

## **MECO UK AND IRELAND**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

A Company Limited by Guarantee  
and not having a Share Capital  
Registration Number 01266390

Charity Registration Number 272327

#### **NORMAN COX & ASHBY**

Chartered Accountants and Statutory Auditors  
Grosvenor Lodge  
72 Grosvenor Road  
Tunbridge Wells  
Kent TN1 2AZ

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# **MECO UK AND IRELAND**

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## **MECO UK AND IRELAND**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

<b>TRUSTEES</b>	Dr A B Harris The Rev P Manson Mr D Holmes Mr Y Ghobry Mr N Critchell Mrs E Hayes	(Chairman) (Vice Chairman) (Treasurer)
<b>UK DIRECTOR</b>	The Rev J Carrick (resigned 30 September 2013) The Rev Canon M Parker (appointed 30 September 2013)	
<b>COMPANY SECRETARY</b>	Mr N Lawrence	
<b>PRINCIPAL AND REGISTERED OFFICE</b>	22 Culverden Park Road Tunbridge Wells Kent TN4 9RA	
<b>COMPANY REGISTRATION NUMBER</b>	01266390	
<b>CHARITY REGISTRATION NUMBER</b>	272327	
<b>INDEPENDENT AUDITORS</b>	Norman Cox & Ashby Chartered Accountants and Statutory Auditors Grosvenor Lodge 72 Grosvenor Road Tunbridge Wells Kent TN1 2AZ	
<b>BANKERS</b>	National Westminster Bank plc 89 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ	

# **MECO UK AND IRELAND**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014**

### **INTRODUCTION**

The Trustees, who are also the Directors for the purposes of the Companies Act, of MECO UK and Ireland ("MECO") present their report and the financial statements for the year ended 31 March 2014.

The report has been prepared in accordance with the Charities Act 2011 and is also the report of the Directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on page 10 and comply with the Memorandum and Articles of Association of MECO, applicable laws, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **CONSTITUTION**

MECO was incorporated on 14 April 1976 under company registration number 01266390. It is a company limited by guarantee and not having a share capital. It was registered with the Charity Commission under number 272327. The Trustees are also the members.

#### **TRUSTEES**

The following Trustees have held office since 1 April 2013:

Dr Anthony Harris (Chairman)  
Mr Yosri Ghobry  
Mrs Elizabeth Hayes

Rev Peter Manson (Vice Chairman)  
Mr David Holmes (Treasurer)  
Mr Norman Critchell

The existing Trustees appoint new Trustees on the basis of the skills required. All Trustees subscribe to the Statement of Beliefs set out in the Memorandum of Association. Prior to appointment, prospective Trustees meet the existing Trustees and key members of staff. They attend two meetings of the Trustees as observers, and then meet the chairman and a member of staff who make a recommendation. The aims and objectives of the Charity are explained together with the duties of a Trustee. Also they receive a copy of the Memorandum and Articles of Association, a copy of the latest annual report and financial statements and a booklet on the duties of Charity Trustees.

Trustees retire by rotation in accordance with the provisions of the Articles of Association. One third of the Trustees retires each year. At the forthcoming annual general meeting Dr A Harris and Mr Yosri Ghobry retire by rotation, Dr A B Harris being eligible offers himself for re-election.

The Trustees of MECO are responsible for preparing the financial statements in accordance with applicable law and regulations.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Company law requires the Trustees of MECO to prepare financial statements for each financial year. Under that law the Trustees of MECO have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of MECO and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that MECO will continue in operation.
- state whether applicable accounting standards and Statement of Recommended Practice have been followed, subject to any departures disclosed and explained in the financial statements.

## **MECO UK AND IRELAND**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of MECO and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of MECO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **ORGANISATION**

MECO is directed by the Trustees, all of whose members are volunteers. They currently meet at least four times a year to discuss the strategic issues facing the Charity and to support and encourage the work. They are supported by Personnel and Finance Committees that each includes a number of Trustees. The work of the Charity is led by the interim UK Director (who is also the International Director) who reports to the Trustees at each meeting. The Trustees seek to make decisions by consensus rather than majority vote, unless a vote is legally required.

#### **RISK MANAGEMENT**

The Trustees have carefully identified and examined the major risks, which the Charity faces and confirms that systems have been established to mitigate these risks. An internal document has been produced and an annual review established. Responsibility for Disclosure and Barring checking of staff members has yet to be assigned to a staff member.

#### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

##### **PRINCIPAL OBJECT**

The principal object of MECO is the advancement of the Christian faith in partnership with Middle Eastern Churches and other Christian agencies. MECO's specific concern is the proclamation of the Christian Gospel in the Middle East and adjacent lands by whatever means are appropriate.

The objects of the Charity shall be conducted in accordance with the basic truths of Christianity, as revealed in Holy Scripture and expressed in MECO's Statement of Faith.

The Trustees are responsible for the management of the Charity within the United Kingdom. It is represented on an International Council which has overall responsibility for the worldwide activities of MECO International.

The vision of MECO International is to see the love of Jesus Christ lived and proclaimed in the Middle East.

The mission of MECO International is to support Middle East Christians in sharing the love of Jesus Christ. This support includes prayer, example, service, partnering with churches, training and development, and encouraging church planting.

The Trustees have adopted the following Vision and Mission Statements for MECO UK and Ireland.

MECO UK and Ireland's vision is that churches in the UK will help equip churches in the Middle East for local and cross-cultural mission to Middle Eastern people through prayer, sending gifted Christian workers and financial support.

MECO UK and Ireland's mission:

- To create awareness in the UK Christian community of God's work in the Middle East, and the needs and the opportunities for service.
- To strengthen partnership with supporting churches and draw in others, leading to further prayer, new workers being called for service in the region and financial support.
- To equip and support workers sent from UK churches through preparation, on-going support and training.

## **MECO UK AND IRELAND**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014**

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **REVIEW OF ACTIVITIES**

In executing their responsibilities the Trustees have been mindful of the public benefit guidance published by the Charity Commission given under Section 17 of the 2011 Charities Act.

During the year, the objectives of MECO UK and Ireland have been pursued through the service of members in the Middle East and through the activities of the UK Office staff and area Representatives in raising awareness of needs and opportunities for service in the Middle East.

##### **MIDDLE EAST**

In the Middle East, opportunities to serve in partnership with local churches and other agencies continue and are valued by national church leaders. The Charity sends personnel with the necessary expertise to make a significant contribution to the work of Middle East churches.

Many national leaders of Middle East churches regard MECO's work as among the best examples of help from Christian agencies in the West and welcome MECO personnel as some of the best trained and equipped.

Some of MECO's personnel make a long-term service commitment to the people and the region, and spend up to two years in full-time language learning and orientation. However, changing socio-economic conditions and culture in UK mean that we are seeing an increase in those seeking shorter placements in the region, or a few weeks of experiencing overseas mission and we are working with our partners to facilitate this. Some members contribute significant effort to supporting those new to living and working in the region.

Specific ministries of MECO personnel during the past year include:

- key educational roles in schools and colleges, often with additional responsibilities in counselling, training and associated church work
- rehabilitation/development programmes and rural community health care, serving sick and disabled young people, along with their families
- support to a national agency training local people to gain employment in basic health care, computer training, nursery teaching, hairdressing and other vocations, and providing micro-loans and training to enable people to provide for their families
- working with local churches in teaching and training to encourage the application of faith to community life
- lecturing in Bible Colleges and preparing material for distance learning
- Bible translation
- Support for Christians suffering discrimination or persecution because of their faith
- Working alongside local churches and agencies to provide practical assistance to those displaced through conflict

Members serve the population without discrimination, seeking to make the gospel invitation known to all, without coercion or inducement.

##### **UNITED KINGDOM AND IRELAND**

During the year, efforts have continued to keep the Charity before the Christian public. MECO maintains contact with donors and supporters, as well as visiting churches and conferences. Advertising in the Christian press and distribution of promotional DVDs inform supporters and enquirers of the challenges and opportunities for Christian service in the Middle East. MECO also maintains an up-to-date web site for supporters and enquirers at <http://www.aboutmeco.org>. As a result there is a steady stream of enquiries about service in the Middle East. With increased migration into UK of those from the Middle East, we are also seeing new opportunities to provide practical help and support to those emerging communities.

## **MECO UK AND IRELAND**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014**

#### **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

Recruitment of suitable personnel is a priority of the Trustees and Home Office staff, although the current economic, political and cultural context makes this a challenging task. During the past year two short-term workers were recruited.

MECO UK and Ireland also provides some administrative services for MECO International. Many unpaid volunteers provide services ranging from professional expertise to encouraging of supporter groups and churches.

#### **FINANCIAL REVIEW**

The total income for the year was £651,417 (2013: £649,624) including legacy income of £72,350 (2013: £21,926). The total expenditure was £686,404 (2013: £640,251), of which £611,058 (2013: £592,135) was spent on the direct charitable activities of the Charity.

The Charity owns a freehold property, which was verbally valued during 2005 at £400,000. It is shown in the financial statements at £24,000 which was based upon a valuation made on 15 April 1977.

The Charity does not employ professional fundraisers.

A personal pension plan has been set up for each member within a MECO Stakeholder Group Scheme. Premiums are paid monthly into Stakeholder accounts, or members' own existing plans, for all persons employed by the Charity. The premiums are reviewed annually. Trustees are reviewing pension arrangements in order to establish a new scheme compliant with auto-enrolment legislation.

#### **RESERVES POLICY**

The Trustees consider it would be desirable to hold in reserve in the UK four months' expenditure, net of regular standing orders received into the Charity's bank account for these purposes, plus some contingency. The Trustees have agreed that £35,000 is currently an appropriate sum (approximately £80,000 expenditure less £55,000 standing order income, plus £10,000 contingency). This sum should be sufficient to meet administrative and legal costs, pay, pension contributions and redundancy payments in the event of closure, and to support evacuation if necessary of individual missionaries lacking personal emergency funds. Although the income comes from churches and individuals and is not guaranteed, past experience, when large scale evacuations of our personnel from Middle East countries have had to be made, has led the Trustees to believe that regular giving continues and the response from Christian churches and individuals will be sufficient to meet such emergencies.

At 31 March 2014 the free reserves were in deficit on the General Fund by £37,553. This is offset against the Designated UK Reserve Fund balance of £35,000. Given the current economic situation, the Trustees have budgeted for two years' deficit from the legacy fund, whilst trying to replenish the reserves to a satisfactory level. The general fund deficit for this year includes a write off of historic items relating to FALTOD (related charity now closed), however the Trustees remain mindful of the underlying challenges relating to general funds and the resultant attrition of reserves.

#### **OTRANSACTIIONS WITH TRUSTEES**

No Trustees received any fees during the year. Trustees are entitled to receive travel expenses for attending meetings of the Trustees.

#### **CONNECTED CHARITY**

Dr A B Harris, trustee, and Rev M Parker, UK Director, are trustees of Middle East Development Services, a company limited by guarantee and not having share capital, and also a registered charity. Note 15 to the financial statements gives details of the financial dealings between MECO UK and Ireland and MEDS.

## MECO UK AND IRELAND

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014

#### DISCLOSURE OF INFORMATION TO THE AUDITORS

The Trustees who held office at the date of approval of the Report of the Trustees confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### AUDITORS

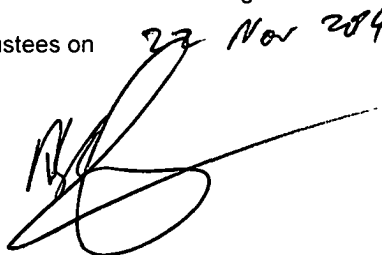
In accordance with Section 485 Companies Act 2006 the re-appointment of Messrs Norman Cox & Ashby will be proposed at the Annual General Meeting.

Approved by the Trustees on

22 Nov 2014

and signed on its behalf by

A B HARRIS  
Chairman

A large, stylized handwritten signature in black ink, likely belonging to A B Harris, the Chairman.



## **MECO UK AND IRELAND**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MECO UK AND IRELAND FOR THE YEAR ENDED 31 MARCH 2014**

We have audited the financial statements of MECO UK and Ireland for the year ended 31 March 2014 which comprise the Statement of Financial Activities, (including income and expenditure account), the Balance Sheet and the related notes 1 to 18. 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).

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 in accordance with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 2, 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Small Entities in the circumstances set out in note 18 to the financial statements.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**


In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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.

#### **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.

  
N RUSS, FCCA (Senior Statutory Auditor)  
For and on behalf of NORMAN COX & ASHBY  
Chartered Accountants and Statutory Auditors  
Grosvenor Lodge, 72 Grosvenor Road  
Tunbridge Wells, Kent TN1 2AZ

*10 December 2014*

Norman Cox & Ashby is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## MECO UK AND IRELAND

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2014

#### INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	2014 Total £	2013 Total £
<b>INCOMING RESOURCES</b>						
Donations and Gifts		137,514	-	438,765	576,279	587,976
Legacies		72,350	-	-	72,350	21,926
Rental Income		1,304	-	-	1,304	4,521
Funds from Faltod		-	-	-	-	34,864
Investment Income						
UK Bank Deposit Interest		1,484	-	-	1,484	337
<b>TOTAL INCOMING RESOURCES</b>		<b>212,652</b>	<b>-</b>	<b>438,765</b>	<b>651,417</b>	<b>649,624</b>
<b>RESOURCES EXPENDED</b>						
Costs of Generating Funds	2	60,666	-	343	61,009	35,033
Charitable Activities	2	226,155	12,518	372,385	611,058	592,135
Governance Costs	2	14,066	-	271	14,337	13,083
<b>TOTAL RESOURCES EXPENDED</b>		<b>300,887</b>	<b>12,518</b>	<b>372,999</b>	<b>686,404</b>	<b>640,251</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS</b>						
		(88,235)	(12,518)	65,766	(34,987)	9,373
Transfers between Funds	13	48,036	12,956	(60,992)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(40,199)</b>	<b>438</b>	<b>4,774</b>	<b>(34,987)</b>	<b>9,373</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL 2013</b>						
		74,014	217,024	134,062	425,100	415,727
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2014</b>						
		<b>£33,815</b>	<b>£217,462</b>	<b>£138,836</b>	<b>£390,113</b>	<b>£425,100</b>
<b>Represented by:</b>						
Fixed Assets		47,368	-	-	47,368	42,087
Current Assets		35,716	217,462	146,007	399,185	408,341
Current Liabilities		(49,269)	-	(7,171)	(56,440)	(25,328)
		<b>£33,815</b>	<b>£217,462</b>	<b>£138,836</b>	<b>£390,113</b>	<b>£425,100</b>

## MECO UK AND IRELAND

### BALANCE SHEET AT 31 MARCH 2014

	Notes	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible Assets	5		47,368		42,087
<b>CURRENT ASSETS</b>					
Stock		862		887	
Debtors	6	24,699		54,951	
Cash at Bank					
Current Accounts		510		53	
Deposit Accounts		373,082		352,346	
Cash in Hand		32		104	
		<u>399,185</u>		<u>408,341</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Accruals		11,046		10,061	
Other Creditors		45,394		15,267	
		<u>56,440</u>		<u>25,328</u>	
<b>NET CURRENT ASSETS</b>			<b>342,745</b>		<b>383,013</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>£390,113</b>		<b>£425,100</b>
<b>CAPITAL AND RESERVES</b>					
Unrestricted Funds					
General Fund	8		9,815		50,014
Revaluation Reserve	8		24,000		24,000
Designated Funds	9		217,462		217,024
Restricted Funds	10		138,836		134,062
			<u>£390,113</u>		<u>£425,100</u>

For the financial year ended 31 March 2014, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the trustees on 22 Nov 2014 and signed on their behalf by

A B HARRIS - Chairman

D HOLMES - Trustee

## MECO UK AND IRELAND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1 ACCOUNTING POLICIES

The following principal accounting policies have been consistently used in the preparation of the financial statements.

(a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and Financial Reporting Standard for Smaller Entities (effective April 2008), and prepared in accordance with Companies Act 2006.

(b) COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

(c) INCOMING RESOURCES

Income is accounted for when received. Tax recoverable on gift aid is accounted for when receivable. Legacies are accounted for when there is sufficient evidence of their likely receipt and their value can be ascertained reliably.

(d) RESOURCES EXPENDED

Expenditure is accounted for when incurred. Costs of generating funds are incurred in seeking voluntary contributions. Charitable activity costs are incurred directly on the objects of the charity. Governance costs are incurred in connection with administration of the charity.

(e) ALLOCATION OF COSTS

All costs have been allocated to the appropriate areas. The costs incurred by representatives working in the United Kingdom are allocated to costs of generating funds.

(f) TANGIBLE FIXED ASSETS AND DEPRECIATION

The freehold premises are included at a valuation approved by the Trustees on 15 April 1977. Prior to 1 April 1991, equipment and motor vehicles were purchased from Replacement Funds, to which annual transfers were made, and the assets were not included in the Balance Sheet. From 1 April 1991, fixed assets purchased greater than £200 are capitalised and depreciated in accordance with the accounting policy.

From 1 April 2012, fixed assets purchased greater than £1,000 are capitalised and depreciated in accordance with the accounting policy.

Depreciation has been provided on tangible fixed assets at the following rates which are calculated to write off the assets over their estimated working lives:

Office Equipment	-	15% per annum on net book value
Freehold Property	-	2% per annum on valuation

(g) STOCKS

Stocks are stated at the lower of cost and net realisable value.

(h) OPERATING LEASES

Operating lease rentals are charged to the income and expenditure account as incurred.

(i) PENSION SCHEME

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

(j) FUNDS ACCOUNTING

Unrestricted Funds are expendable at the discretion of the Trustees in the furtherance of the Objects of the Charity.

Designated Funds are unrestricted funds set aside by the Trustees for specific purposes.

Restricted Funds are monies raised for, and their use restricted to, a specific purpose or donation subject to conditions imposed by the donors.

## MECO UK AND IRELAND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 2 RESOURCES EXPENDED

	Unrestricted Funds		Restricted Funds	2014 Total	2013 Total
	General	Designated	Funds	Total	Total
	£	£	£	£	£
<b>COSTS OF GENERATING FUNDS</b>					
Advertising	13,479	-	-	13,479	2,363
Conferences	4,534	-	343	4,877	2,044
Travelling	6,135	-	-	6,135	1,811
Postage and Telephone	75	-	-	75	54
Stationery	517	-	-	517	573
Salaries	31,414	-	-	31,414	23,982
National Insurance	2,366	-	-	2,366	2,276
Pension Fund	1,646	-	-	1,646	1,430
Subscriptions	500	-	-	500	500
	<u>£60,666</u>	<u>£-</u>	<u>£343</u>	<u>£61,009</u>	<u>£35,033</u>
<b>CHARITABLE ACTIVITIES</b>					
Missionary Allowances and					
National Insurance	-	-	224,764	224,764	256,222
Remittances Overseas					
Restricted Purposes	-	-	77,167	77,167	78,280
Travelling	1,966	-	12,895	14,861	20,560
Postage and Telephone	7,175	-	430	7,605	4,426
Stationery	4,366	-	1,104	5,470	4,236
Medical Expenses	-	-	7,273	7,273	5,301
General Expenses	933	-	1,853	2,786	5,381
Allowances and Salaries					
to Home Staff	84,175	-	-	84,175	110,226
National Insurance	8,386	-	-	8,386	8,329
Pension Fund	5,576	-	46,899	52,475	37,107
Property Repairs					
and Maintenance	500	3,296	-	3,796	996
Repair and Maintenance of					
Office Equipment	8,552	9,222	-	17,774	13,752
Rent, Rates, Gas and					
Electricity	7,195	-	-	7,195	7,189
Insurance	2,184	-	-	2,184	2,171
Allowances to					
Retired Missionaries	6,438	-	-	6,438	6,365
Depreciation	5,705	-	-	5,705	4,688
Subscriptions	655	-	-	655	1,224
International Office					
Contribution	23,183	-	-	23,183	22,063
FALTOD Loan written off	54,074	-	-	54,074	-
South African Office costs	5,092	-	-	5,092	3,619
	<u>£226,155</u>	<u>£12,518</u>	<u>£372,385</u>	<u>£611,058</u>	<u>£592,135</u>

## MECO UK AND IRELAND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 2 RESOURCES EXPENDED (CONTINUED)

	Unrestricted Funds		Restricted Funds	2014 Total	2013 Total
	General	Designated	Funds		
	£	£	£	£	£
<b>GOVERNANCE COSTS</b>					
Audit Fee	4,195	-	-	4,195	3,995
Accountancy and Bookkeeping	7,044	-	-	7,044	5,951
Bank Charges	2,827	-	271	3,098	3,137
	<u>£14,066</u>	<u>£ -</u>	<u>271</u>	<u>£14,337</u>	<u>£13,083</u>

#### 3 ANALYSIS OF EXPENDITURE

	Staff Costs	Depreciation and loss on disposal	Other Charitable Expenditure	2014 Total	2013 Total
	£	£	£	£	£
Costs of Generating Funds	35,426	-	25,583	61,009	35,033
Charitable Activities					
Support	83,094	-	27,788	110,882	105,205
General	293,144	5,705	201,327	500,176	486,930
	<u>376,238</u>	<u>5,705</u>	<u>229,115</u>	<u>611,058</u>	<u>592,135</u>
Governance Costs	-	-	14,337	14,337	13,083
	<u>£411,664</u>	<u>£5,705</u>	<u>£269,035</u>	<u>£686,404</u>	<u>£640,251</u>
Unrestricted	140,001	5,705	167,699	313,405	266,793
Restricted	271,663	-	101,336	372,999	373,458
	<u>£411,664</u>	<u>£5,705</u>	<u>£269,035</u>	<u>686,404</u>	<u>£640,251</u>

## MECO UK AND IRELAND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

<b>4 STAFF COSTS</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Salaries and Wages	<b>329,582</b>	378,524
National Insurance	<b>21,523</b>	22,511
Pension Contributions to a Defined Contribution Scheme	<b>54,121</b>	38,537
Pension Paid to Retired Missionaries	<b>6,438</b>	6,365
	<b><u>£411,664</u></b>	<b><u>£445,937</u></b>

The average monthly number of employees during the year, were

Office and Administration	<b>6</b>	<b>7</b>
Missionaries	<b>18</b>	<b>23</b>
	<b><u>24</u></b>	<b><u>30</u></b>

No employee has emoluments above £60,000 per annum.

### 5 TANGIBLE FIXED ASSETS

	Freehold Property £	Office Equipment £	Total £
Cost or Valuation			
At 1 April 2013	24,000	79,856	103,856
Additions	-	10,986	10,986
Disposals	-	-	-
At 31 March 2014	<u>24,000</u>	<u>90,842</u>	<u>114,842</u>
Depreciation			
At 1 April 2012	5,760	56,009	61,769
Charge for the year	480	5,225	5,705
Disposals	-	-	-
At 31 March 2014	<u>6,240</u>	<u>61,234</u>	<u>67,474</u>
Net Book Value			
At 31 March 2014	<u><b>£17,760</b></u>	<u><b>£29,608</b></u>	<u><b>£47,368</b></u>
At 31 March 2013	<u><b>£18,240</b></u>	<u><b>£23,847</b></u>	<u><b>£42,087</b></u>

The freehold property was valued at £24,000 on 15 April 1977 and approved by the Trustees at that date. The Trustees consider the market value of the property to be significantly higher than the carrying value at the year-end. The Trustees are unable to quantify the difference as a professional valuation would be required and they believe the costs involved would not be the correct use of the charity's resources. All assets are held for the direct furtherance of the company's objectives.

## MECO UK AND IRELAND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

6 DEBTORS	2014	2013
	£	£
Income Tax Recoverable	7,846	11,980
Other Debtors	16,853	38,313
Transmissions	-	4,658
	<u>£24,699</u>	<u>£54,951</u>

### 7 CREDITORS

The bank overdraft is unsecured. The bank overdraft arises due to uncleared cheques at the year end. In reality, funds are transferred to and from the deposit account to maintain a credit balance in the current account.

### 8 UNRESTRICTED FUND - GENERAL FUND

	Income and Expenditure Account	Revaluation Reserve	Total
	£	£	£
At 1 April 2013	50,014	24,000	74,014
Income	212,652	-	212,652
Expenditure	(300,887)	-	(300,887)
Transfers	48,036	-	48,036
At 31 March 2014	<u>£9,815</u>	<u>£24,000</u>	<u>£33,815</u>

### 9 DESIGNATED FUNDS

	At 1 April 2013	Income	Expenditure	Transfers	At 31 March 2014
	£	£	£	£	£
LES Property Repair Fund	4,482	-	(3,296)	(283)	903
UK Reserve Fund	50,000	-	-	(15,000)	35,000
Legacy Fund	162,542	-	(9,222)	28,239	181,559
	<u>£217,024</u>	<u>£-</u>	<u>£(12,518)</u>	<u>£12,956</u>	<u>£217,462</u>

The designated funds are used to set aside monies for estimated future expenditure. The UK Reserve Fund is a contingency fund for future use. The Legacy Fund represents monies set aside to be utilised on various future projects. The LES Property Repair Fund is rental money set aside for future repair costs on properties in Lebanon.



## MECO UK AND IRELAND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 10 RESTRICTED FUNDS

	At 1 April 2013 £	Income £	Expenditure £	Transfers £	At 31 March 2014 £
Missionaries' support fund	105,048	348,555	(320,157)	(50,643)	82,803
Other restricted projects	29,014	90,210	(52,842)	(10,349)	56,033
	<u>£134,062</u>	<u>£438,765</u>	<u>£(372,999)</u>	<u>£(60,992)</u>	<u>£138,836</u>

Missionaries' Support fund is for the support of individual missionaries in the fields. Other restricted projects comprise numerous projects in the Middle East which are supported by individual donors.

#### 11 PENSION FUND

Pension scheme contributions are paid monthly. Total contributions paid in the year ended 31 March 2014 amounted to £54,121 (2013: £38,537)

The company also paid allowances during the year to seven (2013: seven) retired missionaries who were not in any pension scheme operated by the company which amounted to £6,438 (2013: £6,365). These are regularly reviewed and assessed according to the financial needs of the individuals. The estimated future costs to the company based on current year expenditure and average life expectancy tables amounts to £41,895 (2013: £44,583).

#### 12 NET INCOMING RESOURCES BEFORE TRANSFERS

The net income before transfers is stated after charging:

	2014 £	2013 £
Auditors' Remuneration	4,195	3,995
Accountancy and Bookkeeping	7,044	5,951
Depreciation and loss on disposal		
General Fund	5,705	4,688
And after crediting:		
Deposit Account and Investment Income	1,484	337
Rents	1,304	4,521
Income Tax Recovered on		
Gift Aid and other Taxed Income	50,696	47,299

#### 13 TRANSFERS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total
	General £	Designated £	£	£
Service Charge				
on Restricted Donations	63,492	-	(63,492)	-
Income Designated for Legacy Fund	(72,350)	72,350	-	-
Contribution towards general				
Fund deficit	41,611	(41,611)	-	-
Designation of repair fund for properties	(1,273)	1,273	-	-
Utilisation of Reserve Fund	15,000	(15,000)	-	-
Support of Missionary from Legacy Fund	-	(2,500)	2,500	-
Write back of rent designation	1,556	(1,556)	-	-
	<u>£48,036</u>	<u>£12,956</u>	<u>£(60,992)</u>	<u>£ -</u>

## **MECO UK AND IRELAND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

#### **14 MEMBERS' LIABILITY**

- 1 The company is limited by guarantee and has no share capital.
- 2 At 31 March 2014 there were 6 members on the register (2013: 6).
- 3 In accordance with the Memorandum of Association each member is liable for such a sum, not exceeding £1 as may be required in the event of the company being wound up, for the period of membership or within one year after ceasing to be a member.

#### **15 CONNECTED CHARITY**

During the year the company received gifts on behalf of Middle East Development Services Limited amounting to £14,872 (2013: £9,168). Dr A B Harris, trustee, and Rev M Parker, UK Director, are both trustees of Middle East Development Services Limited. At 31 March 2014 £2,794 (2013: Nil) remained unpaid and is included in other creditors. Included in other debtors is an overpayment of gifts to Middle East Development Services Limited of £Nil (2013: £276)

#### **16 FINANCIAL COMMITMENTS**

At 31 March 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014:

	2014 £	2013 £
Operating leases which expire:		
Between two and five years	£2,496	£2,496

#### **17 TRANSACTIONS WITH TRUSTEES**

During the year no trustee received remuneration. Travel expenses were reimbursed to one (2013: one) trustee during the year of £130 (2013: £215).

There is a Trustees indemnity insurance which is combined with general insurance cover.

#### **18 PREPARATION OF THE FINANCIAL STATEMENTS**

In common with many other entities of similar size and nature the Charity has used the auditors to assist with the preparation of the financial statements.