

Report of the Trustees and
Audited Financial Statements for the Year Ended 30th June 2022
for
The Jerusalem and the Middle East Church
Association
(a company limited by guarantee
administered by the Jerusalem and the
East Mission Trust Limited)

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

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for the Year Ended 30th June 2022**

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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 2022**

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 2022. 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 2019).

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 (as amended by special resolution dated 25th November 2020), 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 of Jerusalem and the Middle East and the Episcopal/Anglican Province of Alexandria 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 and by the churches' ministers in any country.

Following a review of the strategic objectives of the Jerusalem and the East Mission Trust, the directors, who are also trustees of the Charitable Company, established the following objectives for the period 2022 - 2027:

1. Hold and administer property for the benefit of the dioceses
2. Hold, invest and administer funds for the benefit of the dioceses
3. Develop effective partnerships and promote knowledge about and prayer for the life of the dioceses
4. Maintain excellent governance and working arrangements

On 21st May 2020 the Diocese of Egypt with North Africa and the Horn of Africa was formally inaugurated as the autonomous Province of Alexandria. The Dioceses of Jerusalem, Cyprus and the Gulf and Iran continue to make up the Province of Jerusalem and 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 three dioceses that make up the Episcopal Church of Jerusalem and the Middle East and the four dioceses that make up the Episcopal/Anglican Province of Alexandria. Although the overall level of grant has decreased significantly 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.

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**Report of the Trustees
for the Year Ended 30th June 2022**

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 three dioceses that make up the Episcopal Church of Jerusalem and the Middle East and the four dioceses that make up the Episcopal/Anglican Province of Alexandria 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 provinces, the trustees have determined that unrestricted donations and the income from unrestricted investment funds have been allocated equally between the dioceses of Jerusalem and Cyprus and the Gulf within the Episcopal Church of Jerusalem and the Middle East and the Episcopal/Anglican Province of Alexandria. Owing to difficulties in transferring funds to Iran, no grant was allocated to the diocese of Iran in the year.

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 and/or income available for distribution.

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 with particular attention to investments in the occupied Palestinian territories.

Performance

Investment income, including deposit account interest, has increased by 3.5% compared to the previous year. The value of the investments has decreased by 1.5% over the year. This is after taking into account sales of investments which realised £220,000 to finance additional grants made in the year.

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**Report of the Trustees
for the Year Ended 30th June 2022**

FINANCIAL REVIEW

Financial review

Income from all donations increased by 218.4% compared to the previous year. The majority of this increase, however, represents a transfer of funds amounting to £94,034 from the Episcopal Church of the USA restricted for use in the Diocese of Iran. Unrestricted donations decreased by 20.3%. The Charity received one unrestricted legacy of £1,500 in the year ended 30th June 2022 (2021: one legacy of £31,255 which was restricted for relief among the blind within the provinces). 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 Provinces of Jerusalem and the Middle East and Alexandria continues. This need determines the amount of grant expenditure authorised by the trustees, which for the current year totalled £419,547 (excluding an adjustment in respect of grants previously allocated to the Diocese of Iran) a decrease of 29.1% compared with the previous year. Total grants in 2021, however, included £66,468 to the Diocese of Egypt from the compensation received in respect of Holy Trinity Church, Algiers compared to £4,645 in 2022 and £295,000 exceptional grants in respect of the situation regarding Covid-19 compared to £250,000 in 2022. The management service charge totalled £38,056 (2021: £38,033). The cost of raising funds decreased to £9,648 (2021: £12,759). Net outgoing resources for the year totalled £164,756 (2021: £423,848).

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 the long-term. The experience of the trustees is that the Province of Jerusalem and The Middle East and the Province of Alexandria expect 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.

The unrestricted reserves of the charity as at 30th June 2022 were £2,229,584 (2021: £2,528,228), restricted reserves were £2,785,647 (2020: £2,741,225).

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 (both income and accumulation shares), 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.

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**Report of the Trustees
for the Year Ended 30th June 2022**

FUTURE PLANS

The Charity aims to continue to support the three dioceses which made up the Episcopal Church of Jerusalem and the Middle East and the Episcopal/Anglican Province of Alexandria 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 province and by raising issues in Bible Lands and directly with relevant parties.

Following the transition of the Diocese of Egypt with North Africa and the Horn of Africa into the autonomous Province of Alexandria which was formally inaugurated on 21st May 2020, the charity expects to continue to support the new province as it has the diocese in the past.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charitable Company is governed by its amended Memorandum and Articles of Association adopted on 25th November 2020.

The trustees of the Charity and the directors of the Charitable Company are the directors for the time being of The Jerusalem and the East Mission Trust Limited.

To assist the trustees in the performance of their duties the council of the Charity is comprised of the trustees together with the patron, presidents, vice-presidents together with up to twelve additional co-opted members. The council acts solely in an advisory capacity and any decisions taken at meetings of the council shall not be binding on the trustees.

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

Following a review of the objectives of the charity and the methods used to fulfil those objectives, the Directors of the Jerusalem and the East Mission Trust, who are the trustees of the Charity, resolved to form two working committees to assist in the administration of the Charity. They are The Resources and Governance Committee and The Communications Group, and are made up of directors and consultants of the Jerusalem and the East Mission Trust and the Administrator. The committees will make recommendations to the directors of the Jerusalem and the East Mission Trust to take forward the objectives of the Charity.

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 of Jerusalem and the Middle East and the Episcopal/Anglican Province of Alexandria. 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 trustees and members of the council are appointed or invited to serve in accordance with the constitution when vacancies arise. New members are provided with information on the work of the Charity. The secretary of the council and the existing trustees 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 provinces or others closely associated with the Charity's activities. Prospective directors are interviewed by the chair 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 2022**

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

Rt Rev A J Ball (Chair)
Rev Canon H M Wybrew
J M Clark
Rev Canon Dr W H Taylor
D A Wright
J G Pringle
Dr C Amos
Rev Canon Dr M I Rhodes
Rev Y Said (appointed 23.3.22)

Company Secretary

Mrs S A Eason

Auditors

Sheen Stickland
Chartered Accountants
Statutory Auditors
2 Oriel Court
Omega Park
Alton
Hampshire
GU34 2YT

Legal Advisers

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

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**Report of the Trustees
for the Year Ended 30th June 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Investment Managers

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

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:

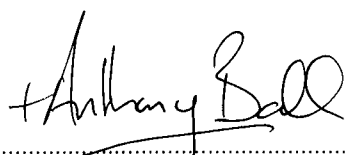
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 30th November, 2022 and signed on its behalf by:



.....
Rt Rev A J Ball - Trustee

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

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 2022 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 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

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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.


The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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
2 Oriel Court
Omega Park
Alton
Hampshire
GU34 2YT

Date: 14/12/2022

**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 2022**

		Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	17,854	125,789	143,643	75,092
Investment income	3	<u>75,996</u>	<u>63,675</u>	<u>139,671</u>	<u>135,010</u>
Total		<u>93,850</u>	<u>189,464</u>	<u>283,314</u>	<u>210,102</u>
EXPENDITURE ON					
Raising funds	4	8,966	682	9,648	12,759
Charitable activities	5				
Support for the work of the Episcopal Church in Jerusalem and the Middle East Diocese of Jerusalem		154,025	63,983	218,008	218,059
Diocese of Cyprus and the Gulf		84,356	10,465	94,821	192,519
Province of Alexandria		127,503	17,271	144,774	219,613
Diocese of Iran		<u>(18,825)</u>	<u>(356)</u>	<u>(19,181)</u>	<u>-</u>
Total		<u>356,025</u>	<u>92,045</u>	<u>448,070</u>	<u>642,950</u>
Net gains/(losses) on investments		<u>(13,394)</u>	<u>(76,072)</u>	<u>(89,466)</u>	<u>528,652</u>
NET INCOME/(EXPENDITURE)		(275,569)	21,347	(254,222)	95,804
Transfers between funds	15	<u>(23,075)</u>	<u>23,075</u>	<u>-</u>	<u>-</u>
Net movement in funds		(298,644)	44,422	(254,222)	95,804
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,528,228</u>	<u>2,741,225</u>	<u>5,269,453</u>	<u>5,173,649</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,229,584</u></u>	<u><u>2,785,647</u></u>	<u><u>5,015,231</u></u>	<u><u>5,269,453</u></u>

The notes form part of these financial statements

**The Jerusalem and the Middle East Church
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**Balance Sheet
30th June 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	-	-	-	578
Investments	12	<u>2,200,108</u>	<u>2,725,407</u>	<u>4,925,515</u>	<u>4,468,163</u>
		2,200,108	2,725,407	4,925,515	4,468,741
CURRENT ASSETS					
Debtors	13	227,988	64,431	292,419	418,532
Cash at bank		<u>17,683</u>	<u>48,074</u>	<u>65,757</u>	<u>719,767</u>
		245,671	112,505	358,176	1,138,299
CREDITORS					
Amounts falling due within one year	14	<u>(216,195)</u>	<u>(52,265)</u>	<u>(268,460)</u>	<u>(337,587)</u>
NET CURRENT ASSETS		<u>29,476</u>	<u>60,240</u>	<u>89,716</u>	<u>800,712</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,229,584</u>	<u>2,785,647</u>	<u>5,015,231</u>	<u>5,269,453</u>
NET ASSETS		<u>2,229,584</u>	<u>2,785,647</u>	<u>5,015,231</u>	<u>5,269,453</u>
FUNDS	15				
Unrestricted funds				2,229,584	2,528,228
Restricted funds				<u>2,785,647</u>	<u>2,741,225</u>
TOTAL FUNDS				<u>5,015,231</u>	<u>5,269,453</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th June 2022.

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

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

The notes form part of these financial statements

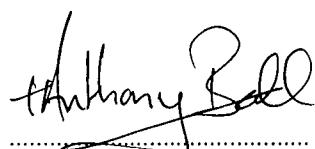
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**Balance Sheet - continued
30th June 2022**

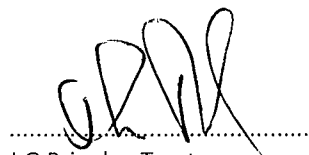
These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

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 and authorised for issue on 30th November, 2022 and were signed on its behalf by:



Rt Rev A J Ball - Trustee



J G Pringle - Trustee

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**Notes to the Financial Statements
for the Year Ended 30th June 2022**

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 £29,476 as at 30th June 2022 (2021: £94,727). 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.

The financial statements have been prepared on the going concern basis as in the opinion of the trustees the ongoing effects of Covid-19 at the beginning of the financial year have not significantly impacted on either the value of the charity's investments or its investment income in the long term.

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 archbishops and synods of the provinces.

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. Audit fees are recognised within the service charge payable to The Jerusalem and the East Mission Trust Limited.

Raising funds

Fundraising and publicity/Charity administration costs continue to be charged solely to The Jerusalem and the Middle East Church Association as it is the main beneficiary of funds raised.

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East Mission Trust Limited)**

**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

1. ACCOUNTING POLICIES - continued

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

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

	2022	2021
	£	£
Donations	139,568	43,837
Legacies	1,500	31,255
Grants	<u>2,575</u>	<u>-</u>
	<u>143,643</u>	<u>75,092</u>

Grants receivable represents a grant from the Jerusalem Bishopric Fund previously allocated to the Diocese of Iran in the year ended 30th June 2020. This grant has now been transferred from the Jerusalem Bishopric Fund and is now held in a restricted fund within this charity together with other funds held for the benefit of the Diocese of Iran.

3. INVESTMENT INCOME

	2022	2021
	£	£
Income from listed investments	138,887	133,326
Deposit account interest	<u>784</u>	<u>1,684</u>
	<u>139,671</u>	<u>135,010</u>

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

4. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Website expenses	414	555
Magazine costs	8,509	8,622
Fundraising expenses	147	392
Depreciation	<u>578</u>	<u>3,190</u>
	<u>9,648</u>	<u>12,759</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Support for the work of the Episcopal Church in Jerusalem and the Middle East Diocese of Jerusalem	196,642	21,366	218,008
Diocese of Cyprus and the Gulf	88,048	6,773	94,821
Province of Alexandria	134,857	9,917	144,774
Diocese of Iran	<u>(19,181)</u>	<u>-</u>	<u>(19,181)</u>
	<u>400,366</u>	<u>38,056</u>	<u>438,422</u>

6. GRANTS PAYABLE

	2022	2021
	£	£
Support for the work of the Episcopal Church in Jerusalem and the Middle East Diocese of Jerusalem	196,642	199,894
Diocese of Cyprus and the Gulf	88,048	181,714
Province of Alexandria	134,857	210,550
Diocese of Iran	<u>(19,181)</u>	<u>-</u>
	<u>400,366</u>	<u>592,158</u>

An analysis of grants payable between the dioceses of Jerusalem and Cyprus and the Gulf and the Province of Alexandria 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. The adjustment in respect of grants previously allocated to the Diocese of Iran are not included in this table.

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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

6. GRANTS PAYABLE - continued

	From general donations & legacies £	From earmarked donations & legacies £	From investment income £	Total costs 2022 £	2022 %
Diocese of Jerusalem	6,334	23,984	166,324	196,642	46.87
Diocese of Cyprus and the Gulf	6,333	882	80,833	88,048	20.99
Province of Alexandria	6,333	4,206	124,318	134,857	32.14
Diocese of Iran	-	-	-	-	0.00
	<u>19,000</u>	<u>29,072</u>	<u>371,475</u>	<u>419,547</u>	<u>100.00</u>

Thirty nine grants totalling £417,025 were made to organisations and four grants totalling £2,522 were made to three individuals.

Owing to difficulties in transferring funds to Iran, the grants for the diocese for the year ended 30th June 2020 totalling £19,181 have been reccredited in the Statement of Financial Activities and transferred to a restricted fund for the benefit of the Diocese of Iran together with the donation of £94,034 received from the Episcopal Church of the USA. These funds will be retained until it is possible to transfer them to the diocese and suitable projects within the diocese have been identified. On the same basis as in 2021 the trustees decided that for the year ended 30th June 2022 no allocation would be made to the Diocese of Iran and the additional funds available were allocated equally to the other three organisations.

7. SUPPORT COSTS

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

8. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Depreciation - owned assets	<u>578</u>	<u>3,190</u>

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

9. 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 £38,056 (2021: £38,033).

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 2022 nor for the year ended 30th June 2021.

Grants to trustees

During the year ended 30th June 2022 two grants totalling £1,256 were made to two trustees. (2021 - one grant of £658 to one trustee).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	20,514	54,578	75,092
Investment income	<u>74,687</u>	<u>60,323</u>	<u>135,010</u>
Total	<u>95,201</u>	<u>114,901</u>	<u>210,102</u>
 EXPENDITURE ON			
Raising funds	9,235	3,524	12,759
 Charitable activities			
Support for the work of the Episcopal Church in Jerusalem and the Middle East Diocese of Jerusalem	124,135	93,924	218,059
Diocese of Cyprus and the Gulf	174,046	18,473	192,519
Province of Alexandria	<u>132,756</u>	<u>86,857</u>	<u>219,613</u>
Total	<u>440,172</u>	<u>202,778</u>	<u>642,950</u>
 Net gains on investments	<u>285,174</u>	<u>243,478</u>	<u>528,652</u>
 NET INCOME/(EXPENDITURE)	(59,797)	155,601	95,804

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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	2,588,024	2,585,625	5,173,649
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u><u>2,528,227</u></u>	<u><u>2,741,226</u></u>	<u><u>5,269,453</u></u>

11. TANGIBLE FIXED ASSETS

	Website £
COST	
At 1st July 2021 and 30th June 2022	<u>9,670</u>
DEPRECIATION	
At 1st July 2021	9,092
Charge for year	<u>578</u>
At 30th June 2022	<u>9,670</u>
NET BOOK VALUE	
At 30th June 2022	<u><u>-</u></u>
At 30th June 2021	<u><u>578</u></u>

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

	Listed investments £
MARKET VALUE	
At 1st July 2021	4,468,163
Additions	766,818
Disposals	(220,000)
Revaluations	(76,194)
Surplus on disposal	<u>(13,272)</u>
At 30th June 2022	<u>4,925,515</u>
NET BOOK VALUE	
At 30th June 2022	<u>4,925,515</u>
At 30th June 2021	<u>4,468,163</u>

There were no investment assets outside the UK.

Cost or valuation at 30th June 2022 is represented by:

	Listed investments £
Valuation in 2022	<u>4,925,515</u>

The historical cost of fixed asset investments was £3,623,001 (2021: £3,002,132).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	4,134	1,777
The Jerusalem and the East Mission Trust Limited	254,641	383,361
Prepayments and accrued income	<u>33,644</u>	<u>33,394</u>
	<u>292,419</u>	<u>418,532</u>

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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other creditors	4,285	-
Grants payable	258,375	280,348
Accruals and deferred income	<u>5,800</u>	<u>57,239</u>
	<u>268,460</u>	<u>337,587</u>

15. MOVEMENT IN FUNDS

	At 1.7.21	Net movement in funds	Transfers between funds	At 30.6.22
	£	£	£	£
Unrestricted funds				
General fund	(4,567)	(4,362)	-	(8,929)
General Ministry	1,207,866	(185,889)	(6,925)	1,015,052
Legacy reserve	575,719	(81,167)	(14,550)	480,002
Phillips & Cane	307,418	(7,805)	-	299,613
A B Jones discretionary fund	263,324	2,329	(1,600)	264,053
Small funds not detailed	<u>178,468</u>	<u>1,325</u>	<u>-</u>	<u>179,793</u>
	2,528,228	(275,569)	(23,075)	2,229,584
Restricted funds				
Jerusalem Girls College/Worsley fund	900,054	(25,215)	-	874,839
Moore-Steele	647,830	(22,137)	-	625,693
Graham Brown/Phillips	266,553	(1,500)	-	265,053
Holy Trinity Church, Algiers	674,573	(20,490)	-	654,083
Small funds not detailed	252,215	(1,934)	(356)	249,925
Diocese of Iran	-	92,593	13,431	106,024
Province of Alexandria	<u>-</u>	<u>30</u>	<u>10,000</u>	<u>10,030</u>
	<u>2,741,225</u>	<u>21,347</u>	<u>23,075</u>	<u>2,785,647</u>
TOTAL FUNDS	<u>5,269,453</u>	<u>(254,222)</u>	<u>-</u>	<u>5,015,231</u>

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

15. 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	17,853	(22,215)	-	(4,362)
General Ministry	36,304	(206,218)	(15,975)	(185,889)
Legacy reserve	16,568	(102,067)	4,332	(81,167)
Phillips & Cane	9,387	(14,802)	(2,390)	(7,805)
A B Jones discretionary fund	8,454	(6,592)	467	2,329
Small funds not detailed	<u>5,284</u>	<u>(4,131)</u>	<u>172</u>	<u>1,325</u>
	93,850	(356,025)	(13,394)	(275,569)
Restricted funds				
Jerusalem Girls College/Worsley fund	26,669	(25,672)	(26,212)	(25,215)
Moore-Steele	18,818	(18,075)	(22,880)	(22,137)
Graham Brown/Phillips	8,325	(8,066)	(1,759)	(1,500)
Holy Trinity Church, Algiers	1,771	(4,845)	(17,416)	(20,490)
Small funds not detailed	36,634	(35,387)	(3,181)	(1,934)
Diocese of Iran	97,217	-	(4,624)	92,593
Province of Alexandria	<u>30</u>	<u>-</u>	<u>-</u>	<u>30</u>
	<u>189,464</u>	<u>(92,045)</u>	<u>(76,072)</u>	<u>21,347</u>
TOTAL FUNDS	<u>283,314</u>	<u>(448,070)</u>	<u>(89,466)</u>	<u>(254,222)</u>

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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.7.20 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	(847)	(3,720)	(4,567)
General Ministry	1,069,749	138,117	1,207,866
Legacy reserve	860,096	(284,377)	575,719
Phillips & Cane	267,193	40,225	307,418
A B Jones discretionary fund	234,246	29,078	263,324
Small funds not detailed	<u>157,587</u>	<u>20,881</u>	<u>178,468</u>
	2,588,024	(59,796)	2,528,228
Restricted funds			
Jerusalem Girls College/Worsley fund	792,564	107,490	900,054
Moore-Steele	569,199	78,631	647,830
Graham Brown/Phillips	236,094	30,459	266,553
Holy Trinity Church, Algiers	739,795	(65,222)	674,573
Small funds not detailed	<u>247,973</u>	<u>4,242</u>	<u>252,215</u>
	<u>2,585,625</u>	<u>155,600</u>	<u>2,741,225</u>
TOTAL FUNDS	<u><u>5,173,649</u></u>	<u><u>95,804</u></u>	<u><u>5,269,453</u></u>

The Jerusalem and the Middle East Church Association
(a company limited by guarantee
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Notes to the Financial Statements - continued
for the Year Ended 30th June 2022

15. 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	20,515	(24,235)	-	(3,720)
General Ministry	35,941	(35,474)	137,650	138,117
Legacy reserve	16,549	(368,119)	67,193	(284,377)
Phillips & Cane	9,021	(2,487)	33,691	40,225
A B Jones discretionary fund	8,119	(7,775)	28,734	29,078
Small funds not detailed	<u>5,056</u>	<u>(2,081)</u>	<u>17,906</u>	<u>20,881</u>
	95,201	(440,171)	285,174	(59,796)
Restricted funds				
Jerusalem Girls College/Worsley fund	25,716	(25,724)	107,498	107,490
Moore-Steele	18,104	(18,140)	78,667	78,631
Graham Brown/Phillips	7,999	(7,197)	29,657	30,459
Holy Trinity Church, Algiers	1,346	(66,568)	-	(65,222)
Small funds not detailed	<u>61,736</u>	<u>(85,150)</u>	<u>27,656</u>	<u>4,242</u>
	<u>114,901</u>	<u>(202,779)</u>	<u>243,478</u>	<u>155,600</u>
TOTAL FUNDS	<u>210,102</u>	<u>(642,950)</u>	<u>528,652</u>	<u>95,804</u>

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 and the Province of Alexandria, in consultation with the provinces.

**The Jerusalem and the Middle East Church
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**Notes to the Financial Statements - continued
for the Year Ended 30th June 2022**

15. MOVEMENT IN FUNDS - continued

The Moore-Steele Fund is for the provision of educational work in Israel and Jordan in consultation with the Archbishop 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 of Jerusalem and the Middle East and the Episcopal/Anglican Province of Alexandria.

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 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.

Funds allocated to or received for the Diocese of Iran are held in a restricted fund until such time as these funds can be transferred to the diocese.

The Province of Alexandria has requested that surplus funds not yet required by the province be held by the charity in a restricted fund on behalf of the province.

16. RELATED PARTY DISCLOSURES

As at 30th June 2022 funds of the Charitable Company totalling £254,641 (2021: £383,361) were held by the Jerusalem and the East Mission Trust Limited. £3,996 had been overpaid (2021: £1,242) by the Charity to the Jerusalem and the East Mission Trust Limited in respect of management service charges as at 30th June 2022 and is included as a debtor on the balance sheet.

There were no other related party transactions for the year ended 30th June 2022.

17. COMPANY STATUS

The Charitable Company is a private 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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18. 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.

19. 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 of Jerusalem and the Middle East and the Episcopal/Anglican Province of Alexandria.

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 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	139,568	43,837
Legacies	1,500	31,255
Grants	<u>2,575</u>	<u>-</u>
	143,643	75,092
Investment income		
Income from listed investments	138,887	133,326
Deposit account interest	<u>784</u>	<u>1,684</u>
	<u>139,671</u>	<u>135,010</u>
Total incoming resources	283,314	210,102
EXPENDITURE		
Raising donations and legacies		
Website expenses	414	555
Magazine costs	8,509	8,622
Fundraising expenses	147	392
Depreciation of computer equipment	<u>578</u>	<u>3,190</u>
	9,648	12,759
Charitable activities		
Grants	400,366	592,158
Support costs		
Management		
Service charge	<u>38,056</u>	<u>38,033</u>
Total resources expended	<u>448,070</u>	<u>642,950</u>
Net expenditure	<u>(164,756)</u>	<u>(432,848)</u>

This page does not form part of the statutory financial statements