 2022) |
| 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 | St Mary's Court The Broadway Amersham Bucks HP7 0UT | |
| Independent examiner | James Foscett FCA, BSc (Hons), DChA Cansdales Business Advisers Limited St Mary's Court The Broadway Amersham Bucks HP7 0UT | |
| 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 2022

The Trustees present their report and financial statements for the year ended 31 December 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The charity's objects are:

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

MT staff based in various parts of the UK, together with associates of MT based in France, Germany, Israel, 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

During 2022, our workers have been seeking to re-establish their activities, adjusting as necessary to fit into the post COVID-19 Pandemic era in the country in which they are located. Live group meetings involving preaching, speaking and teaching opportunities and musical outreach have started again, although some have continued by digital means. However, there are still the opportunities to conduct funerals and to help by taking other kinds of meetings which bring our workers into contact with the right audiences. Our workers have again started speaking to people on the streets and offering tracts and books. Setting up, maintaining and developing one-to-one relationships has always been a key element of our work. Also, it is once again possible to visit in care homes on a limited basis.

Some of our workers' time was freed up in the last few years 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 artwork, and she is now exhibiting her work as part of a new outreach. Indeed, during 2022, she has published her first calendar based on her own Jewish artwork. Also, the congregation in Israel who recently occupied a new building as a result have been able to extend their work into new areas, including needy single mums and war veterans as well as holocaust survivors.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

During 2022, the finances of MT were overseen by the Trustees, with day-to-day duties delegated to Treasurer, June M Marshall.

2022 has been a year in which, following the COVID-19 Pandemic, many of our workers have been restarting their more traditional outreach roles. During previous lockdowns, all the evangelists were continuing some contacts by electronic means.

Having dropped off a little during 2021, donations held up pretty well during 2022. However, during 2022, it has been possible to hold some small rallies and make a few deputation visits. Although workers' expenses have grown since their level during the COVID-19 pandemic, they are still well below where they used to be pre-COVID-19, but things are springing back.

We started the year with good reserves, and thanks to quite high legacy income, have finished it also with good reserves.

In 2022, after legacies received amounting to £148,412, outgoings exceeded income by just £8,590. Net investment falls due to market decreases accounted for £43,217 in 2022, increasing our deficit to £51,808. 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 £157,004.

The fact that outgoings exceeded income in 2022 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 2022 MT's designated reserves total £649,944 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

£186,000 being the reserve for regular budgeted outgoings without income over 6 months

£335,340 Towards the budgeted loss in 2023-24

£1,000 Funds for worker projects.

£9,380 Future Residential Conferences

£45,837 To be used for additional salaries and grants, and the introduction of new workers over the next 2-3 years

£649,943

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2022

In addition we held £2,926 in Restricted funds leaving free reserves of approximately £8,498.

The Reserves Policy stated in the last four paragraphs above and amplified in Note 17 in the accounts on Designated Funds is reviewed annually, the last review being on 30 June 2023.

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 -7.7%, the fall in capital values of the investments being due to a general decrease in values on the stock market (2022: Income yield 3.0%, Capital return -10.9%)

The Investment Policy, including our instructions to Charles Stanley & Co Limited is reviewed annually, the last review being on 30 June 2023.

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 the period 2018-21. The Trustees are disappointed to have to report that outgoings again exceeded income during 2022, despite the amount received in legacies and one-off donations being higher than recent years, albeit more modest than in 2015-16. However, a loss of only £51,808 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 2022, the Trustees asked for a full 10% inflationary increase in salaries & grants to be paid to all workers, part in September 2022 and the rest in January 2023.

However, the Trustees have budgeted for outgoings to exceed income by a substantial amount in 2023, partly because we do not expect to receive any Trust Grants during 2023 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 during 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 2022 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.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management Governing document

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

Rev J L Hayward (Resigned 4 June 2022)
Rev J C Leyshon
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 2022, the Trustees met four times to conduct the business of MT. During 2022, 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 2022, and the office work has continued much as usual during 2022. Chrissy Rodgers has continued to edit MT's magazine throughout 2022, and she has been able to organise some regional meetings during 2022. Also, workers have been able to restart some of their deputation work during 2022.

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 30 June 2023.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Independent Examiners

James Foskett of Cansdales was appointed as Independent Examiner to the company for 2022 and a resolution proposing the appointment for 2023 was put to the Trustees on 30 June 2023.

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: 30/6/23

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 2022.

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 Foscett FCA DChA
Cansdales Business Advisers Limited
Chartered Accountant & Business Advisers
St Mary's Court
The Broadway
Old Amersham
Bucks
HP7 0UT

Dated: 11 July 2023

MESSIANIC TESTIMONY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Unrestricted funds | Designated funds | Restricted funds | Total 2022 | Total 2021 |
|---|---------------|-----------------------|---------------------|---------------------|-----------------|------------------|
| | Notes | £ | £ | £ | £ | £ |
| Income from: | | | | | | |
| Donations and legacies | 2 | 139,773 | 148,412 | 926 | 289,111 | 152,067 |
| Other trading activities | 3 | 4,736 | - | - | 4,736 | 5,433 |
| Investments | 4 | 13,204 | - | - | 13,204 | 14,850 |
| Total income | | 157,713 | 148,412 | 926 | 307,051 | 172,350 |
| Expenditure on: | | | | | | |
| Raising funds | | 5,674 | - | - | 5,674 | 6,265 |
| Charitable activities | 5 | 243,160 | 66,807 | - | 309,967 | 311,839 |
| Total expenditure | | 248,834 | 66,807 | - | 315,641 | 318,104 |
| Net gains on investments | 7 | (43,217) | - | - | (43,217) | 41,113 |
| Net (outgoing)/incoming resources before transfers | | (134,338) | 81,605 | 926 | (51,807) | (104,641) |
| Gross transfers between funds | | 141,718 | (141,718) | - | - | - |
| Net movement in funds | | 7,380 | (60,113) | 926 | (51,807) | (104,641) |
| Fund balances at 1 January 2022 | 16, 17 | 1,118 | 710,058 | 2,000 | 713,176 | 817,816 |
| Fund balances at 31 December 2022 | 16, 17 | 8,498 | 649,945 | 2,926 | 661,369 | 713,175 |

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 2021 figures all relate to unrestricted funds with the exception of £24,056 designated donations and legacies

MESSIANIC TESTIMONY

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Investment properties | 8 | | 72,386 | | 72,386 |
| Investments | 9 | | 308,761 | | 443,816 |
| | | | <u>381,147</u> | | <u>516,202</u> |
| Current assets | | | | | |
| Debtors | 10 | 20,785 | | 14,486 | |
| Cash at bank and in hand | | 265,313 | | 187,947 | |
| | | <u>286,098</u> | | <u>202,433</u> | |
| Creditors: amounts falling due within one year | 11 | (5,876) | | (5,460) | |
| Net current assets | | | <u>280,222</u> | | <u>196,973</u> |
| Total assets less current liabilities | | | <u>661,369</u> | | <u>713,175</u> |
| Income funds | | | | | |
| Restricted funds | 15 | | 2,926 | | 2,000 |
| Designated funds | 17 | | 649,945 | | 710,058 |
| General unrestricted funds | | | 8,498 | | 1,118 |
| | | | <u>661,369</u> | | <u>713,175</u> |

MESSIANIC TESTIMONY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

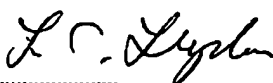
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

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 30 June 2023



.....
Rev J C Leyshon
Trustee

Company Registration No. 08147968

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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.

2 Donations and legacies

| | Unrestricted funds | Designated funds | Restricted funds | Total 2022 | Total 2021 |
|--|--------------------|------------------|------------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Donations and gifts | 139,773 | - | 926 | 140,699 | 128,011 |
| Legacies receivable | - | 148,412 | - | 148,412 | 24,056 |
| For the year ended 31 December 2022 | 139,773 | 148,412 | 926 | 289,111 | 152,067 |

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Other trading activities

| | Unrestricted funds | Unrestricted funds |
|--------------------------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Trading activity income: other | 4,736 | 5,433 |

4 Investments

| | Unrestricted funds | Unrestricted funds |
|--------------------------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Income from listed investments | 13,204 | 14,850 |

5 Charitable activities

| | Unrestricted 2022 | Unrestricted 2021 |
|-------------------------------------|----------------------|----------------------|
| | £ | £ |
| Evangelism and spreading the Gospel | 309,967 | 311,839 |
| Analysis by fund | | |
| Unrestricted funds | 243,160 | 197,177 |
| Endowment funds - designated | 66,807 | 114,662 |
| | 309,967 | 311,839 |

Included within unrestricted charitable activities is independent examiner's remuneration of £2,604 (2021: £2,411) and £2,416 (2021: £1,860) relating to other services.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees

The average monthly number of employees during the year was

| | | |
|-------------------------|----------------|----------------|
| Employees | 7 | 7 |
| Pensioners | 4 | 4 |
| | <u>11</u> | <u>11</u> |
| Employment costs | 2022 | 2021 |
| | £ | £ |
| Wages and salaries | 139,966 | 149,949 |
| Social security costs | 9,567 | 9,559 |
| Other pension costs | 15,071 | 13,511 |
| | <u>164,604</u> | <u>173,019</u> |

Wages and salaries include gratuities paid direct from income to pensioners of £15,870 (2021: £18,872).

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

7 Net gains/(losses) on investments

| | Unrestricted funds | Unrestricted funds |
|----------------------------|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Revaluation of investments | <u>(43,217)</u> | <u>41,113</u> |

8 Investment property

| | 2022 |
|--|---------------|
| | £ |
| Fair value | |
| At 1 January 2022 and 31 December 2022 | <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 2022.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Fixed asset investments

| | Listed investments £ |
|--------------------------|-------------------------|
| Cost or valuation | |
| At 1 January 2022 | 443,816 |
| Additions | 32,350 |
| Valuation changes | (43,217) |
| Disposals | (124,188) |
| | <hr/> |
| At 31 December 2022 | 308,761 |
| | <hr/> |
| Carrying amount | |
| At 31 December 2022 | 308,761 |
| | <hr/> |
| At 31 December 2021 | 443,816 |
| | <hr/> |

10 Debtors

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 17,513 | 11,302 |
| Prepayments and accrued income | 3,272 | 3,184 |
| | <hr/> | <hr/> |
| | 20,785 | 14,486 |
| | <hr/> | <hr/> |

11 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 5,876 | 5,460 |
| | <hr/> | <hr/> |

12 Trustees and Key Management

Chrissy Rodgers was paid as Mission Development Administrator salary of £19,134 (2021: £18,547).

None of the other trustees (or any persons connected with them) received any remuneration during the year, but trustees were reimbursed for expenses totalling £1,880 (2021: £ 2,590).

During the year the charity bought Trustee Liability Insurance at a cost of £1,005 (2021 : £933).

During the year Trustees made unrestricted donations totalling Nil (2021: Nil).

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 2022 | Movement in funds | | Transfers | Balance at 31 December 2022 |
|-----------------------------------|------------------------------|-------------------|------------------|------------------|--------------------------------|
| | £ | Income £ | Expenditure £ | £ | £ |
| Contingency for sustainability | 161,000 | 15,000 | - | 10,000 | 186,000 |
| Contingency for budgeted deficits | 383,867 | 133,412 | (40,295) | (141,644) | 335,340 |
| To grow salaries & grants | 65,491 | - | (19,654) | - | 45,837 |
| Worker Projects | 12,837 | - | - | (11,837) | 1,000 |
| Property investments | 72,386 | - | - | - | 72,386 |
| Future Residential Conference | 14,476 | - | (6,859) | 1,763 | 9,380 |
| | <u>710,057</u> | <u>148,412</u> | <u>(66,808)</u> | <u>(141,718)</u> | <u>649,943</u> |

Total designated funds of £649,943 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 £186,000 as at 31 December 2022.

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 December 2022 for relatively large deficits over the next 3 years of £335,340. 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 £45,837 as at 31 December 2022 to cover new salaries and grants for such evangelists over a period of 3-5 years.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Designated funds

(Continued)

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. Most of these have now been completed but one is still ongoing, with £1,000 still committed as at 31 December 2022.

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. The next is planned for September 2024 in UK.

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 2022 £ | Movement in funds | | Balance at 31 December 2022 £ |
|----------|-----------------------------------|-------------------|------------------|-------------------------------------|
| | | Income £ | Expenditure £ | |
| BUD fund | 2,000 | 926 | - | 2,926 |
| | <u>2,000</u> | <u>926</u> | <u>-</u> | <u>2,926</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 funds | Designated Restricted funds funds | £ | Total £ |
|---|-----------------------|--------------------------------------|--------------|----------------|
| Fund balances at 31 December 2022 are represented by: | | | | |
| Investment properties | - | 72,386 | - | 72,386 |
| Investments | - | 308,761 | - | 308,761 |
| Current assets/(liabilities) | 8,499 | 268,797 | 2,926 | 280,222 |
| | <u>8,499</u> | <u>649,944</u> | <u>2,926</u> | <u>661,369</u> |

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Related Party Disclosures

During the year the charity made purchases totaling Nil (2021: £90.80) 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 (2021: £600) from Bethesda Shalom Church in which one of trustee of charity, Mr Paul M Williams is a pastor.