

REGISTERED COMPANY NUMBER: 09067852 (England and Wales)
REGISTERED CHARITY NUMBER: 1158476

**Report of the Trustees and
Audited Financial Statements for the Year Ended 30th June 2018
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 2018**

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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 2018**

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 2018. 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.

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.

**The Jerusalem and the Middle East Church
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**Report of the Trustees
for the Year Ended 30th June 2018**

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 0.8% compared to the previous year. The value of the investments has increased by 4.9% over the year (this is after accounting for the sale of investments for £30,000 in the year).

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**Report of the Trustees
for the Year Ended 30th June 2018**

FINANCIAL REVIEW

Financial review

Income from all donations increased by 45.2% compared to the previous year. Unrestricted donations decreased by 6.7%. Restricted donations includes a donation of £10,000 towards the creation of a new website for the charity, of which £8,218 had been spent by 30th June 2018. The Charity received two legacies totalling £15,195 in the year ended 30th June 2018, of this £15,000 was earmarked for the Diocese of Egypt with a wish expressed that it be used for ministry among expatriates. 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 £240,464 an increase of 22.2% compared with the previous year. Owing to the decrease in investment income and the reduction in the value of the grants due to falling exchange rates, the trustees made the decision for 2018 to make a grant of £40,000 from the capital of the General Ministry Fund (2017 - £20,000). The management service charge totalled £36,224 (2017: £37,246). The cost of raising funds increased to £8,382 (2017: £5,379) this increase is due to there being only one issue of Bible Lands in 2017. Net outgoing resources for the year totalled £48,830 (2017: £36,346).

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.

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.

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**Report of the Trustees
for the Year Ended 30th June 2018**

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 comprises 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09067852 (England and Wales)

**The Jerusalem and the Middle East Church
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**Report of the Trustees
for the Year Ended 30th June 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1158476

Registered office

1 Hart House
The Hart
Farnham
Surrey
GU9 7HJ

Trustees

J Clark
J G Pringle
Rev Canon Dr W Taylor
D A Wright
Rev Canon H Wybrew
G A Hill
Dr C Amos
Rev Canon Dr M Rhodes
Rev Canon A J Ball
J M Banfield
Z Z Boulos
B Kirreh
Colonel B Lees
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

Legal Advisers

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

**The Jerusalem and the Middle East Church
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**Report of the Trustees
for the Year Ended 30th June 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

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 21st November 2018 and signed on its behalf by:

J Clark - Trustee

**Report of the Independent Auditors to the Trustees of
The Jerusalem and the Middle East Church Association
(a company limited by guarantee
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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 2018 which comprise the Statement of Financial Activities, the Balance Sheet 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 2018 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 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, 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.

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.

**Report of the Independent Auditors to the Trustees of
The Jerusalem and the Middle East Church Association
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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. 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

13th December 2018

**The Jerusalem and the Middle East Church
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Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30th June 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	23,536	68,307	91,843	59,698
Investment income	3	<u>87,329</u>	<u>57,068</u>	<u>144,397</u>	<u>143,304</u>
Total		110,865	125,375	236,240	203,002
EXPENDITURE ON					
Raising funds	4	8,381	1	8,382	5,379
Charitable activities	5				
Support for the work of the Episcopal Church in Jerusalem and the Middle East					
Diocese of Jerusalem		45,214	72,307	117,521	90,801
Diocese of Cyprus and the Gulf		38,386	4,839	43,225	51,307
Diocese of Egypt		43,301	35,153	78,454	57,221
Diocese of Iran		<u>32,872</u>	<u>4,616</u>	<u>37,488</u>	<u>34,640</u>
Total		168,154	116,916	285,070	239,348
Net gains/(losses) on investments		<u>127,309</u>	<u>89,642</u>	<u>216,951</u>	<u>388,172</u>
NET INCOME		70,020	98,101	168,121	351,826
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,297,252</u>	<u>1,561,042</u>	<u>3,858,294</u>	<u>3,506,468</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,367,272</u></u>	<u><u>1,659,143</u></u>	<u><u>4,026,415</u></u>	<u><u>3,858,294</u></u>

The notes form part of these financial statements

**The Jerusalem and the Middle East Church
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Balance Sheet
At 30th June 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	9	-	8,218	8,218	-
Investments	10	<u>2,385,728</u>	<u>1,625,106</u>	<u>4,010,834</u>	<u>3,823,883</u>
		2,385,728	1,633,324	4,019,052	3,823,883
CURRENT ASSETS					
Debtors	11	41,326	77,368	118,694	100,084
Cash at bank		<u>63,602</u>	<u>51,353</u>	<u>114,955</u>	<u>129,171</u>
		104,928	128,721	233,649	229,255
CREDITORS					
Amounts falling due within one year	12	<u>(123,384)</u>	<u>(102,902)</u>	<u>(226,286)</u>	<u>(194,844)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(18,456)</u>	<u>25,819</u>	<u>7,363</u>	<u>34,411</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,367,272</u>	<u>1,659,143</u>	<u>4,026,415</u>	<u>3,858,294</u>
NET ASSETS		<u><u>2,367,272</u></u>	<u><u>1,659,143</u></u>	<u><u>4,026,415</u></u>	<u><u>3,858,294</u></u>
FUNDS					
Unrestricted funds	13			2,367,272	2,297,252
Restricted funds				<u>1,659,143</u>	<u>1,561,042</u>
TOTAL FUNDS				<u><u>4,026,415</u></u>	<u><u>3,858,294</u></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 2018**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th June 2018.

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 special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 21st November 2018 and were signed on its behalf by:

J Clark -Trustee

J G Pringle -Trustee

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements
for the Year Ended 30th June 2018**

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, as modified by the revaluation of certain assets.

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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As the website was in the course of construction as at 30th June 2018, no depreciation has been provided in the current year.

Taxation

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

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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2018**

1. ACCOUNTING POLICIES - continued

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

	2018	2017
	£	£
Donations	76,648	52,776
Legacies	<u>15,195</u>	<u>6,922</u>
	<u>91,843</u>	<u>59,698</u>

3. INVESTMENT INCOME

	2018	2017
	£	£
Income from listed investments	144,021	142,829
Deposit account interest	<u>376</u>	<u>475</u>
	<u>144,397</u>	<u>143,304</u>

4. RAISING FUNDS

Raising donations and legacies

	2018	2017
	£	£
Website expenses	898	973
Magazine costs	7,338	4,357
Fundraising expenses	<u>146</u>	<u>49</u>
	<u>8,382</u>	<u>5,379</u>

The Jerusalem and the Middle East Church Association
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Notes to the Financial Statements - continued
for the Year Ended 30th June 2018

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 6) £	Support costs £	Totals £
Support for the work of the Episcopal Church in Jerusalem and the Middle East			
Diocese of Jerusalem	102,336	15,185	117,521
Diocese of Cyprus and the Gulf	37,447	5,778	43,225
Diocese of Egypt	68,201	10,253	78,454
Diocese of Iran	<u>32,480</u>	<u>5,008</u>	<u>37,488</u>
	<u>240,464</u>	<u>36,224</u>	<u>276,688</u>

6. GRANTS PAYABLE

	2018 £	2017 £
Support for the work of the Episcopal Church in Jerusalem and the Middle East		
Diocese of Jerusalem	102,336	76,074
Diocese of Cyprus and the Gulf	37,447	43,227
Diocese of Egypt	68,201	48,105
Diocese of Iran	<u>32,480</u>	<u>29,317</u>
	<u>240,464</u>	<u>196,723</u>

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2018**

6. 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 2018 £	2018 %
Diocese of Jerusalem	5,500	29,286	67,550	102,336	42.56
Diocese of Cyprus and the Gulf	5,500	905	31,042	37,447	15.57
Diocese of Egypt	5,500	27,406	35,295	68,201	28.36
Diocese of Iran	5,500	710	26,270	32,480	13.51
	<u>22,000</u>	<u>58,307</u>	<u>160,157</u>	<u>240,464</u>	<u>100.00</u>

Forty grants totalling £235,452 were made to organisations and six grants totalling £5,012 for educational bursaries and travel expenses were made to five individuals.

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

7. 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 £36,224 (2017: £37,246).

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 2018 nor for the year ended 30th June 2017.

Grants to trustees

During the year ended 30th June 2018 one grant totalling £292 was made to one trustee from the Bishop Cragg Travel Fund (an unrestricted fund) to enable them to carry out their duties as trustee (2017 - four grants to three trustees totalling £1,114).

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East Mission Trust Limited)

**Notes to the Financial Statements - continued
for the Year Ended 30th June 2018**

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	29,987	29,711	59,698
Investment income	<u>87,141</u>	<u>56,163</u>	<u>143,304</u>
Total	117,128	85,874	203,002
EXPENDITURE ON			
Raising funds	5,378	1	5,379
Charitable activities			
Support for the work of the Episcopal Church in Jerusalem and the Middle East			
Diocese of Jerusalem	41,752	49,049	90,801
Diocese of Cyprus and the Gulf	39,756	11,551	51,307
Diocese of Egypt	38,309	18,912	57,221
Diocese of Iran	<u>30,035</u>	<u>4,605</u>	<u>34,640</u>
Total	155,230	84,118	239,348
Net gains/(losses) on investments	<u>226,500</u>	<u>161,672</u>	<u>388,172</u>
NET INCOME	188,398	163,428	351,826
RECONCILIATION OF FUNDS			
Total funds brought forward	2,108,854	1,397,614	3,506,468
TOTAL FUNDS CARRIED FORWARD	<u><u>2,297,252</u></u>	<u><u>1,561,042</u></u>	<u><u>3,858,294</u></u>

9. TANGIBLE FIXED ASSETS

	Website £
COST	
Additions	<u>8,218</u>
NET BOOK VALUE	
At 30th June 2018	<u><u>8,218</u></u>
At 30th June 2017	<u><u>-</u></u>

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
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10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st July 2017	3,823,883
Disposals	(30,000)
Revaluations	216,454
Surplus on disposal	<u>497</u>
At 30th June 2018	<u>4,010,834</u>
NET BOOK VALUE	
At 30th June 2018	<u><u>4,010,834</u></u>
At 30th June 2017	<u><u>3,823,883</u></u>

There were no investment assets outside the UK.

The historical cost of fixed asset investments was £3,338,136 (2017: £3,363,490).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other debtors	4,175	1,049
The Jerusalem and the East Mission Trust Limited	76,790	58,294
Prepayments and accrued income	<u>37,729</u>	<u>40,741</u>
	<u><u>118,694</u></u>	<u><u>100,084</u></u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other creditors	3,539	-
Grants payable	186,847	166,544
Accruals and deferred income	<u>35,900</u>	<u>28,300</u>
	<u><u>226,286</u></u>	<u><u>194,844</u></u>

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13. MOVEMENT IN FUNDS

	At 1.7.17 £	Net movement in funds £	Transfers between funds £	At 30.6.18 £
Unrestricted funds				
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	<u>143,715</u>	<u>5,329</u>	<u>-</u>	<u>149,044</u>
	2,297,252	70,020	-	2,367,272
Restricted funds				
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	<u>210,498</u>	<u>22,612</u>	<u>-</u>	<u>233,110</u>
	1,561,042	98,101	-	1,659,143
	<u>3,858,294</u>	<u>168,121</u>	<u>-</u>	<u>4,026,415</u>
TOTAL FUNDS	<u>3,858,294</u>	<u>168,121</u>	<u>-</u>	<u>4,026,415</u>

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**Notes to the Financial Statements - continued
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13. 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	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	<u>5,388</u>	<u>(7,394)</u>	<u>7,335</u>	<u>5,329</u>
	110,865	(168,154)	127,309	70,020
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	<u>75,816</u>	<u>(64,185)</u>	<u>10,981</u>	<u>22,612</u>
	125,375	(116,916)	89,642	98,101
	<u>236,240</u>	<u>(285,070)</u>	<u>216,951</u>	<u>168,121</u>
TOTAL FUNDS				

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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2018**

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.7.16 £	Net movement in funds £	Transfers between funds £	At 30.6.17 £
Unrestricted Funds				
General fund	(8,721)	(5,212)	10,000	(3,933)
General Ministry	914,155	83,799	-	997,954
Legacy reserve	650,557	69,369	(10,000)	709,926
Phillips & Cane	226,975	18,976	-	245,951
A B Jones discretionary fund	185,088	18,551	-	203,639
Small funds not detailed	<u>140,800</u>	<u>2,915</u>	<u>-</u>	<u>143,715</u>
	2,108,854	188,398	-	2,297,252
Restricted Funds				
Jerusalem Girls College/Worsley fund	595,258	71,238	-	666,496
Moore-Steele	422,831	52,616	-	475,447
Graham Brown/Phillips	188,912	19,689	-	208,601
Small funds not detailed	<u>190,613</u>	<u>19,885</u>	<u>-</u>	<u>210,498</u>
	1,397,614	163,428	-	1,561,042
	<u>3,506,468</u>	<u>351,826</u>	<u>-</u>	<u>3,858,294</u>
TOTAL FUNDS	<u><u>3,506,468</u></u>	<u><u>351,826</u></u>	<u><u>-</u></u>	<u><u>3,858,294</u></u>

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2018**

13. 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	28,166	(33,378)	-	(5,212)
General Ministry	38,256	(56,428)	101,971	83,799
Legacy reserve	28,403	(30,315)	71,281	69,369
Phillips & Cane	8,893	(11,894)	21,977	18,976
A B Jones discretionary fund	8,070	(8,157)	18,638	18,551
Small funds not detailed	<u>5,340</u>	<u>(15,058)</u>	<u>12,633</u>	<u>2,915</u>
	117,128	(155,230)	226,500	188,398
Restricted funds				
Jerusalem Girls College/Worsley fund	24,095	(23,763)	70,906	71,238
Moore-Steele	16,801	(16,230)	52,045	52,616
Graham Brown/Phillips	7,857	(7,499)	19,331	19,689
Small funds not detailed	<u>37,121</u>	<u>(36,626)</u>	<u>19,390</u>	<u>19,885</u>
	85,874	(84,118)	161,672	163,428
	<u>203,002</u>	<u>(239,348)</u>	<u>388,172</u>	<u>351,826</u>
TOTAL FUNDS	<u>203,002</u>	<u>(239,348)</u>	<u>388,172</u>	<u>351,826</u>

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
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13. 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.

14. RELATED PARTY DISCLOSURES

As at 30th June 2018 funds of the Charitable Company totalling £76,790 (2017: £58,294) were held by the Jerusalem and the East Mission Trust Limited. £3,970 had been overpaid (2017: £430 overpaid) by the Charity to the Jerusalem and the East Mission Trust Limited in respect of management service charges as at 30th June 2018 and is included as a debtor on the balance sheet.

There were no other related party transactions for the year ended 30th June 2018.

15. 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.

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**Notes to the Financial Statements - continued
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16. LEGACIES

The Jerusalem and the Middle East Church Association is one of the beneficiaries of a property trust. The timing of the receipt of this legacy and its value cannot be ascertained, therefore no amounts have been included in these accounts.

17. 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.

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**Detailed Statement of Financial Activities
for the Year Ended 30th June 2018**

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	76,648	52,776
Legacies	<u>15,195</u>	<u>6,922</u>
	91,843	59,698
Investment income		
Income from listed investments	144,021	142,829
Deposit account interest	<u>376</u>	<u>475</u>
	<u>144,397</u>	<u>143,304</u>
Total incoming resources	236,240	203,002
EXPENDITURE		
Raising donations and legacies		
Website expenses	898	973
Magazine costs	7,338	4,357
Fundraising expenses	<u>146</u>	<u>49</u>
	8,382	5,379
Charitable activities		
Grants to institutions	240,464	196,723
Support costs		
Management		
Service charge	<u>36,224</u>	<u>37,246</u>
Total resources expended	285,070	239,348
Net expenditure	<u><u>(48,830)</u></u>	<u><u>(36,346)</u></u>

This page does not form part of the statutory financial statements