

Report of the Trustees and  
Audited Financial Statements for the Year Ended 30th June 2019  
for

The Jerusalem and the Middle East Church  
Association

(a company limited by guarantee  
administered by the Jerusalem and the  
East Mission Trust Limited)

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for the Year Ended 30th June 2019

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The Jerusalem and the Middle East Church  
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Report of the Trustees  
for the Year Ended 30th June 2019

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The trustees who are also the directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 30th June 2019. The trustees have adopted the provisions of 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 1st January 2015).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

The Charitable Company was formed with the objective of taking over the activities of The Jerusalem and the Middle East Church Association (JMECA) (registered charity 248799).

The object of the Charitable Company, as defined in the Articles of Association, is to benefit the public by encouraging support in prayer, money and personal service for the religious and other charitable work of the Episcopal Church in Jerusalem and the Middle East in communion with the See of Canterbury.

In pursuance of the object the Charitable Company may maintain the Cathedral Church and the Close of Saint George the Martyr in Jerusalem and its ancillary buildings and may promote theological study in the Middle East.

One of the main criteria used by the trustees in measuring the success of the charity in a year against the objectives set is whether the charity has maintained or increased the level of grants paid to the four dioceses that make up the Episcopal Church in Jerusalem and the Middle East. Although the overall level of grant has increased there are special factors affecting this which are explained further in the Financial Review section of this report.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Charity in planning future activities and in setting the grant making policy for the year. In particular the trustees consider how planned activities will contribute to the aims and objectives that have been set.

#### ACHIEVEMENT AND PERFORMANCE

The Charity has endeavoured to maintain the awareness of the Charity's supporters through the issue of their publication 'Bible Lands', other specifically designed publicity materials and a website.

The Charity supports the four dioceses that make up the Episcopal Church in Jerusalem and the Middle East by the making of grants from donations received and investment income.

The Charity also acts as a way for interested organisations and individuals to make donations to specific organisations and projects within the province.

In accordance with a request from the Provincial Standing Committee unrestricted donations and the income from unrestricted investment funds have been allocated equally between the four dioceses.

In common with the other charities administered by The Jerusalem and the East Mission Trust Limited, the decision was taken by the trustees that for the year ended 30th June 2019 and future years, the grants for the year would be based on the investment income to 31st March in each year rather than 30th June. This has resulted in a one-off reduction in the level of grant in the year ended 30th June 2019.

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Report of the Trustees  
for the Year Ended 30th June 2019

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## FINANCIAL REVIEW

### Investment

#### Investment Powers

The trustees' power is governed by the Trustee Act 2000. This confers a general power of investment and requires the trustees to invest in a diversified range of suitable instruments.

#### Investment Objectives

The investment objectives are :

- a) to generate a sustainable income stream year on year which maintains its current purchasing power.
- b) to at least maintain the capital value of the investments over the long-term.

#### Risk Tolerance

The trustees place a high priority on maintaining the real value both of the investments and the income returns over the long-term while recognizing that at times achieving this will mean accepting short or medium term declines in capital value.

#### Ethical and Socially Responsible Investment

The trustees have reviewed their investment policy with regard to the Charity Commission's guidance on ethical and responsible investment.

The trustees recognize and approve the CBF funds manager's policy of investing only in investments that conform to the Church of England's 'Ethical Investment Advisory Group' (EIAG) guidelines.

#### Performance

Investment income, including deposit account interest, has increased by 1.3% compared to the previous year. The value of the investments has increased by 7.7% over the year (this is after accounting for the sale of investments for £112,000 in the year).

## FINANCIAL REVIEW

### Financial review

Income from all donations increased by 9.9% compared to the previous year. Unrestricted donations increased by 13.5%. The Charity received one unrestricted legacy of £50,000 in the year ended 30th June 2019. A need to preserve and enhance the capital base of invested funds in order to maintain the level of support provided each year throughout the Province of Jerusalem and the Middle East continues. This need determines the amount of grant expenditure authorised by the trustees, which for the current year totalled £273,960 an increase of 13.9% compared with the previous year. Total grants in 2019, however, includes £60,733 to the Diocese of Egypt from the compensation received in respect of Holy Trinity Church, Algiers, excluding this payment there was a decrease in the level of grants paid of 11.3%. Owing to the change in the basis of calculation of the grants and the reduction in the value of the grants due to falling exchange rates, the trustees made the decision for 2019 to make a grant of £40,000 from the capital of the General Ministry Fund (2018 - £40,000). The management service charge totalled £38,241 (2018: £36,224). The cost of raising funds increased to £10,844 (2018: £8,382) this increase is due to there being a charge for depreciation of the website in 2019. Net incoming resources for the year totalled £1,057,493 (2018: outgoing resources of £48,830). Income in 2019, however, includes an amount of £1,100,000 received from the United Kingdom Foreign and Commonwealth Office as compensation for loss of income in respect of Holy Trinity Church, Algiers. Excluding this amount and the interest received and grants and expenses paid from this fund, there were net incoming resources for the year of £18,012.

Further details of grants payable are shown in the financial statements.

### Reserves

The trustees take the view that the aim should be to fulfil the Charity's objects over a long-term future. The experience of the trustees is that the Central Synod of the Episcopal Church in Jerusalem and The Middle East expects both to receive a regular annual grant at a sustained level and from time to time to call upon the Charity for additional and urgent funding, and it is the policy of the trustees, within the terms of the Charity, to maintain reserves at an adequate level to support these two needs. While keeping the level of resources under constant review, the trustees consider the current level to be prudent for this purpose.

In the opinion of the trustees the finances of the Charity are adequate to enable it, with prudent management, to continue to carry out their charitable objectives.

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the charity are a loss of investment income and in the long term a significant reduction in the capital value of the investments.

These risks are managed by investing the charity's funds in the CBF Church of England Investment Fund, the CBF Church of England Property Fund and the CBF Church of England Deposit Fund.

The CBF Church of England Investment Fund is an actively managed, diversified international portfolio of assets designed to help protect both present and future beneficiaries from the effects of excessive market volatility and inflation.

The CBF Church of England Property Fund is an actively managed, diversified portfolio of principally UK commercial property.

The CBF Church of England Deposit Fund offers a high level of capital security and a competitive rate of interest.

The Jerusalem and the Middle East Church Association  
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Report of the Trustees  
for the Year Ended 30th June 2019

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#### FUTURE PLANS

The Charity aims to continue to support the four dioceses which make up the Episcopal Church in Jerusalem and the Middle East both financially and by raising awareness of the wider needs of the Christian community within the Middle East. This will be achieved by continuing to maintain the level of grant to the dioceses and by raising issues in Bible Lands and directly with relevant parties.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The Charitable Company is governed by its Memorandum and Articles of Association adopted on 3rd June 2014.

The council of the Charity is comprised of the trustees together with up to twelve additional co-opted members who have the right to attend and speak at meetings of the council but are not entitled to vote.

A full trustee body of the Charitable Company will consist of:

The directors of The Jerusalem and the East Mission Trust Limited ex officio

A chairman who shall be appointed by the patron after consultation with the President Bishop of The Episcopal Church in Jerusalem and the Middle East (the Church).

Two representatives of each diocese of the Church appointed by its diocesan bishop.

Two persons appointed by the board of the executive trustees of the Cathedral Church of St. George the Martyr in Jerusalem.

One representative appointed by the Anglican Consultative Council.

Three persons associated with the Charity and based in the British Isles.

Six other persons appointed by the trustees.

The directors of the Jerusalem and the East Mission Trust Limited comprise a standing committee whose function is to administer the assets of the Charitable Company and to manage its affairs between meetings of the Charity.

The directors met four times during the year to consider the overall policy of the Charity and the level of grants to be paid.

The Jerusalem and the Middle East Church Association is one of five charities administered by this trust company which was formed to administer charities and their funds whose objects are to support and advance the work of the Episcopal Church in Jerusalem and the Middle East. The other four charities administered by this trust company are St Mary's Waqf, Trust Property held in connection with the Episcopal Church in Egypt, The Arthur Jones Travel Bursary Trust and The Jerusalem Bishopric Fund.

##### Recruitment, appointment, induction and training of new trustees

New members of the council are appointed or invited to serve in accordance with the constitution when vacancies arise. Members are provided with information on the work of the Charity. The secretary of the council and the standing committee of the Charity ensure that all relevant aspects of charity law are drawn to the attention of trustees.

The policy for recruitment and training for directors of The Jerusalem and the East Mission Trust Limited is as follows:

New directors are recommended to fill vacancies by existing directors, bishops of the Province or others closely associated with the Charity's activities. Prospective directors are interviewed by the chairman and other directors as appropriate and details including full CVs are submitted to the board for approval. Prospective directors are given an introduction to the work of the Charity and information on the role of trustees and charity law. Charity Commission publications are regularly distributed to the directors.

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Report of the Trustees  
for the Year Ended 30th June 2019

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management

As required by the Charity Commission, the trustees regularly undertake reviews of any significant risks to the charitable company to ensure that appropriate mitigation policies exist.

#### REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number  
09067852 (England and Wales)

Registered Charity number  
1158476

Registered office  
1 Hart House  
The Hart  
Farnham  
Surrey  
GU9 7HJ

Trustees  
J M Clark  
J G Pringle  
Rev Canon Dr W H Taylor  
D A Wright  
Rev Canon H M Wybrew  
G A Hill  
Dr C Amos  
Rev Canon Dr M I Rhodes  
Rev Canon A J Ball  
J M Banfield  
Z Z Boulos  
B Kirreh  
Colonel B Lees - resigned 21.1.19  
Rev B M D Olivier  
P Southby  
Rev H Thomas  
Sir Harold Walker

Company Secretary  
Mrs S A Eason

Auditors  
Sheen Stickland  
Chartered Accountants  
Statutory Auditors  
4 High Street  
Alton  
Hampshire  
GU34 1BU

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Report of the Trustees  
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#### REFERENCE AND ADMINISTRATIVE DETAILS

Legal Advisers  
Winckworth Sherwood LLP  
Minerva House  
5 Montague Close  
London  
SE1 9BB

Investment Managers  
CCLA Investment Management Limited  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

#### STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Jerusalem and the Middle East Church Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 auditors are 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 auditors are aware of that information.

#### AUDITORS

The auditors, Sheen Stickland, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 27th November 2019 and signed on its behalf by:

J M Clark - Trustee



Report of the Independent Auditors to the Trustees of  
The Jerusalem and the Middle East Church  
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#### Opinion

We have audited the financial statements of The Jerusalem and the Middle East Church Association (the 'charitable company') for the year ended 30th June 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Trustees of  
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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sheen Stickland  
Chartered Accountants  
Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
4 High Street  
Alton  
Hampshire  
GU34 1BU

11th December 2019

The Jerusalem and the Middle East Church  
Association  
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Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 30th June 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	76,483	57,746	134,229	91,843
Investment income	3	86,615	59,694	146,309	144,397
Other income	4	-	1,100,000	1,100,000	-
<b>Total</b>		<b>163,098</b>	<b>1,217,440</b>	<b>1,380,538</b>	<b>236,240</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	8,100	2,744	10,844	8,382
Charitable activities	6				
Support for the work of the Episcopal Church in Jerusalem and the Middle East					
Diocese of Jerusalem		35,540	57,838	93,378	117,521
Diocese of Cyprus and the Gulf		49,014	26,062	75,076	43,225
Diocese of Egypt		30,060	80,301	110,361	78,454
Diocese of Iran		30,060	3,326	33,386	37,488
<b>Total</b>		<b>152,774</b>	<b>170,271</b>	<b>323,045</b>	<b>285,070</b>
Net gains/(losses) on investments		175,368	132,343	307,711	216,951
<b>NET INCOME</b>		<b>185,692</b>	<b>1,179,512</b>	<b>1,365,204</b>	<b>168,121</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		2,367,272	1,659,143	4,026,415	3,858,294
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,552,964</b>	<b>2,838,655</b>	<b>5,391,619</b>	<b>4,026,415</b>

The notes form part of these financial statements

The Jerusalem and the Middle East Church  
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Balance Sheet  
At 30th June 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	-	5,506	5,506	8,218
Investments	13	2,449,097	1,757,449	4,206,546	4,010,834
		<u>2,449,097</u>	<u>1,762,955</u>	<u>4,212,052</u>	<u>4,019,052</u>
<b>CURRENT ASSETS</b>					
Debtors	14	114,647	45,368	160,015	118,694
Cash at bank		18,697	1,059,502	1,078,199	114,955
		<u>133,344</u>	<u>1,104,870</u>	<u>1,238,214</u>	<u>233,649</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(29,477)	(29,170)	(58,647)	(226,286)
		<u>103,867</u>	<u>1,075,700</u>	<u>1,179,567</u>	<u>7,363</u>
<b>NET CURRENT ASSETS</b>					
		<u>2,552,964</u>	<u>2,838,655</u>	<u>5,391,619</u>	<u>4,026,415</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>2,552,964</u>	<u>2,838,655</u>	<u>5,391,619</u>	<u>4,026,415</u>
<b>NET ASSETS</b>					
		<u>2,552,964</u>	<u>2,838,655</u>	<u>5,391,619</u>	<u>4,026,415</u>
<b>FUNDS</b>					
Unrestricted funds	16			2,552,964	2,367,272
Restricted funds				2,838,655	1,659,143
				<u>5,391,619</u>	<u>4,026,415</u>
<b>TOTAL FUNDS</b>					
				<u>5,391,619</u>	<u>4,026,415</u>

The notes form part of these financial statements

The Jerusalem and the Middle East Church  
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Balance Sheet - continued  
At 30th June 2019

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The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th June 2019.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

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 audited under the requirements of Section 144 of the Charities Act 2011.

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

The financial statements were approved by the Board of Trustees on 27th November 2019 and were signed on its behalf by:

J M Clark -Trustee

J G Pringle -Trustee

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Cash Flow Statement  
 for the Year Ended 30th June 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	704,935	(180,395)
Net cash provided by (used in) operating activities		<u>704,935</u>	<u>(180,395)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(8,218)
Sale of fixed asset investments		112,000	30,000
Interest received		2,226	376
Dividends received		144,083	144,021
Net cash provided by (used in) investing activities		<u>258,309</u>	<u>166,179</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>114,955</u>	<u>129,171</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,078,199</u></u>	<u><u>114,955</u></u>

The notes form part of these financial statements

1.	RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2019	2018
		£	£
	Net income for the reporting period (as per the statement of financial activities)	1,365,204	168,121
	Adjustments for:		
	Depreciation charges	2,712	-
	Gain on investments	(307,711)	(216,951)
	Interest received	(2,226)	(376)
	Dividends received	(144,083)	(144,021)
	Increase in debtors	(41,321)	(18,610)
	(Decrease)/increase in creditors	(167,640)	31,442
	Net cash provided by (used in) operating activities	<u>704,935</u>	<u>(180,395)</u>

## 1. ACCOUNTING POLICIES

### Basis of preparing the financial statements

The financial statements of the Charitable Company, which is a public benefit entity, have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP)', 'The Financial Reporting Standard applicable in the UK and Republic of Ireland - (FRS102)', the Charities Act 2011 and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The Charitable Company had net current assets of unrestricted funds of £103,868 as at 30th June 2019 (2018 - net current liabilities £18,456). The trustees consider, on the basis of the information available to them, that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and for this reason the board of trustees continues to adopt the going concern basis in preparing the financial statements.

### Income

All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Grants payable

Grants payable are taken to the Statement of Financial Activities in the year they are approved. Grants from restricted income and funds are paid in accordance with the donors' wishes. Those paid from designated and unrestricted income and funds are distributed at the discretion of the trustees, sometimes in consultation with the Central Synod of the Episcopal Church in Jerusalem and the Middle East.

### Management service charge

The management service charge is a support cost allocated to the activities of the Charity on a basis consistent with the use of resources, calculated by reference to the value of the funds as at 31st December of each year and is used to run the offices of The Jerusalem and the East Mission Trust Limited. The management service charge is allocated entirely to charitable expenditure.

### Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Website	- 33% on cost
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1. ACCOUNTING POLICIES - continued

Taxation

As a registered charity no liability to direct taxation arises on the charitable activities.

Investments

Investments are stated at mid-market value at the balance sheet date. All movements in value arising from investment changes are shown in the Statement of Financial Activities.

Unrealised gains/losses are the difference in market value of investments held at the beginning of the year, or their cost if purchased in the year, and at the end of the year.

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	84,229	76,648
Legacies	50,000	15,195
	<u>134,229</u>	<u>91,843</u>

3. INVESTMENT INCOME

	2019	2018
	£	£
Income from listed investments	144,083	144,021
Deposit account interest	2,226	376
	<u>146,309</u>	<u>144,397</u>

4. OTHER INCOME

	2019	2018
	£	£
Compensation for loss of income	<u>1,100,000</u>	<u>-</u>

Other income in the year ended 30th June 2019 represents compensation received from the United Kingdom Foreign and Commonwealth Office for loss of income in respect of Holy Trinity Church, Algiers.

5. RAISING FUNDS

Raising donations and legacies

	2019	2018
	£	£
Website expenses	778	898
Magazine costs	7,312	7,338
Fundraising expenses	42	146
Depreciation	2,712	-
	<u>10,844</u>	<u>8,382</u>

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£
Support for the work of the Episcopal Church in Jerusalem and the Middle East			
Diocese of Jerusalem	77,496	15,882	93,378
Diocese of Cyprus and the Gulf	65,180	9,896	75,076
Diocese of Egypt	102,792	7,569	110,361
Diocese of Iran	28,492	4,894	33,386
	<u>273,960</u>	<u>38,241</u>	<u>312,201</u>

7. GRANTS PAYABLE

	2019	2018
	£	£
Support for the work of the Episcopal Church in Jerusalem and the Middle East		
Diocese of Jerusalem	77,496	102,336
Diocese of Cyprus and the Gulf	65,180	37,447
Diocese of Egypt	102,792	68,201
Diocese of Iran	28,492	32,480
	<u>273,960</u>	<u>240,464</u>

7. GRANTS PAYABLE - continued

An analysis of grants payable between the four dioceses and the source of those grants is shown in the following table. The allocation of certain grants is at the discretion of the bishops of the dioceses whereas other grants are allocated to specific projects or organisations within a diocese.

	From general donations & legacies £	From earmarked donations & legacies £	From investment income £	Total costs 2019 £	2019 %
Diocese of Jerusalem	4,500	25,346	47,650	77,496	28.29
Diocese of Cyprus and the Gulf	4,500	17,218	43,462	65,180	23.79
Diocese of Egypt	4,500	14,358	83,934	102,792	37.52
Diocese of Iran	4,500	792	23,200	28,492	10.40
	<u>18,000</u>	<u>57,714</u>	<u>198,246</u>	<u>273,960</u>	<u>100.00</u>

Forty two grants totalling £269,947 were made to organisations and eight grants totalling £4,013 for educational bursaries and travel expenses were made to five individuals.

8. SUPPORT COSTS

Support costs comprise the management service charge which has been taken entirely to charitable expenditure.

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Depreciation - owned assets	<u>2,712</u>	<u>-</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

The Jerusalem and the East Mission Trust Limited when acting as trustee received remuneration in the form of a management service charge of £38,241 (2018: £36,224).

The directors of the company did not receive any remuneration or expenses from the Charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th June 2019 nor for the year ended 30th June 2018.

Grants to trustees

During the year ended 30th June 2019 one grant totalling £486 was made to one trustee from the Bishop Cragg Travel Fund (an unrestricted fund) to enable them to carry out their duties as trustee (2018 - one grant to one trustee of £292).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	23,536	68,307	91,843
Investment income	87,329	57,068	144,397
Total	110,865	125,375	236,240
EXPENDITURE ON			
Raising funds	8,381	1	8,382
Charitable activities			
Support for the work of the Episcopal Church in Jerusalem and the Middle East			
Diocese of Jerusalem	45,213	72,308	117,521
Diocese of Cyprus and the Gulf	38,386	4,839	43,225
Diocese of Egypt	43,301	35,153	78,454
Diocese of Iran	32,872	4,616	37,488
Total	168,153	116,917	285,070
Net gains/(losses) on investments	127,309	89,642	216,951
NET INCOME	70,021	98,100	168,121
RECONCILIATION OF FUNDS			
Total funds brought forward	2,297,252	1,561,042	3,858,294
TOTAL FUNDS CARRIED FORWARD	<u>2,367,273</u>	<u>1,659,142</u>	<u>4,026,415</u>

12. TANGIBLE FIXED ASSETS

	Website £
COST	
At 1st July 2018 and 30th June 2019	<u>8,218</u>
DEPRECIATION	
Charge for year	<u>2,712</u>
NET BOOK VALUE	
At 30th June 2019	<u>5,506</u>
At 30th June 2018	<u>8,218</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st July 2018	4,010,834
Disposals	(112,000)
Revaluations	301,663
Gains on disposals	6,049
At 30th June 2019	<u>4,206,546</u>
NET BOOK VALUE	
At 30th June 2019	<u>4,206,546</u>
At 30th June 2018	<u>4,010,834</u>

There were no investment assets outside the UK.

The historical cost of fixed asset investments was £3,252,454 (2018: £3,338,136).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	2,346	4,175
The Jerusalem and the East Mission Trust Limited	120,850	76,790
Prepayments and accrued income	36,819	37,729
	<u>160,015</u>	<u>118,694</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Other creditors	1,187	3,539
Grants payable	34,410	186,847
Accruals and deferred income	23,050	35,900
	<u>58,647</u>	<u>226,286</u>

16. MOVEMENT IN FUNDS

	At 1.7.18	Net movement in funds	At 30.6.19
	£	£	£
Unrestricted funds			
General fund	(974)	384	(590)
General Ministry	1,014,295	34,709	1,049,004
Legacy reserve	740,033	112,556	852,589
Phillips & Cane	250,269	12,853	263,122
A B Jones discretionary fund	214,605	16,714	231,319
Small funds not detailed	149,044	8,476	157,520
	<u>2,367,272</u>	<u>185,692</u>	<u>2,552,964</u>
Restricted funds			
Jerusalem Girls College/Worsley fund	705,553	64,875	770,428
Moore-Steele	503,753	47,755	551,508
Graham Brown/Phillips	216,727	15,455	232,182
Holy Trinity Church, Algiers	-	1,039,481	1,039,481
Small funds not detailed	233,110	11,946	245,056
	<u>1,659,143</u>	<u>1,179,512</u>	<u>2,838,655</u>
TOTAL FUNDS	<u>4,026,415</u>	<u>1,365,204</u>	<u>5,391,619</u>

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	26,484	(26,100)	-	384
General Ministry	37,036	(79,911)	77,584	34,709
Legacy reserve	76,790	(19,855)	55,621	112,556
Phillips & Cane	9,120	(13,795)	17,528	12,853
A B Jones discretionary fund	8,273	(6,196)	14,637	16,714
Small funds not detailed	5,395	(6,917)	9,998	8,476
	<u>163,098</u>	<u>(152,774)</u>	<u>175,368</u>	<u>185,692</u>
Restricted funds				
Jerusalem Girls College/Worsley fund	25,035	(18,404)	58,244	64,875
Moore-Steele	17,405	(12,734)	43,084	47,755
Graham Brown/Phillips	8,081	(8,012)	15,386	15,455
Holy Trinity Church, Algiers	1,101,501	(62,020)	-	1,039,481
Small funds not detailed	65,418	(69,101)	15,629	11,946
	<u>1,217,440</u>	<u>(170,271)</u>	<u>132,343</u>	<u>1,179,512</u>
TOTAL FUNDS	<u><u>1,380,538</u></u>	<u><u>(323,045)</u></u>	<u><u>307,711</u></u>	<u><u>1,365,204</u></u>

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.7.17 £	Net movement in funds £	Transfers between funds £	At 30.6.18 £
<b>Unrestricted Funds</b>				
General fund	(3,933)	(7,041)	10,000	(974)
General Ministry	997,954	16,341	-	1,014,295
Legacy reserve	709,926	40,107	(10,000)	740,033
Phillips & Cane	245,951	4,318	-	250,269
A B Jones discretionary fund	203,639	10,966	-	214,605
Small funds not detailed	143,715	5,329	-	149,044
	<u>2,297,252</u>	<u>70,020</u>	<u>-</u>	<u>2,367,272</u>
<b>Restricted Funds</b>				
Jerusalem Girls College/Worsley fund	666,496	39,057	-	705,553
Moore-Steele	475,447	28,306	-	503,753
Graham Brown/Phillips	208,601	8,126	-	216,727
Small funds not detailed	210,498	22,612	-	233,110
	<u>1,561,042</u>	<u>98,101</u>	<u>-</u>	<u>1,659,143</u>
<b>TOTAL FUNDS</b>	<u><u>3,858,294</u></u>	<u><u>168,121</u></u>	<u><u>-</u></u>	<u><u>4,026,415</u></u>



16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	23,339	(30,380)	-	(7,041)
General Ministry	38,125	(78,202)	56,418	16,341
Legacy reserve	26,865	(26,776)	40,018	40,107
Phillips & Cane	8,984	(17,286)	12,620	4,318
A B Jones discretionary fund	8,164	(8,116)	10,918	10,966
Small funds not detailed	5,388	(7,394)	7,335	5,329
	<u>110,865</u>	<u>(168,154)</u>	<u>127,309</u>	<u>70,020</u>
Restricted funds				
Jerusalem Girls College/Worsley fund	24,516	(24,585)	39,126	39,057
Moore-Steele	17,086	(17,185)	28,405	28,306
Graham Brown/Phillips	7,957	(10,961)	11,130	8,126
Small funds not detailed	75,816	(64,185)	10,981	22,612
	<u>125,375</u>	<u>(116,916)</u>	<u>89,642</u>	<u>98,101</u>
<b>TOTAL FUNDS</b>	<u><u>236,240</u></u>	<u><u>(285,070)</u></u>	<u><u>216,951</u></u>	<u><u>168,121</u></u>

16. MOVEMENT IN FUNDS - continued

The general fund is in deficit as unrestricted donations are paid over in full but the costs of generating voluntary income are charged to this fund. A transfer will be made from the Legacy Reserve Fund to cover this deficit. Deficits are expected to continue to arise in future years when further transfers will be made from the Legacy Reserve Fund or other unrestricted funds as required.

The General Ministry Fund is an amalgamation of former funds as follows: Endowment and Augmentation of Episcopal Stipends Fund, Jerusalem Chapter Endowment Fund, The Blair Fund and St Margaret's Fund. The fund is for the support of the Ministry in the JMECA area.

The Legacy Reserve Fund arises from the trustees' established policy of capitalising unrestricted legacies, the income from which enables support to be given each year where a particular need is perceived for which other funds are not available.

The A B Jones' Discretionary Fund was established from a substantial legacy which the testator stated could be used for general purposes, but she expressed the wish that, if necessary, it could supplement a small fund which assists Welsh ordinands in visiting Jerusalem.

The Jerusalem Girls College and Worsley Fund, formed by the amalgamation of two smaller funds, is for the education of children anywhere within the Province of Jerusalem and the Middle East, in consultation with the Central Synod.

The Moore-Steele Fund is for the provision of educational work in Israel and Jordan in consultation with the Bishop in Jerusalem.

The Phillips and Cane Fund was originally established to assist with the training of Palestinian clergy and also to enable theological students from England to visit Palestine. The fund was re-designated in November 2013 to fund training of clergy and lay leadership in the Province of the Episcopal Church in Jerusalem and the Middle East.

The Graham Brown and Phillips Fund was established for the training of clergy and religious workers and the furtherance of Christian Studies.

By an agreement dated 21st March 2019, the Diocese of Egypt with North Africa and the Horn of Africa received the sum of £1,100,000 from the United Kingdom Foreign and Commonwealth Office as compensation for the loss of income in respect of a building owned by Holy Trinity Church, Algiers. By an agreement between JMECA and the diocese, this amount will be held on deposit by JMECA in a UK bank account. Sums will be disbursed from this account at the request of the diocese.

17. RELATED PARTY DISCLOSURES

As at 30th June 2019 funds of the Charitable Company totalling £120,850 (2018: £76,790) were held by the Jerusalem and the East Mission Trust Limited. £2,259 had been overpaid (2018: £3,970 overpaid) by the Charity to the Jerusalem and the East Mission Trust Limited in respect of management service charges as at 30th June 2019 and is included as a debtor on the balance sheet.

There were no other related party transactions for the year ended 30th June 2019.

18. COMPANY STATUS

The Charitable Company is a company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

19. LEGACIES

The Jerusalem and the Middle East Church Association is one of the beneficiaries of a legacy in relation to a property trust. The timing of the receipt of this legacy and its value cannot be ascertained with any accuracy or reasonable certainty at present, therefore no amounts have been included in these accounts.

20. ASSETS HELD ON TRUST

The Charitable Company holds the deeds of title to a number of properties on behalf of various bodies within the area of The Episcopal Church in Jerusalem and the Middle East.

The custodian ownership of these properties is vested in the Charitable Company as trustee in perpetuity for the benefit of the members of those bodies. By reason of the nature of the Charitable Company's interest in these properties, the trustees consider that no value should be specified in respect thereof.

The Jerusalem and the Middle East Church  
Association  
(a company limited by guarantee  
administered by the Jerusalem and the  
East Mission Trust Limited)

Detailed Statement of Financial Activities  
for the Year Ended 30th June 2019

	2019 £	2018 £
<b>INCOME AND ENDOWMENTS</b>		
Donations and legacies		
Donations	84,229	76,648
Legacies	50,000	15,195
	<u>134,229</u>	<u>91,843</u>
Investment income		
Income from listed investments	144,083	144,021
Deposit account interest	2,226	376
	<u>146,309</u>	<u>144,397</u>
Other income		
Compensation for loss of income	1,100,000	-
Total incoming resources	<u>1,380,538</u>	<u>236,240</u>
<b>EXPENDITURE</b>		
Raising donations and legacies		
Website expenses	778	898
Magazine costs	7,312	7,338
Fundraising expenses	42	146
Depreciation of computer equipment	2,712	-
	<u>10,844</u>	<u>8,382</u>
Charitable activities		
Grants to institutions	273,960	240,464
Support costs		
Management		
Service charge	38,241	36,224
Total resources expended	<u>323,045</u>	<u>285,070</u>
Net income/(expenditure)	<u><u>1,057,493</u></u>	<u><u>(48,830)</u></u>

This page does not form part of the statutory financial statements