

# London Middle East Institute

(A company limited by guarantee)

Charity no: 1103017

Company no: 4758915

## Report and Financial Statements for the year ended 31 July 2017

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## **London Middle East Institute**

### **Reference and Administrative Details of the Charity**

#### **Status**

The organisation is a charitable company limited by guarantee, incorporated on 9 May 2003 and registered as a charity on 2 April 2004. The company is governed by a Memorandum and Articles of Association, as amended by Special Resolutions dated 6 November 2003, 31 July 2008 and 6 July 2015. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

#### **The Board of Trustees**

The Trustees serving during the year were as follows:-

Chair: Baroness Valerie Amos, Director, SOAS  
Professor Richard Black, SOAS (resigned: 26 September 2017)  
Dr John Curtis, CEO of Iran Heritage Foundation (resigned: 18 September 2017)  
Dr Nelida Fuccaro, SOAS (resigned: 18 September 2017)  
Professor Stephen Hopgood, SOAS (appointed: 27 September 2017)  
Mr Alan Jenkins (resigned: 18 September 2017)  
Dr Karima Laachir, SOAS (resigned: 4 August 2016)  
Dr Dina Matar, SOAS  
Dr Hanan Morsy, European Bank for Reconstruction and Development  
Professor Scott Redford, SOAS (appointed: 4 August 2016)  
Dr Barbara Zollner, Birkbeck College

#### **Chief Executive Officer**

Dr Hassan Hakimian

#### **Executive Officer and Company Secretary**

Louise Hosking

#### **Administrative Staff**

Events and Magazine Co-ordinator : Vincenzo Paci  
Coordinating Editor : Megan Wang  
Magazine Designer: Shahla Geramipour  
Administrative Assistant: Aki Elborzi

#### **Registered Office**

London Middle East Institute  
Thornhaugh Street  
Russell Square  
London WC1H 0XG

#### **Operation Address**

London Middle East Institute  
MBI Al Jaber Building  
21 Russell Square  
London WC1B 5EA

#### **Auditors**

Knox Cropper  
Chartered Accountants  
153-155 London Road  
Hemel Hempstead  
Herts HP3 9SQ

#### **Bankers**

NatWest Bank  
94 Moorgate  
London EC2M 6XT

## Report of the Trustees

The Board of Trustees presents its report and the audited financial statements for the year ended 31 July 2017.

### Structure, Governance and Management

The London Middle East Institute (LMEI) is governed by a Board of Trustees, which was chaired by Baroness Valerie Amos, the Director of SOAS, University of London during the Institute's financial year from August 2016 to July 2017. In addition to the Chair the Board is comprised of eight other members, four being representatives from the academic staff of SOAS and four with an interest in the objects of the Institute but who are not employees, the holders of any office, or registered students of SOAS. The Trustees are directors for the purpose of company law and trustees for the purpose of charity law. The Board of Trustees meets three times a year, once in each academic term, receiving and reviewing detailed reports from the Institute's CEO on LMEI's programmes, plans and finances. The Board has responsibility for strategic decisions affecting the Institute's structure and governance and exercises oversight over LMEI's financial affairs. The Institute's CEO – supported by the staff – is responsible for both day-to-day managerial decisions as well as developing plans for the future development of the Institute, the latter being presented to the Board of Trustees for their approval.

Appointment of Trustees to the Board is for a period of three years in the first instance. With the approval of the Board, this is renewable for a further three years. No Trustee, however, may serve for a period longer than six years. Trustees, from inside the SOAS academic community or from outside, are chosen for their potential contribution and complementarity in furthering the Institute's mission and objectives. Suitable candidates are identified through wide-ranging consultation and research, both internally and externally, and the Board has the final say in approving any new Trustee's appointment. After the Board's approval a report is made to SOAS's Board of Trustees through the Chair. All new Trustees are sent appropriate material to familiarise them with the Institute's mission, plans and work and the requirements of serving on the Board and information from the Charities Commission informing them of their general legal responsibilities. The Institute's CEO and Chair also make sure all new Trustees are duly briefed and prepared for their service on the Board.

The names of the Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the period are set out on page 3.

The LMEI was developed from the specialist regional expertise of SOAS and continues to draw on its academic members of whom there are more than 100. The charity reports directly to the Board of Trustees of SOAS but is administratively and organisationally independent of SOAS.

The LMEI's core professional employees work closely with a large number of volunteers who staff its Advisory Council and the Editorial Board of the 'Middle East in London' magazine. The Advisory Council meets on average twice each year and advises on programmes and fund-raising activities. The Editorial Board continues to oversee all aspects of the production of the magazine. Additionally, the LMEI draws from a wide network of external experts in academia, government, the professions, business, the media and communities with Middle Eastern links who contribute to its offerings.

### Objectives and Activities

The LMEI exists to advance public understanding as well as specialist education and research in all or any of the Arab Middle East and North Africa countries, Israel, Iran and Turkey. To achieve this object the LMEI organises conferences and seminars, provides specialist training and related professional services and produces a variety of publications.

The aim of the LMEI, through education and research, is to promote knowledge of all aspects of the Middle East including its complexities, problems, achievements and assets, both among the general public and with those who have specialist interest in the region.

In this task it builds on two essential assets. First, it is based in London, a city which has unrivalled contemporary and historical connections and communications with the Middle East – political, social, cultural, commercial, scientific and educational. Secondly, the LMEI is based at SOAS, a tertiary educational institution with an explicit objective of providing training and scholarship on the whole Middle East from prehistory until today.

### Achievements and Performance

During its 2016/17 financial year the London Middle East Institute continued to organise a wide range of activities that strove to fulfil its core mission: promoting knowledge of all aspects of the Middle East for the Institute's many diverse audiences, from the academic to the general public.

2016/17 was the academic year in which SOAS celebrated its centenary. LMEI collaborated with the School to mark its century of engagement with the Middle East region by staging a number of special events. The first of these was a wide-ranging two-day conference entitled 'Environmental Challenges in the MENA Region: The Long Road from Conflict to Cooperation' which sought both to review the environmental outlook in the Middle East and examine practical projects such as energy generation and food and water security which affect the region's future. The event was a manifestation of the breadth of LMEI's networks: the conference was generously sponsored by an informal group of Arab ambassadors in London and keynote speeches were given by Iyad Abumoghli, Director and Regional Representative of the UN Environment Programme in West Asia and Sir Chris Llewellyn Smith, Director of Energy Research at the University of Oxford. In each term LMEI also organised a Saturday programme celebrating Middle Eastern culture in London, focussing on communities with which it has developed strong links: Egypt in November, Palestine in February and Iran in June. In addition the annual Centre for Palestine Studies lecture was included in the SOAS's programme of Centenary lectures: the Palestinian lawyer Raja Shehadeh spoke on the theme 'Does Israel Fear Peace? Reflections on the Failures of International Law and Human Rights, and on Sources of Hope' in March 2017. The LMEI also collaborated with the SOAS Alumni team to hold special events in Abu Dhabi, Doha and Amman to mark the SOAS Centenary.

**Report of the Trustees - continued**

Throughout 2016/17 – in addition to supporting SOAS Centenary events – LMEI continued to organise its established range of activities. As usual, its regular Tuesday Evening Lecture series in the first and second academic terms attracted large numbers drawn from the general public while its Kamran Djam and Yarshater lecture programmes proved very successful in drawing in large, if more specialised, audiences. Professor Abbas Amanat of Yale University delivered the Kamran Djam lectures entitled 'In Search of Modern Iran' in March and the Yarshater lectures were held in October 2016 and January 2017. Having secured additional funding from the Persian Heritage Foundation, LMEI is now able to organise a new series of lectures devoted to Persian literature in honour of Professor Yarshater. The October series of four lectures was the first of these when Professor Farzaneh Milani of the University of Virginia reviewed the works of Forugh Farrokhzad while the January lectures enabled Professor Robert McChesney to speak about Islamic architecture in society, examining it through the lens of four Iranian shrines in Central Asia. Well aware of its symbiotic relationship with SOAS academics, the Institute is keen, where possible, to lend its support to events that they initiate. It was able to do so in the autumn of 2016, administering an international conference on 'Gender and Generation in the Aftermath of the Uprisings: Political Visions, Desires, Movements in the Middle East and North Africa' that was held in association with SOAS's Centre for Gender Studies.

Both members and associated members of LMEI's two specialist centres – Centre for Iranian Studies and Centre for Palestine Studies – have continued to promote research, teaching and outreach on Iran and Palestine, Palestinians and the Israel-Palestine conflict respectively. Both Centres have proved to be effective forums for initiating scholarship and outreach and attracting funding for LMEI activities. They are active in convening a wide range of public events, such as the Kamran Djam, Yarshater and annual CPS lectures mentioned above. They also contribute to and provide academic oversight of two Masters programmes at SOAS – MA in Iranian Studies and MA in Palestine Studies – and, in the latter case also administer scholarship funding. Through their links with external academics the Centres reinforce the School's profile in their dedicated fields. The second CPS annual research seminar in February 2017, for example, provided PhD students at SOAS and beyond with an invaluable opportunity to present their research work to a group of their peers drawn from universities throughout the UK.

LMEI's bimonthly magazine, *The Middle East in London*, is a long-established and crucial part of the Institute's outreach endeavour and a means of engaging with current political and cultural events in the Middle East region. The first edition published in 2016/17 was a special, extended Centenary issue which celebrated the study of the Middle East at SOAS with an insight piece from former SOAS Director Professor Paul Webley on freedom of speech at universities and articles by SOAS academics and supporters gathered into sections on 'The Study of the Middle East', 'The Middle East & SOAS' and 'The Past in the Present'. The issue had a much larger print run than usual since it was made widely available at SOAS Centenary events in the UK and abroad throughout the Centenary year. The remaining issues were dedicated to 'Film' (December 2016/January 2017), 'Environment' (February/March 2017), 'Youth Precarity in MENA' (April/May 2017) and 'Turkey' (June/July 2017). Supported by an editorial board of academics and journalists, each issue of the magazine has a guest editor who commissions articles from a wide network of specialist writers. Issues comprise both articles and an extensive, informative digest of Middle Eastern cultural events in London.

During 2016/17 LMEI continued to offer bespoke briefings on the Middle East to commercial customers, such as the Bank of China, government departments, such as the programme for the FCO it delivers in partnership with SOAS's Research and Enterprise Office (REO), and charitable organisations. The Institute has continued to expand and develop its relationship with UNICEF, with several of its senior country representatives attending customised three-day briefing programmes throughout 2016/17, and has already taken part in briefing sessions delivered in Jordan in the autumn of 2017.

The Institute held its fifth summer school in June and July 2017, offering courses at two levels of beginners' Arabic, beginners' Persian and the sessions on 'Government and Politics of the Middle East' and 'Culture and Society of the Middle East' as in 2016. Student numbers were down very slightly on the 2016 total but the summer school continues to be a key component of LMEI's outreach and as a strong contributor to LMEI finances, giving the Institute the flexibility to subsidise other, less profitable activities. Plans are already under way for a sixth summer school in 2018. At the end of 2016/17 the LMEI expanded its activities by introducing a new international learning experience for SOAS students in partnership with the Amman-based Changing Lives programme, taking a group of SOAS students to Jordan in August 2017 to introduce them to the Middle Eastern society and culture. In agreement with Changing Lives the scheme has been extended into 2018 with two additional cohorts due to visit Jordan in 2018.

The LMEI derives income from all its long-standing activities: conferences and lectures; individual and institutional affiliations; fees for briefings and registration fees for its summer school, magazine sales and royalties on its book sales.

**Public Benefit**

In the planning of activities for the reporting year, the Board of Trustees considered the Charity Commission's general guidance on public benefit. Since its establishment in 2003, LMEI has made a unique contribution to intellectual scholarship within its specialist subject areas of the Middle East. LMEI has also made a significant contribution to public benefit through:

- its services to society
- its promotion of education;
- the advancement of citizenship and community development;
- the advancement of the arts, culture and heritage;
- the advancement of economic development, human rights, conflict resolution and reconciliation and the promotion of religious tolerance and racial harmony, equality and diversity.

**Report of the Trustees - continued****Reserves Policy**

The Institute holds reserves to generate sustainable income in order to achieve its aims and conduct its activities. The long-term reserves help the Institute to reduce the impact of risks from external factors as well as shield it from annual fluctuations in income and expenditure. Reserves also enable it to make advance commitments to expenditure before all necessary funding has been secured or confirmed. They are also important for enabling the Institute to invest into new projects and initiatives which might pose new risks (for instance when new obligations are incurred although intended funding sources might fail to meet the required targets).

The Board of Trustees reviews the Institute's general financial performance and its impact on its reserves regularly in its termly meetings. Each year during its annual financial planning and audit round it also reviews the situation according to the Institute's projected income and expenditure.

In considering the appropriate level of reserves the Trustees take into account key areas of financial risk. Financial and business strategies are in place to generate a surplus to achieve the target level of reserves being approximately equivalent to 12 months' operational costs. Operational costs are lower than total costs because some expenditure categories (endowed staff costs) are underwritten by SOAS.

	2017 £	2016 £
Unrestricted Funds	204,337	178,010
Restricted Funds	10,000	10,000
Total end-of year Funds	<u>214,337</u>	<u>188,010</u>
Operational Expenditure	132,552	113,557
Total Unrestricted Resources Expended	263,847	244,808
Unrestricted Funds as a % of Operational Expenditure	154%	157%
Unrestricted Funds as % of Total Unrestricted Expenditure	77%	73%

**Risk Review**

The Board of Trustees reviews the significant external risks facing the charity on an ongoing basis. Internal risks are minimised through procedures of authorisation for all transactions and projects.

**Plans for Future Periods**

The 2017/18 financial year at LMEI began in August with a new venture: the Changing Lives programme that was mentioned above but since the beginning of the academic year the Institute has been working to deliver its usual range of activities. For example, November saw the thirteenth conference in the Idea of Iran series which was devoted to the Turko-Timurid intermezzo of the fourteenth and fifteenth centuries while plans are in motion to deliver the next Kamran Djam and CPS annual lectures, briefing programmes for both the FCO and UNICEF, the 2018 summer school and Changing Lives visits to Jordan in 2018.

LMEI continues to strengthen its relationship with SOAS academics through its support for a large ESRC-funded project based in the Economics Department which studies the dynamics of gender inequality in the Middle East, North Africa and South Asia. The project has involved both the Institute's Director with Dr Hakimian as a project Co-Investigator and administrative staff with LMEI providing administrative support for planning three workshops – in London, Rabat and London – for the participants who number approximately 40.

**Financial Review**

The LMEI reported a surplus of £26k in 2017 (2016: £15k). Net assets and total funds increased from £188k to £214k as a result of the surplus recorded. Income overall rose by £24k from £323k in 2016 to £347k in 2017. There was a corresponding increase in expenditure of £13k from £308k in 2016 to £321k in 2017.

**Report of the Trustees - continued****Statement of Trustees' Responsibilities**

Company law requires the Board of 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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board of Trustees should follow best practice and:

- 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 assume that the charitable company will continue on that basis

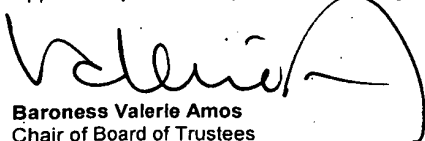
The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable the trustees to ensure that the financial statements comply with the Companies Act 2006. The Board of Trustees is 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 accordance with Company law, as the Board of Trustees we certify that:

- as far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The financial statements comply with the Charities Act 2011; the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Approved by the Board of Trustees and signed on its behalf.



**Baroness Valerie Amos**  
Chair of Board of Trustees

21 February 2018

**Charity no: 1103017**  
**Company no: 4758915**

**Report of the Independent Auditors to the Members of the London Middle East Institute****Opinion**

We have audited the financial statements of London Middle East Institute (the 'charitable company') for the year ended 31 July 2017 on pages 10 to 16. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are Required to Report by Exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Our responsibilities for the audit of the financial statements**

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

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

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**Stephen Anderson (Senior Statutory Auditor)**  
**For and on behalf of Knox Cropper**  
**Chartered Accountants and Statutory Auditors**  
153-155 London Road  
Hemel Hempstead  
Hertfordshire HP3 9SQ

21 February 2018

**Statement of Financial Activities (including Income and Expenditure Account)**  
for the year ended 31 July 2017

	<i>Note</i>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2017</b>	<b>Total Funds 2016</b>
		£	£	£	£
<b>Income</b>					
Donations	2	175,126	10,000	185,126	225,997
<i>Income from charitable activities:</i>					
Grant income		-	46,705	46,705	3,295
Training programmes and professional services	3	79,534	-	79,534	63,103
Conferences, events and publications		29,987	-	29,987	13,649
Affiliations		4,552	-	4,552	16,063
<i>Income from other trading activities:</i>					
Advertising		975	-	975	713
Interest receivable		-	-	-	33
<b>Total Income</b>		<b>290,174</b>	<b>56,705</b>	<b>346,879</b>	<b>322,853</b>
<b>Expenditure</b>					
<i>Expenditure on charitable activities:</i>					
Training programmes and professional services		81,763	6,903	88,666	85,701
Conferences, events and publications		162,710	47,040	209,750	189,505
Affiliations		19,374	2,762	22,136	22,895
Research		-	-	-	9,817
<b>Total Expenditure</b>	4	<b>263,847</b>	<b>56,705</b>	<b>320,552</b>	<b>307,918</b>
<b>Net income</b>	5	<b>26,327</b>	<b>-</b>	<b>26,327</b>	<b>14,935</b>
<b>Net movement in funds</b>		<b>26,327</b>	<b>-</b>	<b>26,327</b>	<b>14,935</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		178,010	10,000	188,010	173,075
<b>Total funds carried forward</b>		<b>204,337</b>	<b>10,000</b>	<b>214,337</b>	<b>188,010</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.

## Balance Sheet as at 31 July 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>Current Assets</b>					
Debtors	8	88,479	-	88,479	20,758
Short term deposits	9	-	-	-	10,873
Cash at bank and in hand		208,458	10,000	218,458	232,423
		<u>296,937</u>	<u>10,000</u>	<u>306,937</u>	<u>264,054</u>
<b>Creditors: Amounts Falling Due within One Year</b>	10	92,600	-	92,600	76,044
<b>Net Current Assets</b>		<u>204,337</u>	<u>10,000</u>	<u>214,337</u>	<u>188,010</u>
<b>Total funds of the charity</b>					
Unrestricted income funds		204,337	-	204,337	178,010
Restricted income funds		-	10,000	10,000	10,000
<b>Total charity funds</b>		<u>204,337</u>	<u>10,000</u>	<u>214,337</u>	<u>188,010</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the Board of Trustees and signed on its behalf by:

  
Baroness Valerie Amos  
Chair of Board of Trustees

21 February 2018

Charity no: 1103017  
Company no: 4758915

**Notes to the Financial Statements for the Year Ended 31 July 2017****1. Accounting Policies****(a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The LMEI meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**(b) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**(c) Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**(d) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**(e) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the LMEI's work.

**(f) Expenditure**

Expenditure, inclusive of VAT, is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of training programmes, conferences, events, publications, research and affiliations.

**(g) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the LMEI's activities. These costs have been allocated between different charitable activities based on estimated time spent by core staff as follows:

Training programmes and consultancy services	25%
Conferences, events and publications	65%
Affiliations	10%

**(h) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(i) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**(j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## Notes to the Financial Statements for the Year Ended 31 July 2017

**(k) Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**(l) Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

<b>2. Donations and Gifts</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2017</b>	<b>Total Funds 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations	16,216	10,000	26,216	73,804
Donated staff and services:				
Staff costs	143,969	-	143,969	136,931
Information technology and admin support	14,941	-	14,941	15,262
	<u>175,126</u>	<u>10,000</u>	<u>185,126</u>	<u>225,997</u>

The LMEI benefited from several generous donations during the year. For details regarding restricted donations, please see note 13.

Staff and services were provided by SOAS. The donation has been valued on the basis of the cost suffered in providing such assistance and subject to the 2014/15 agreement between SOAS and LMEI.

**3. Training Programmes and Professional Services**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Training programmes	79,534	63,103
	<u>79,534</u>	<u>63,103</u>

**4. Total Resources Expended**

	<b>Training progs. &amp; prof servs.</b>	<b>Conf., events &amp; publications</b>	<b>Affiliations</b>	<b>2017 Total</b>	<b>2016 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs (note 6)	35,992	93,580	14,397	143,969	136,931
Other staff costs (note 7)	29,297	10,506	313	40,116	31,038
Room hire, catering & security	1,718	17,693	242	19,653	13,751
Publications and website	564	-	-	564	2,511
Speakers' subsistence	1,400	1,180	-	2,580	22,380
Recoverable expenses	243	5,115	37	5,395	6,428
Travel and accommodation	703	22,548	225	23,476	10,861
Publicity	169	331	51	551	709
Audit and accountancy fees	1,412	3,670	565	5,647	5,727
Printing, postage and telephone	780	12,021	95	12,896	13,906
Rent	11,143	28,973	4,457	44,573	43,491
Office expenses	4,041	10,518	1,616	16,175	16,326
Sundry	1,204	3,615	138	4,957	3,859
<b>Total resources expended</b>	<u>88,666</u>	<u>209,750</u>	<u>22,136</u>	<u>320,552</u>	<u>307,918</u>

## Notes to the Financial Statements for the Year Ended 31 July 2017

## 4. Total Resources Expended (continued)

	General Support	Governance	Total
<u>General Support and Governance Costs</u>			
Staff costs	122,373	21,595	143,968
Other staff costs	2,976	157	3,133
Room hire, catering & security	2,295	121	2,416
Recoverable expenses	353	19	372
Travel and accommodation	2,138	113	2,251
Publicity	484	25	509
Audit and accountancy fees	-	5,646	5,646
Printing, postage and telephone	898	47	945
Rent	42,345	2,229	44,574
Office expenses	15,356	808	16,164
Sundry	1,314	69	1,383
	<u>190,532</u>	<u>30,829</u>	<u>221,361</u>

General Support and Governance costs are allocated to charitable activities in line with note 1g of these financial statements.

## 5. Net Incoming Resources for the Year

This is stated after charging:

	2017 £	2016 £
Auditors' remuneration	<u>5,700</u>	<u>5,600</u>

## 6. Staff Costs

	2017 £	2016 £
Staff provided at no cost by SOAS	<u>143,969</u>	<u>136,931</u>

The value of these donations have been calculated on the basis of the cost to SOAS in providing such assistance. This includes employer's national insurance costs and pension contributions in respect of the staff where applicable. No trustees were reimbursed for travel and subsistence in 2017 (2016: £Nil).

The average weekly number of seconded employees during the year, calculated on the basis of full time equivalents for the financial year, was as follows:

	2017	2016
Chief Executive Officer	0.5	0.5
Executive Officer	1.0	1.0
Administrative staff	<u>1.4</u>	<u>1.4</u>
	<u>2.9</u>	<u>2.9</u>

No employees received emoluments in the year of greater than £60,000.

## 7. Other Staff Costs

	2017 £	2016 £
Staff costs recharged by SOAS	37,650	29,606
Other staff	<u>2,466</u>	<u>1,432</u>
	<u>40,116</u>	<u>31,038</u>

SOAS pays salaries on behalf of the LMEI for staff engaged on courses and other activity and these recharged costs are included above. Non-LMEI staff are also used on a temporary basis to provide the specialist skills and knowledge that support the LMEI's charitable objectives. In accordance with the Statement of Recommended Practice, such expenditure and associated staff numbers are not included in the staff cost disclosure, as per note 6.

## 8. Debtors

	2017 £	2016 £
Trade debtors	10,526	4,083
Other debtors	66,562	16,675
Prepayments	<u>11,391</u>	<u>-</u>
	<u>88,479</u>	<u>20,758</u>

There was £3,378 included in trade debtors receivable from SOAS at year end (2016: £3,000). There was £66,562 included in other debtors receivable from SOAS at year end (2016: Nil).

## 9. Short Term Deposits

	2017 £	2016 £
Royal London Cash Management	<u>-</u>	<u>10,873</u>

## Notes to the Financial Statements for the Year Ended 31 July 2017

## 10. Creditors: Amounts Falling Due within One Year

	2017 £	2016 £
Trade creditors	-	627
Accruals and deferred income	74,309	55,717
Other creditors	18,291	19,700
	<u>92,600</u>	<u>76,044</u>

There were no amounts within trade creditors at the year end payable to SOAS (2016: £427).

Included in accruals at the year end was £63,009 payable to SOAS (2016: Nil).

## 11. Related Party Transactions

SOAS is the guarantor of the LMEI and has a majority interest on the Board of Trustees. During the year SOAS made donations of £25,216 [2016: £11,500] to the LMEI. In addition to this SOAS made a donation of staff and services of £158,910 [2016: £152,193]. Transactions between the two organisations are disclosed in notes 2,6,7,8,9,10 and 13.

Dina Matar, LMEI Trustee received a £945 fee payment in 16/17 (2016: £200)

## 12. Investments

The London Middle East Institute owns 100% of the issued share capital of LMEI Trading Limited, a company registered in England and Wales. The company is dormant.

## 13. Movement in Funds

	At 1 August 2016 £	Income £	Expenditure £	At 31 July 2017 £
<b>Restricted Funds</b>				
<i>Donations</i>				
Kamran Djam Lectures	-	10,000	(10,000)	-
Persian Poetry Lectures	10,000	-	-	10,000
<i>Grants</i>				
Centenary Conference	-	46,705	(46,705)	-
<b>Total restricted funds</b>	<u>10,000</u>	<u>56,705</u>	<u>(56,705)</u>	<u>10,000</u>
<b>Unrestricted Funds</b>				
General funds	178,010	290,174	(263,847)	204,337
<b>Total unrestricted funds</b>	<u>178,010</u>	<u>290,174</u>	<u>(263,847)</u>	<u>204,337</u>
<b>Total funds</b>	<u>188,010</u>	<u>346,879</u>	<u>(320,552)</u>	<u>214,337</u>

Purposes of Restricted Funds

*Kamran Djam Lectures:* The aim of this fund is to provide the Kamran Djam Annual Lecture. SOAS provided the £10,000 in funding for the lecture out of income from a generous endowment from the Fereydoun Djam Charitable Trust.

*Persian Poetry Lectures:* The Bahari Foundation donated £10,000 to fund a lecture series on Iranian literature and culture.

*Centenary Conference:* A grant of £50,000 was received from the Arab Ambassadors Council to fund the Centenary Conference 'Environmental Challenges in the MENA Region: The Long Road from Conflict to Cooperation'.

## Notes to the Financial Statements for the Year Ended 31 July 2017

## 14. Prior year Statement of Financial Activities

The 2015/16 Statement of Financial Activities is set out below.

Statement of Financial Activities (including Income and Expenditure Account)  
for the year ended 31 July 2016

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>Income</b>				
Donations	159,650	66,347	225,997	262,056
<i>Income from charitable activities:</i>				
Grant income	-	3,295	3,295	-
Training programmes and professional services	63,103	-	63,103	45,546
Conferences, events and publications	13,649	-	13,649	17,462
Affiliations	16,063	-	16,063	13,800
<i>Income from other trading activities:</i>				
Advertising	713	-	713	1,863
Interest receivable	33	-	33	33
<b>Total Income</b>	<b>253,211</b>	<b>69,642</b>	<b>322,853</b>	<b>340,760</b>
<b>Expenditure</b>				
<i>Expenditure on charitable activities:</i>				
Training programmes and professional services	77,407	8,294	85,701	82,440
Conferences, events and publications	147,824	41,681	189,505	204,001
Affiliations	19,577	3,318	22,895	24,377
Research	-	9,817	9,817	19,046
<b>Total Expenditure</b>	<b>244,808</b>	<b>63,110</b>	<b>307,918</b>	<b>329,864</b>
<b>Net income/(expenditure)</b>	<b>8,403</b>	<b>6,532</b>	<b>14,935</b>	<b>10,896</b>
<b>Transfers</b>	<b>15,000</b>	<b>(15,000)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>23,403</b>	<b>(8,468)</b>	<b>14,935</b>	<b>10,896</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	154,607	18,468	173,075	162,179
<b>Total funds carried forward</b>	<b>178,010</b>	<b>10,000</b>	<b>188,010</b>	<b>173,075</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.