

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 2016

MESSIANIC TESTIMONY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees And Key Management	Mr Brian Chapman Rev J C Leyshon Rev T P Gamston Miss J M Marshall Mr M J Roberts
Charity number	1148986
Company number	08147968
Principal address	PO Box 1168 Harrow HA1 9ND
Independent examiner	James Foskett FCA, BSc (Hons), DChA Cansdales Bourbon Court Nightingales Corner Little Chalfont HP7 9QS
Bankers	Barclays Bank plc 2 Station Parade Barking IG11 8DL
Solicitors	Lloyd Jones & Co 8/10 Southbourne Grove Westcliff-on-Sea SS0 9UR
Investment advisors	Charles Stanley & Co Ltd 2 Westover Road Bournemouth BH1 2BY

MESSIANIC TESTIMONY

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MESSIANIC TESTIMONY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees present their report and financial statements for the year ended 31 December 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

The charity's objects are:

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

MT staff based in various parts of the UK, together with associates of MT based in France, Germany, Israel, Russia and South Africa carry out these aims and are supported financially and prayerfully by other staff, associates and supporters of MT.

In seeking to achieve these objects, the Trustees are confident that the results will be for the benefit of many: education for young people, harmony and reconciliation in families and communities as well as the spiritual blessing in on British 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 history and culture, 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 2016

Achievements and performance

During 2016, a number of significant MT rallies were held throughout the UK; for example, in Central London when MT were granted use of the City Temple; similar meetings were held in Northern Ireland and South Wales. These are excellent opportunities for our supporters to come together to enjoy a time of fellowship as well as ministry from the Word of God and up-to-date reports from some of our staff and associates from elsewhere in the world.

The work of MT has followed a similar pattern to previous years with staff members continuing to have numerous preaching and teaching opportunities in a wide range of evangelical congregations as well as speaking to groups including Jews. One member of staff is regularly invited to speak at major conferences throughout the UK, and elsewhere. Many of our personnel have contacts with local synagogues and some are able to contribute positively at cultural events in such centres, and to provide consolation and support when communities face increased anti-semitism. After intensive language study in Jerusalem, our new couple moved south to Be'er Sheva for ministry among the Russian speaking population.

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. 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. 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 bimonthly reports speak of many Jewish people coming to faith in the Lord Jesus through each of these ministry activities.

MT has been effectively represented at a number of major Christian events in the last year, such as the Keswick in Wales Convention (Llandrindod Wells), Worldwide 2015 (Bangor), the Portstewart Keswick, 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. Under its new editorship, our quarterly newsletter, Selah, has developed to include teaching on Jewish matters as well as regular news updates from our workers.

With the assistance of our voluntary representative for N Ireland a fresh approach was taken to the N Ireland Annual meeting in 2016, and it is hoped that this will harness the huge potential in the Province. Unique opportunities to speak about MT on the radio have been grasped and God has been pleased to use these as a means of furthering the ministry.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2016

Financial review

During 2016, the finances of MT were overseen by the Trustees, with day to day duties delegated to Trustee Member and Treasurer, June M Marshall.

In 2016, income exceeded outgoings by £334,825. Net investment gains due to market increases accounted for £36,410 in 2016. However, legacies received amounted to £345,083. 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 £46,668.

Whilst it is good that income did exceed outgoings in 2016, the Trustees still feel a concern that the underlying trend is one of falling support, especially in larger one-off donations and 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. That said, positive moves have been made to update regularly all those on the mailing list with regard to our current financial situation. We will continue along this path. However, the Trustees are conscious that, once they have found a new Executive Director, they need to give priority to increasing support and balancing the budget.

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

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

As outlined in Note 16, at 31 December 2016 MT's designated reserves total £1,092,443 made up of the following items which are in keeping with our "Reserves Policy" :-

- £50,000 Funds for worker projects.
- £100,000 To be used for additional salaries and grants, and the introduction of new workers over the next 3 years
- £246,057 being the reserve for regular budgeted outgoings without income over 9 months. The Trustees agreed that the period over which we should hold regular outgoings should be 9 months, not 6 months.
- £ 49,000 needed in the event that MT had to wind up
- £365,000 To cover budgeted losses over the next 3 years.
- £ 72,386 which is invested in a property because it would be difficult to realise these funds without disrupting the use of the property.
- £210,000 which the trustees had designated in previous years to help with the unevenness in cash flows and for investment to generate income for use by the mission.

£1,092,443

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2016

In addition we held £2,000 in Restricted funds leaving free reserves of £7,372.

The Reserves Policy stated above and amplified in Note 16 in the accounts on Designated Funds is reviewed annually, the last review being on 19 June 2017.

MT have delegated investment of certain general funds to Charles Stanley & Co Limited, with the portfolio managed on an ethical/best endeavours basis with medium/low risk. The return on these investments during the year amounted to 9.9% (3.5% income plus 6.4% capital gains).

The Investment Policy, including our instructions to Charles Stanley & Co Limited is reviewed annually, the last review being on 19 June 2017.

Plans for the Future

After a number of years in which outgoings have exceeded income followed by income first just exceeding outgoings in 2012, the Trustees are pleased to report that income again exceeded outgoings in 2016. However, as noted above, this was largely due to a significant amount of income in the form of legacies and large donations that may not be repeated. On the basis that income substantially exceeded outgoings in 2016 courtesy of very large legacy income that may not repeat itself, the Trustees are also pleased to report that they have asked for a bonus to be paid to each member of staff and associate. However, the Trustees have budgeted for outgoings to exceed income by a substantial amount in 2017, largely but not solely because of anticipated transitional costs in replacing our Executive Director who left MT on 31 May 2016. 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 recruiting a new Executive Director. They were unsuccessful in this in 2016, but felt that it was more important to find the right person than to recruit someone quickly who did not quite fit the needs of the mission. The Trustees readvertised in April and May 2017. 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 2016

Structure, governance and management

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

Mr B J Chapman
Rev T P Gamston
Rev J C Leyshon
Miss J M Marshall
Mr M J Roberts
Miss C Rodgers (Resigned 16 April 2016)
Mrs D A Rodgers (Resigned 31 October 2016)

During the first 5 months of 2016, the charity was directed by Sam Gordon (a paid director of the charity). The Trustees made their first attempt to recruit a replacement for Sam Gordon around the time that he left, but were unsuccessful. They are now embarked on a fresh recruitment process. In the meantime, the mission is being led by Rev Colin Leyshon, Chairman of the Trustees and Honorary General Director. Also, our Director Emeritas, Tom Mayr-Lori, is providing pastoral support to the workers for a temporary period.

The work is overseen by its Board of Trustees, which is made up of the trustees listed above. During 2016, the Trustees met four times to conduct the business of MT. During 2016, the Trustees were assisted in their oversight by the Executive Committee comprising MT's Director, Honorary Treasurer and two other Trustees, who met twice during the first half of 2016. Also, a Finance and Investment Committee was set up which works mainly electronically.

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

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

Throughout 2016, Debbie Rodgers continued to act as MT's administrator. After the departure of Sam Gordon, Debbie Rodgers and Chrissy Rodgers started jointly editing MT's magazine, Selah. Initially, Chrissy worked as a volunteer, but from February 2017 she became an employee.

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

The Risk Management Policy is reviewed annually, the last review being on 19 June 2017.

MESSIANIC TESTIMONY

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

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of Trustees' responsibilities

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

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

- | |
|---|
| <ul style="list-style-type: none">• 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 2016 and a resolution proposing his reappointment for 2017 was put to the Trustees on 19 June 2017.

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

Rev J C Leyshon

Dated: 19 June 2017

MESSIANIC TESTIMONY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES AND KEY MANAGEMENT OF MESSIANIC TESTIMONY

I report on the financial statements of the charitable company for the year ended 31 December 2016, which are set out on pages 8 to 20.

This report is made solely to the Board, in accordance with section 145 of the Charities Act 2011. My independent examination has been undertaken so that I might state to the Board 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 Board, for my independent examination or for this report.

Respective responsibilities of Trustees and Key Management and examiner

The Trustees who are also the directors of Messianic Testimony for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

JAMES FOSKETT, FCA, DChA
Cansdales Chartered Accountants & Business Advisers
Bourbon Court, Nightingales Corner
Little Chalfont
Bucks, HP7 9QS

Dated: 19 June 2017

MESSIANIC TESTIMONY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		Unrestricted funds	Designated funds	Restricted funds	Total 2016	Total 2015
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and legacies	2	226,863	345,083	2,025	573,971	495,345
Other trading activities	3	1,382	-	-	1,382	1,720
Investments	4	20,011	-	-	20,011	11,482
Total income		248,256	345,083	2,025	595,364	508,547
<u>Expenditure on:</u>						
Raising funds	5	3,848	-	-	3,848	3,009
Charitable activities	6	287,722	-	5,379	293,101	305,909
Total expenditure		291,570	-	5,379	296,949	308,918
Net gains on investments	8	36,410	-	-	36,410	(8,602)
Net movement in funds		(6,904)	345,083	(3,354)	334,825	191,027
Fund balances at 1 January 2016	16, 17	14,276	747,360	5,354	766,990	575,963
Fund balances at 31 December 2016	16, 17	7,372	1,092,443	2,000	1,101,815	766,990

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 comparative figures all relate to unrestricted funds with the exception of £2,268 restricted income within donations and legacies and £2,339 restricted expenditure within charitable activities, giving a net loss of £71.

MESSIANIC TESTIMONY

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investment properties	9		72,386		72,386
Investments	10		578,889		487,436
			<u>651,275</u>		<u>559,822</u>
Current assets					
Debtors	11	245,745		91,230	
Cash at bank and in hand		212,906		122,437	
		<u>458,651</u>		<u>213,667</u>	
Creditors: amounts falling due within one year	12	(8,111)		(6,499)	
Net current assets			450,540		207,168
Total assets less current liabilities			<u>1,101,815</u>		<u>766,990</u>
Income funds					
Restricted funds	15		2,000		5,354
Designated funds	16		1,092,443		747,360
General unrestricted funds			7,372		14,276
			<u>1,101,815</u>		<u>766,990</u>

MESSIANIC TESTIMONY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

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 2016. 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 19 June 2017

Rev J C Leyshon

Trustee

Company Registration No. 08147968

MESSIANIC TESTIMONY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016		2015	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	18		125,501		204,519
Investing activities					
Purchase of investments		(113,877)		(263,257)	
Proceeds on disposal of investments		58,834		57,902	
Interest received		20,011		11,482	
		<hr/>		<hr/>	
Net cash used in investing activities			(35,032)		(193,873)
Net cash used in financing activities			-		-
			<hr/>		<hr/>
Net increase in cash and cash equivalents			90,469		10,646
Cash and cash equivalents at beginning of year			122,437		111,791
			<hr/>		<hr/>
Cash and cash equivalents at end of year			212,906		122,437
			<hr/> <hr/>		<hr/> <hr/>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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 £1 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 accounts.

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 2016

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, net of discounts, VAT and other sales related taxes.

1.5 Expenditure

All expenditure 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.

Fixtures, fittings & equipment	33% straight line
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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 as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

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

1.8 Cash and cash equivalents

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

1.9 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of 1 Euro to £0.90 and 1 Rand to £0.10 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 2016

2 Donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£	£
Donations and gifts	226,863	-	2,025	228,888	240,451
Legacies receivable	-	345,083	-	345,083	254,894
	<u>226,863</u>	<u>345,083</u>	<u>2,025</u>	<u>573,971</u>	<u>495,345</u>
For the year ended 31 December 2015	<u>238,183</u>	<u>254,894</u>	<u>2,268</u>		<u>495,345</u>

3 Other trading activities

	2016	2015
	£	£
Trading activity income: other	<u>1,382</u>	<u>1,720</u>

4 Investments

	2016	2015
	£	£
Income from listed investments	<u>20,011</u>	<u>11,482</u>

5 Raising funds

	2016	2015
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	<u>3,338</u>	<u>1,951</u>
<u>Trading costs</u>		
Purchase of books and DVDs etc	<u>510</u>	<u>1,058</u>
	<u>3,848</u>	<u>3,009</u>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Charitable activities

	2016 £	2015 £
Evangelism and spreading the Gospel	293,101	305,909

Included within unrestricted charitable activities is independent examiner's remuneration of £2,220 (2015: £2,094) and £1,230 (2015: £1,194) relating to other services.

Included in the expenditure for 2016 is £5,379 (2015: £2,339) relating to unrestricted funds.

7 Employees

Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
Employees	4	4
Pensioners	6	6
	10	10

Employment costs

	2016 £	2015 £
Wages and salaries	91,683	108,818
Social security costs	5,420	7,179
Other pension costs	8,360	9,806
	105,463	125,803

Wages and salaries include gratuities paid direct from income to pensioners of £16,433 (2015: £16,433).

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

8 Net gains/(losses) on investments

	2016 £	2015 £
Revaluation of investments	36,410	(8,602)

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Investment property

2016
£

Fair value

At 1 January 2016 and 31 December 2016

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 2016.

10 Fixed asset investments

Listed
investments
£

Cost or valuation

At 31 December 2015

487,436

Additions

113,877

Revaluation of investments

36,410

Disposals

(58,834)

At 31 December 2016

578,889

Carrying amount

At 31 December 2016

578,889

At 31 December 2015

487,436

11 Debtors

2016

2015

Amounts falling due within one year:

£

£

Other debtors

244,568

86,107

Prepayments and accrued income

1,177

5,123

245,745

91,230

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	8,111	6,499
	<u>8,111</u>	<u>6,499</u>

13 Trustees And Key Management

Mrs D A Rodgers, a trustee until 31.10.2016, received a salary in connection with bookkeeping services provided to the charity. The amount received during the year for these services was £13,858 (2015: £14,292). This payment is permitted by the company's Memorandum and Articles of Association.

Mr S Gordon, key management, received a salary of £10,417 (2015: £26,500) for his role of Executive Director until 31 May 2016. No other staff members are considered key management.

None of the other trustees (or any persons connected with them) received any remuneration during the year, but Colin Leyshon - £895 and Mike Roberts - £490 were reimbursed for travelling expenses and meeting accommodation (2015: Colin Leyshon - £621, Mike Roberts - £35, Chrissy Rodgers - £35 & June Marshall - £35).

During the year the charity bought Trustee Liability Insurance at a cost of £566 (2015: £607).

During the year Trustees made unrestricted donations totalling £1,800 (2015: £2,025).

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.

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016	Movement in funds		Balance at 31 December 2016
	£	Income	Expenditure	£
Laing fund	432	-	(432)	-
Retreat fund	2,922	2,025	(4,947)	-
BUD fund	2,000	-	-	2,000
	<u>5,354</u>	<u>2,025</u>	<u>(5,379)</u>	<u>2,000</u>

The John Laing Charitable Trust made a donation to MT to cover certain specific projects being undertaken by individual workers.

The Retreat Fund is to cover the expenses of the staff retreat for which funds have been contributed in the year.

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 2016

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 2016	Movement in funds		Transfers	Balance at 31 December 2016
	£	Income £	Expenditure £	£	£
Fixed asset fund	409,822	-	-	(227,436)	182,386
Contingency funds held as fixed assets	150,000	34,190	-	284,699	468,889
Contingency funds held as cash	115,020	210,893	-	-	325,913
Funds to be invested	72,518	100,000	-	(57,263)	115,255
	<u>747,360</u>	<u>345,083</u>	<u>-</u>	<u>-</u>	<u>1,092,443</u>

The Fixed Asset fund comprises those reserves which are represented by fixed assets which are not readily realisable by the charity to fund its day to day activities.

The funds to be invested relate to cash held from investments which is to be reinvested.

Total designated funds of £1,092,433 are made up of the following:

The Contingency fund of £295,000 represents funds set aside of £246,000 for 9 months budgeted outgoings should the charity's regular income not be forthcoming or significantly reduced, plus £49,000 set aside to cover the redundancy and other costs associated with giving notice to staff and associates in the event of the charity needing to be wound up. In addition, as at 31 December 2016, a further contingency fund of £365,000 has been set aside to meet one-off expenditure expected in the next 3 years. Part of these funds are represented by fixed asset investments which could be readily realised in the event that the funds were needed. The Trustees have also designated £100,000 for additional salaries and grants over the next 3 years and £50,000 for use in worker projects, leaving £210,000 for investments to raise funds and the £72,386 invested in the home of a worker so that it does not have to be sold suddenly.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Designated funds £	Total £
Fund balances at 31 December 2016 are represented by:				
Investment properties	-	-	72,386	72,386
Investments	-	-	578,889	578,889
Current assets/(liabilities)	7,372	2,000	441,168	450,540
	<u>7,372</u>	<u>2,000</u>	<u>1,092,443</u>	<u>1,101,815</u>

MESSIANIC TESTIMONY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

18	Cash generated from operations	2016 £	2015 £
	Surplus for the year	334,825	191,027
	Adjustments for:		
	Investment income recognised in statement of financial activities	(20,011)	(11,482)
	Fair value gains and losses on investments	(36,410)	8,602
	Movements in working capital:		
	(Increase)/decrease in debtors	(154,515)	15,000
	Increase in creditors	1,612	1,372
	Cash generated from operations	<u>125,501</u>	<u>204,519</u>