

Charity Registration No. 1062357

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Borowski R Kaufman A Noam Zvi Nixon
Delegated Management	A Noam
Charity Number	1062357
Address	16 Great Queen Street London WC2B 5DG
Auditor	Harold Everett Wreford LLP 2nd Floor 38 Warren Street London W1T 6AE
Bankers	Santander UK plc

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

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THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed dated 18th March 1997, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective for accounting periods from 1st January 2019)."

Objectives and activities

The charity's objects are to hold the trust fund and its income and to apply them for the furtherance of education by supporting the Bible Lands Museum in Jerusalem. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives. The policies adopted in furtherance of these objects are to distribute the funds as and when the trustees see fit.

The aim of the charity is the furtherance of education.

There have been no changes in the policies during the year.

The strategies employed to achieve the charity's objectives were to provide grants to the Bible Lands Museum in Jerusalem which assists the charity in meeting its aims.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Donations of £576,006 (2020 - £578,745) were made solely to the Bible Lands Museum in Jerusalem during the year, this being the only institution that benefits from the grants made by the charity. It has managed to achieve this by receiving rental income from investment properties which it owns, from gift aid donations and from interest receivable from banks. The trustees' policy is to build their assets to a level whereby the trust income from their assets can be maximised and accrued on a regular, sustainable and increasing level in order to be able to apply all this income to meet the requirements of the charity's objects.

The charity has no plans for any significant developments.

Achievements and performance

The charity is satisfied with its overall achievements and performance during the year and has continued to meet its objectives with regard to the level of donations made during the year to the Bible Lands Museum in Jerusalem for the furtherance of educational purposes.

Financial review

The group's reserves held at 31 March 2021 amounted to £9,718,315 (2020 - £9,597,857) which includes a revaluation reserve deficit of £1,761,676. The trustees revalued the group's investment properties to £14,637,895 in the year ended 31 March 2021 which includes a reduction for unamortised lease incentives of £43,354. The trustees are not aware of any material changes since this valuation. The charity has continued to fulfil its objectives of making donations for charitable purposes for the furtherance of education during the year.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which the trustees think appropriate after considering the future commitments of the charity and the likely administrative costs of the charity for the forthcoming year.

The trustees are confident that there are sufficient funds to maintain the running of the charity.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Under its trust deed the charity has the power to make any investment in which it sees fit. The trustees consider the return on investments to be satisfactory.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate its exposure to the major risks. A review of the risks the charity may face are assessed annually. A key element of financial risk is the setting of a reserve policy and its regular review by the trustees.

The charity intends to continue making funds available for donation to the worthy cause it supports for its charitable purposes. With this in mind, the trustees are constantly seeking to find means by which they are able to increase the level of funds the charity is able to distribute.

Structure, governance and management

The charity is an unincorporated UK registered charity and is governed by its trust deed.

The trustees who served during the year were:

B Borowski

R Kaufman

A Weis (Retired 29 September 2020)

J Waller (Retired 29 September 2020)

A Noam

Zvi Nixon

The trustees are appointed by the charity's trust deed. The charity has the power to appoint additional trustees as it considers fit to do so.

The charity is managed by its trustees. The charity is organised so that its trustees meet regularly to manage its affairs. A. Noam has been appointed by the trustees to manage the day to day operations of the charity.

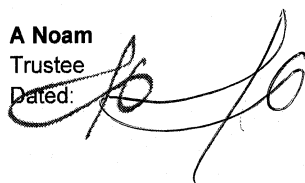
There are no restrictions imposed by the governing document concerning the way the charity can operate, other than that operation must be for the furtherance of the charity's objects.

The trustees' report was approved by the Board of Trustees.

A Noam

Trustee

Dated:



24/01/2022

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Account and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

Opinion

We have audited the financial statements of The British Friends of the Bible Lands Museum Jerusalem (the 'charity') and its subsidiaries (the 'group') for the year ended 31 March 2021 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 group's or the charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulation 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the charities financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector and the impact of COVID-19 on financial and operating performance and policies;
- Our discussions with those charged with management and governance including whether they had knowledge of any actual, suspected or alleged fraud;
- Enquiries of management, including obtaining and reviewing support documentation, concerning the charity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance.
 - detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
 - internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partner and staff who have extensive experience of working with charities in similar sectors and this experience was relevant to the discussions about where fraud risks might arise.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, Charities SORP and FRS102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

Following our review, we have identified the following areas which are deemed to have the greatest potential for fraud or material misstatement within the financial statements due to irregularities, including fraud:

- The recognition of rental income from freehold investment properties
- The valuation of estimates in respect of freehold investment properties
- The ownership of freehold investment properties
- The ownership of financial investments
- Grants made during the year
- Transactions with related parties
- Non-compliance with Charity Commission guidelines
- Unusual journal entries

Our procedures to respond to risks identified above included the following:

- Income transaction testing was performed to test completeness of income. This included agreeing rental income to leases in respect of freehold investment properties. Where there was a period of no income in respect of freehold investment properties, we referred to Trustees Board minutes to justify the reason for this.
- We tested the valuation of estimates in respect of freehold investment properties by reviewing and testing procedures undertaken by the trustees to update this valuation including consideration of the use of expert by comparing similar properties in the same area.
- We verified the ownership of the investment properties to the land registry searches.
- Reviewing supporting documentation for grants made during the year, ensuring the purpose of grant is in line with charity's objective.
- Obtained a full list of related parties and verifying completeness of this list based on our knowledge.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud.
- Reading minutes of meeting of those charged with governance, and in particular reviewing for any unrecognised grant commitments
- We remained alert to any indications of fraud, material misstatement or non-compliance with laws and regulations throughout the audit including those relating to the financial statements.
- Awareness throughout the audit for non-compliance with Charity Commission guidelines including reviewing any correspondence with the Charity Commission.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

Use of our report

This report is made solely to the charity'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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Harold Everett Wreford LLP

Harold Everett Wreford LLP
Chartered Accountants
Statutory Auditor

27/01/2022

2nd Floor
38 Warren Street
London
W1T 6AE

Harold Everett Wreford LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
<u>Income and endowments from:</u>			
Donations	3	-	-
Investments	4	1,155,700	1,149,270
Other income	5	8,385	10,374
Total income and endowments		1,164,085	1,159,644
<u>Expenditure on:</u>			
Raising funds	6	53,255	6,950
Charitable activities	7	584,679	608,389
Other	12	144,340	171,090
Total resources expended		782,274	786,429
Net (loss)/gain on investments	13	(250,000)	250,000
Net income (expenditure) for the year/ Net movement in funds		131,811	623,215
Taxation		(11,353)	1,268
		120,458	624,483
Fund balances at 1 April 2020		9,597,857	8,973,374
Fund balances at 31 March 2021		9,718,315	9,597,857

The consolidated statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	£
<u>Income and endowments from:</u>			
Donations	3	48,000	37,000
Investments	4	619,975	625,115
Other income	5	298,658	295,542
		<hr/>	<hr/>
Total income and endowments		966,633	957,657
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Raising funds	6	47,036	3,150
		<hr/>	<hr/>
Charitable activities	7	548,251	568,445
		<hr/>	<hr/>
Other	12	51,287	54,684
		<hr/>	<hr/>
Total resources expended		646,574	626,279
		<hr/>	<hr/>
Net (loss)/gain on investments	13	(400,000)	600,000
		<hr/>	<hr/>
Net income/(expenditure) for the year/ Net movement in funds		(79,941)	931,378
Fund balances at 1 April 2020		9,714,331	8,782,953
		<hr/>	<hr/>
		9,634,390	9,714,331
		<hr/>	<hr/>
Fund balances at 31 March 2021		9,634,390	9,714,331
		<hr/>	<hr/>


The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investment Properties	14		14,637,895		14,844,541
Investments	15		382,571		370,416
			<u>15,020,466</u>		<u>15,214,957</u>
Current assets					
Debtors falling due after one year	17	318,751		362,105	
Debtors falling due within one year	17	260,248		212,764	
Cash at bank		299,722		268,301	
		<u>878,721</u>		<u>843,170</u>	
Creditors: amounts falling due within one year					
Loans and overdrafts	18	2,132,500		2,617,500	
Taxation and social security		63,224		64,295	
Other creditors	19	1,940,339		1,863,489	
		<u>4,136,063</u>		<u>4,545,284</u>	
Net current liabilities			<u>(3,257,342)</u>		<u>(3,702,114)</u>
Total assets less current liabilities			<u>11,763,124</u>		<u>11,512,843</u>
Creditors: amounts falling due after more than one year					
Loans and overdrafts	18	2,044,809		1,914,986	
			<u>(2,044,809)</u>		<u>(1,914,986)</u>
Net assets			<u>9,718,315</u>		<u>9,597,857</u>
Income funds					
Unrestricted funds – general			<u>9,718,315</u>		<u>9,597,857</u>
			<u>9,718,315</u>		<u>9,597,857</u>

The accounts were approved by the Trustees on 26/01/2022



 R Kaufman -Trustee



 A Noam -Trustee

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Investment Properties	14		7,537,895		7,894,541
Investments	15		3,501,065		3,563,856
			11,038,960		11,458,397
Current assets					
Debtors falling due after one year	17	318,751		362,105	
Debtors falling due within one year	17	1,423,191		1,147,185	
Cash at bank		193,164		198,539	
		1,935,106		1,707,829	
Creditors: amounts falling due within one year					
Loans and overdrafts	18	150,000		1,587,500	
Taxation and social security		34,965		38,604	
Other creditors	19	1,895,245		1,825,791	
		2,080,210		3,451,895	
Net current liabilities			(145,104)		(1,744,066)
Total assets less current liabilities			10,893,856		9,714,331
Creditors: amounts falling due after more than one year					
Loans and overdrafts	18		(1,259,466)		-
Net assets			9,634,390		9,714,331
Income funds					
Unrestricted funds – general			9,634,390		9,714,331
			9,634,390		9,714,331

The accounts were approved by the Trustees on 26/01/2022


R Kaufman -Trustee


A Noam Trustee

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(782,124)		(827,788)
Investing activities					
Rent and interest received		1,155,700		1,149,270	
Purchase of unlisted investments		(12,155)		-	
Net cash (used in)/generated from investing activities			1,143,545		1,149,270
Financing activities					
Repayment of bank loans		(330,000)		(330,000)	
Net cash used in financing activities			(330,000)		(330,000)
Net increase/(decrease) in cash and cash equivalents			31,421		(8,518)
Cash and cash equivalents at beginning of year			268,301		276,819
Cash and cash equivalents at end of year			299,722		268,301

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

The British Friends of the Bible Lands Museum Jerusalem is an unincorporated charity registered with the Charity Commission in England and Wales. The registered public address is 16 Great Queen Street, London WC2B 5DG. The nature of the charity's operations and activities are detailed in the Trustees' report. The group consists of the British Friends of the Bible Lands Museum Jerusalem and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed dated 18th March 1997, the Charities Act 2011 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 (FRS102)" (effective for accounting periods from 1st January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going Concern

The majority of the income received from the Group is investment income from its investment properties which are let to commercial tenants. The Group has continued to receive this income despite disruptions to the economy caused by COVID-19.

As a result, the trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual consolidated financial statements.

1.3 Basis of Consolidation

The consolidated statement of financial activities and financial position include the financial statements of the charity and its subsidiary undertakings made up to 31 March 2021. The results of subsidiaries sold or acquired are included in the statement of financial activities up to, or from the date control passes. Intra-group turnover and profits are eliminated fully on consolidation.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Investment income is measured at the fair value of the consideration received or receivable and represents amounts receivable from letting of investment properties, distribution from unlisted investments and bank interest net of discounts, and VAT. Under operating lease agreements when the Trustees provide incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straightline basis, as a reduction in rental income.

1.6 Resources expended

Expenditure is accounted for on an accrual basis exclusive of VAT.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Other resources expended are for loan interest payable on the investment properties owned by the charity utilised for raising rental income.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net Income/(expenditure) for the year.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.8 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Fund structure

All funds held are unrestricted income funds.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The main areas of uncertainty are the valuation of investment properties and impairment of fixed asset investments.

3 Donations	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Donations and gifts	-	-	48,000	37,000
	<hr/>	<hr/>	<hr/>	<hr/>

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Investments	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Rental income	1,155,678	1,149,177	619,965	625,077
Interest receivable	22	93	10	38
	<hr/>	<hr/>	<hr/>	<hr/>
	1,155,700	1,149,270	619,975	625,115
	<hr/>	<hr/>	<hr/>	<hr/>

Rental income arises on investment properties held in the United Kingdom.
Interest receivable arises from Bank interest and late payment of rent.

5 Other income	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Net income due from a subsidiary LLP	-	-	292,125	287,459
Insurance commission	8,385	10,374	6,533	8,083
	<hr/>	<hr/>	<hr/>	<hr/>
	8,385	10,374	298,658	295,542
	<hr/>	<hr/>	<hr/>	<hr/>

6 Raising funds	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
<u>Investment property expenses</u>				
Agents' fees and property related expenses	53,255	6,950	47,036	3,150
	<hr/>	<hr/>	<hr/>	<hr/>
	53,255	6,950	47,036	3,150
	<hr/>	<hr/>	<hr/>	<hr/>

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Grant funding of activities (see note 8)	576,006	578,745	576,006	578,745
Governance costs (see note 9)	8,673	29,644	(27,755)	(10,300)
	<u>584,679</u>	<u>608,389</u>	<u>548,251</u>	<u>568,445</u>

8 Grants payable

Charitable activities include grants of £576,006 (2020 - £578,745) paid overseas to the Bible Lands Museum, Jerusalem, this being the only institution that benefits from the grants made by the charity.

9 Support Costs	Group		Charity		Basis of allocation
	2021	2020	2021	2020	
	Governance Costs £	Governance Costs £	Governance Costs £	Governance Costs £	
Amortised lease incentives	(43,354)	(43,473)	(43,354)	(43,473)	Governance
Audit and accountancy fees	21,600	22,750	12,650	13,250	Governance
Legal and professional	29,426	37,343	2,330	7,319	Governance
Bank charges	1,067	1,055	685	635	Governance
Foreign exchange (gain)/loss	(66)	11,920	(66)	11,920	Governance
Commission charged	-	49	-	49	Governance
	<u>8,673</u>	<u>29,644</u>	<u>(27,755)</u>	<u>(10,300)</u>	
Analysed between charitable activities	<u>8,673</u>	<u>29,644</u>	<u>(27,755)</u>	<u>(10,300)</u>	

There are no specific support costs.

10 Auditor's remuneration

The analysis of auditor's remuneration is as follows: Group

Fees payable to the charity's auditor and associates:	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Audit of the charity's annual accounts	<u>16,200</u>	<u>22,750</u>	<u>10,250</u>	<u>13,250</u>

11 Employees

There were no employees during the year.

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Other

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Financing costs	144,340	171,090	51,287	54,684
	<u>144,340</u>	<u>171,090</u>	<u>51,287</u>	<u>54,684</u>

13 Net gains/(losses) on investments

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Revaluation of investments properties:				
The British Friends of the Bible Lands Museum Jerusalem	(400,000)	600,000	(400,000)	600,000
Gilgamesh (Broxbourne & Portslade) Limited	150,000	(350,000)	-	-
	<u>(250,000)</u>	<u>250,000</u>	<u>(400,000)</u>	<u>600,000</u>

14 Investment properties

	Group 2021 £	Charity 2021 £
Fair value		
At 1 April 2020	14,844,541	7,894,541
Unamortised lease incentives	43,354	43,354
Net gains through fair value adjustments	(250,000)	(400,000)
	<u>14,637,895</u>	<u>7,537,895</u>
At 31 March 2021		

Investment properties comprises of freehold properties. The fair value of the group's investment properties at 31st March 2021 is £14,637,895 (2020 - £14,844,541) and has been arrived at on the basis of a valuation carried out at this date by a property management company, Landswood de Coy LLP. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in its location and takes into account the state of the rental market in the area where the properties are situated. Accordingly, the trustee, A. Noam adopted this valuation at the balance sheet date.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

Note	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Cost	16,761,675	16,761,675	9,312,142	9,312,142
Accumulated depreciation	-	-	-	-
	<u>16,761,675</u>	<u>16,761,675</u>	<u>9,312,142</u>	<u>9,312,142</u>
Carrying amount				

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

		Group		Charity	
	Notes	2021 £	2020 £	2021 £	2020 £
Investments in subsidiaries	22	-	-	3	3
Loans to subsidiaries		-	-	3,118,491	3,193,437
Unlisted investments		382,571	370,416	382,571	370,416
		<u>382,571</u>	<u>370,416</u>	<u>3,501,065</u>	<u>3,563,856</u>
Movement in fixed asset investments					
Group				Shares £	Total £
Cost or valuation					
At 31 March 2020				370,416	370,416
Additions				12,155	-
At 31 March 2021				<u>382,571</u>	<u>370,416</u>
Carrying amount					
At 31 March 2021				<u>382,571</u>	<u>370,416</u>
At 31 March 2020				<u>370,416</u>	<u>370,416</u>
Movement in fixed asset investments					
Charity				Loans £	Shares £
Cost or valuation					Total £
At 31 March 2020				3,193,437	3,563,856
Additions				44,500	44,500
Repayments				(107,291)	(107,291)
At 31 March 2021				<u>3,130,646</u>	<u>3,501,065</u>
Carrying amount					
At 31 March 2021				<u>3,130,646</u>	<u>3,501,065</u>
At 31 March 2020				<u>3,193,437</u>	<u>3,563,856</u>

The charity's investment in its subsidiaries represents the cost of the called up ordinary share capital of the following entities registered in England and Wales:

Gilgamesh Hull LLP - £2
Gilgamesh (Broxbourne & Portslade) Limited - £1

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Financial instruments

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	578,999	574,869	4,860,433	4,702,727
Equity instruments measured at cost less impairment	382,571	370,416	382,574	370,419
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	6,117,648	6,395,975	3,304,711	3,412,501
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Amounts falling due within one year:				
Other debtors	260,248	212,764	172,378	188,497
Amounts due from subsidiary undertaking	-	-	1,250,813	958,688
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	260,248	212,764	1,423,191	1,147,185
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due after more than one year:				
Other debtors	318,751	362,105	318,751	362,105
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total debtors	<u>578,999</u>	<u>574,869</u>	<u>1,741,942</u>	<u>1,509,290</u>

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Loans and overdrafts

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	4,220,000	4,550,000	1,437,500	1,587,500
Unamortised finance costs	(42,691)	(17,514)	(28,034)	-
	<u>4,177,309</u>	<u>4,532,486</u>	<u>1,409,466</u>	<u>1,587,500</u>
Payable within one year	2,132,500	2,617,500	150,000	1,587,500
Payable after one year	2,044,809	1,914,986	1,259,466	-
	<u>4,177,309</u>	<u>4,532,486</u>	<u>1,409,466</u>	<u>1,587,500</u>

The bank loans are secured by fixed charges over the freehold properties.

The long-term loans bear interest at the rate of 2.5% above LIBOR per annum and are repayable by 26 June 2024 for the charity, 5 March 2026 (at the fixed rate of 0.74% above a margin of 2.5% per annum) for Gilgamesh (Broxbourne & Portslade) Limited and 20 May 2021 (at the rate of 2.45% above LIBOR per annum) for Gilgamesh Hull LLP, the subsidiaries of the charity. The loan with Gilgamesh Hull LLP has been renegotiated subsequent to the year end (see note 26).

19 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other creditors	1,724,173	1,663,435	1,724,173	1,663,436
Accruals and deferred income	216,166	200,054	171,072	162,355
	<u>1,940,339</u>	<u>1,863,489</u>	<u>1,895,245</u>	<u>1,825,791</u>

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Trustees' expenses and remuneration and related party transactions

Trustees are not remunerated. The trust deed includes a professional charging clause permitting remuneration of trustees who are solicitors, accountants and other professionals. A Noam is a director of Novest Limited which provides property advice to the charity's property investment subsidiary, Gilgamesh (Broxbourne & Portslade) Limited at a cost of £26,400 (2020 - £27,000).

The following were outstanding at the reporting end date:

	Charity and Group	
	2021 £	2020 £
Other related parties	1,711,637	1,662,150

At the balance sheet date the Charity owed interest free unsecured loans of £1,309,741 (2020 - £352,815) to Gilgamesh Properties Limited, a company registered in Israel and £401,896 (2020 - £1,309,335) to Gilgamesh Properties Limited, a company registered in the UK. Both companies are controlled by Mrs. B. Borowski, a Trustee of the Charity. Both loans are repayable on demand.

21 Control

The charity is controlled by its trustees.

22 Subsidiaries

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of Shareholding	% Held Direct
Gilgamesh Hull LLP- United Kingdom	Property investment	Ordinary	100.00
Gilgamesh (Broxbourne & Portslade) Limited- United Kingdom	Property investment	Ordinary	100.00

At 31 March 2021 the aggregate of the share capital and reserves amounted as follows:

Gilgamesh Hull LLP - £1,250,815 surplus
Gilgamesh (Broxbourne & Portslade) Limited - £83,926 surplus

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Net income of subsidiaries

The charity has two wholly owned investment subsidiaries incorporated in the United Kingdom which own investment properties.

A summary of the subsidiaries trading results for the year are given below.

Gilgamesh Hull LLP

	2021 £	2020 £
Income	365,441	375,020
Administrative expenses	(73,326)	(87,601)
Interest receivable	10	40
	<hr/>	<hr/>
Surplus retained for the year	292,125	287,459
	<hr/>	<hr/>

Gilgamesh (Broxbourne & Portslade) Limited

Income	172,124	151,372
Administrative expenses	(110,374)	(109,549)
Interest receivable	2	15
Increase/(decrease) in fair value of investment properties	150,000	(350,000)
Corporation tax	(11,353)	1,268
	<hr/>	<hr/>
Surplus/(loss) for the year	200,399	(306,894)
	<hr/>	<hr/>

24 Cash generated from operations

	2021 £	2020 £
Surplus for the year	120,458	624,483
Adjustments for:		
Investment income recognised in profit or loss	(1,155,700)	(1,149,270)
Fair value losses/(gains) on investment properties	250,000	(250,000)
Unamortised lease incentives	(43,354)	(43,473)
Movements in working capital:		
(Increase)/Decrease in debtors	(4,130)	(37,365)
Increase/(Decrease) in creditors	50,602	27,837
	<hr/>	<hr/>
Cash absorbed by operations	(782,124)	(827,788)
	<hr/>	<hr/>

THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Analysis of changes in net (debt) funds

	At 1 April 2020 £	Cashflows £	At 31 March 2021 £
Cash at bank and in hand	268,301	31,421	299,722
Loans falling due within one year	(2,617,500)	485,000	(2,132,500)
Loans falling due after more than one year	(1,914,986)	(129,823)	(2,044,809)
	<u>(4,264,185)</u>	<u>386,598</u>	<u>(3,877,587)</u>

26 Post balance sheet events

Subsequent to the year-end on 2 June 2021, the charity obtained an extension of its subsidiary, Gilgamesh Hull LLP's loan with Santander Bank Plc. The existing loan which was repayable in full on 20 May 2021 was extended for a period of 5 years on 2 June 2021.

In addition, subsequent to the year-end, the charity sold all its unlisted investments.