

MUSALAHA UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

MUSALAHHA UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Tanas AlQassis Tina Clay Cathy Nobles Mark Pearson Jo Smith David Taylor
Charity number	1162101
Office address	PO Box 1539 Tring HP23 9BH
Registered address	c/o Foot Davson Ltd Chartered Accountants 17 Church Road Tunbridge Wells Kent TN1 1LG
Independent examiner	D Hanes The Lodge 7 Lower Green Road Pembury Tunbridge Wells Kent TN2 4DZ
Bankers	Barclays Bank 8-10 Calverley Road Tunbridge Wells Kent TN1 2TB

We rely on donations.

Donations may be made to our bank account:

Sort Code: 20-88-13

Account number: 3668940

Account name: Musalaha UK

MUSALAHA UK

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the accounts	6 - 9

MUSALAHA UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the Year ended 31 March 2021.

The Trustees want to thank our faithful supporters who have, over challenging times, kept faith with the vision planted of God so many years ago. Thank you.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, 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 (FRS 102) (effective 1 January 2015)"

Objectives and activities

The charity's objects are the promotion of religious and racial harmony for the public benefit by:

- (a) Promoting reconciliation between Israelis and Palestinians as demonstrated in the life and teaching of Jesus
- (b) Encouraging and advocating reconciliation amongst Palestinian and Israeli believers and then beyond to their respective communities
- (c) Facilitating bridge building amongst different segments of Israeli and Palestinian societies according to biblical reconciliation principles
- (d) Advancing education and raising awareness in the UK of the barriers to peace in the Holy Land and of the biblical principles of reconciliation
- and
- (e) In particular by supporting the ministry of reconciliation of Musalaha, a non-profit organisation, registered in Israel.

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

Achievements, performance and plans

In 2020 all Musalaha's summer programmes were cancelled because of Covid.

When the Jerusalem Office was closed under Covid restrictions Israeli staff received government grants but Palestinian staff had no state support. Musalaha UK were requested to make two grants towards their salaries. After contacting our supporters, we were able to send £10,092 for this purpose.

A Memorandum of Understanding was drawn up between Musalaha Jerusalem and Musalaha UK. It is to be re-evaluated every two years. It takes note of both the three statements of Musalaha Jerusalem's mission & purpose, and the Deed of Governance of Musalaha UK, which includes but goes beyond supporting Musalaha in Jerusalem.

In a zoom meeting with the UK Trustees in autumn 2020 Daniel Munayer, Organisation Development Manager, outlined Musalaha Jerusalem's two year review of its structures.

An application to the Guild of the Church of Scotland was made that would have involved £150,000 over three years, training 6 regional coordinators through Holy Land visits who would then make presentations to 300 local Guild groups over a three year period. Although this was turned down the model generated can be adapted to respond to organisations in the UK with large scale operations such as Diocese, regional or national organisations.

Grants of £15,000 for Jerusalem's summer activities, £6,920 towards Women's Training, £840 for copies of the recently published "Journey Through the Storm" and £10,000 for the Musalaha Academy (formed to create digital ways for reconciliation training across the world) were made.

MUSALAHA UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

All in-bound UK Speaking Tours were cancelled until early 2022 at the earliest. The donor who supports the Women of Distinction Tour would like it to take place in due course.

Both John Drake (Chair) and Colin Briant (Office Manager) had given notice of their intention to step down from their current positions in Musalaha UK. John was forming a company Boundary Breakers to support tours of the Holy Land so that Musalaha UK did not carry any of the financial risks associated with organising groups travelling abroad. (Boundary Breakers have recently linked up with a Travel Agency who will carry that risk.)

A great deal of discussion took place over the year about the purposes of Musalaha UK and the roles it needed to operate. The search for a new Chair and Office support is ongoing, and in the meantime the Trustees are sharing the day to day work of the charity.

Financial review

The charity received £16,791 in unrestricted donations, £17,148 in restricted donations and other income of £1,465 in the year. Expenses were incurred of £18,885 from unrestricted funds and £28,788 from restricted funds. These expenses include the £42,852 donated to Musalaha in Jerusalem to assist with the funding of its programmes, and support during covid.

At the end of the year, the charity had unrestricted reserves of £12,440 and £5,444 of restricted reserves of which £720 is for Musalaha in Jerusalem, and £4,724 is for the Women's Tour.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity was established by a charitable trust deed on 29th August 2012, and an amending deed dated 22nd May 2019 changed the charity name.

The trustees who served during the year were:

John Drake (Resigned 31 March 2021)
Tanas AlQassis
Tina Clay
Cathy Nobles
Mark Pearson
Jo Smith
David Taylor

Following the retirement of John Drake as Chair of Trustees, the Board are exploring possibilities for new Trustees who could join them.

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


Mark Pearson
Trustee

Dated: 18 November 2021

MUSALAHA UK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSALAHA UK

I report on the financial statements of the charity for the Year ended 31 March 2021, which are set out on pages 4 to 9.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this Year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



D Hanes

The Lodge
7 Lower Green Road
Pembury
Tunbridge Wells
Kent
TN2 4DZ

Dated: 10th December 2021

MUSALAH UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Restricted funds	Total Year End 31st March 2021	Total Period End 31st March 2020
	Notes	£	£	£	£
Income and endowments from:					
Donations	2	16,791	17,148	33,939	33,065
Charitable activities					
Holy Land Tours		-	-	-	3,243
Other income		1,465	-	1,465	-
Total income and endowments		18,256	17,148	35,404	36,308
 Charitable activities	3	 18,885	 28,788	 47,673	 41,779
Total resources expended		18,885	28,788	47,673	41,779
Net expenditure for the year/ Net movement in funds		(629)	(11,640)	(12,269)	(5,471)
Fund balances at 1 April 2020		13,069	17,084	30,153	35,623
Fund balances at 31 March 2021		12,440	5,444	17,884	30,152

MUSALAH UK

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	31st March 2021 £	£	31st March 2020 £	£
Current assets					
Debtors	8	646		5,608	
Cash at bank and in hand		18,575		30,737	
		<u>19,221</u>		<u>36,345</u>	
Creditors: amounts falling due within one year		<u>(1,337)</u>		<u>(6,193)</u>	
Net current assets			<u>17,884</u>		<u>30,152</u>
Income funds					
Restricted funds	9	5,444		17,084	
Unrestricted funds		12,440		13,068	
		<u>17,884</u>		<u>30,152</u>	

The financial statements were approved by the board of trustees and authorised for issue on 18 November 2021 and are signed on its behalf by:


Tina Clay
Trustee


Mark Pearson
Trustee

MUSALAH UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The charity was established by a charitable trust deed on 29th August 2012, and an amending deed dated 22nd May 2019 changed the charity name.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MUSALAH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Donations

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	16,469	16,270	32,739	31,222
Gift aid recoverable	322	878	1,200	823
Other	-	-	-	1,020
	<u>16,791</u>	<u>17,148</u>	<u>33,939</u>	<u>33,065</u>
For the Year ended 31 March 2020	<u>14,467</u>	<u>18,598</u>		<u>33,065</u>

3 Charitable activities

	2021 £	2020 £
Tour costs	-	9,498
Printing	-	4,138
Travel and subsistence	835	1,647
Stationery, postage and office costs	2,422	2,399
Independent Examination Fees	400	500
Trustee expenses	32	247
Exchange losses/(gains)	1,132	(215)
Sundry expenses	-	65
	<u>4,821</u>	<u>18,279</u>
Grants made:		
Musalaha (Jerusalem)	42,852	23,500
	<u>47,673</u>	<u>41,779</u>
Analysis by fund		
Unrestricted funds	18,885	
Restricted funds	28,788	
	<u>47,673</u>	
For the Year ended 31 March 2020		
Unrestricted funds		20,715
Restricted funds		21,064
		<u>41,779</u>

MUSALAH UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Grants Payable

	2021 Unrestricted	2021 Restricted	2021 Total
Grants to Musalaha in Jerusalem for:	£	£	£
Covid-19 support for Palestinian Staff Salaries	292	9,800	10,092
Summer Activities	5,246	9,754	15,000
Women's Training	2,031	4,889	6,920
Academy	8,050	1,950	10,000
Books	840	-	840
	<u>16,459</u>	<u>26,393</u>	<u>42,852</u>

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the Year. Travelling expenses of £32(2019 £247) were reimbursed to one (2020 three) Trustees.

6 Employees

The average monthly number of employees during the Year was:

	2021 Number	2020 Number
Total	-	-

7 Funds received as agent

During the prior year, the charity received funds as agent relating to tours in the Holy Land, which were paid out to Grace Tours and for other tour costs. This amounted to 16,800.

No such funds were received in 2021, and none will be received going forward.

8 Debtors

Amounts falling due within one year:	2021 £	2020 £
Gift aid recoverable	646	1,671
Prepayments and accrued income	-	3,937
	<u>646</u>	<u>5,608</u>

MUSALAHA UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020	Movement in funds		Balance at 31 March 2021
	£	Donations £	Resources expended £	£
Musalaha - Jerusalem	8,765	8,548	(16,593)	720
Womens tours UK	5,219	-	(495)	4,724
Infrastructure / office / marketing	-	1,900	(1,900)	-
Palestinian Staff Salaries	3,100	6,700	(9,800)	-
	<u>17,084</u>	<u>17,148</u>	<u>(28,788)</u>	<u>5,444</u>

10 Analysis of net assets between funds

	General 2021 £	Restricted 2021 £	Total 2021 £	General 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Current assets/ (liabilities)	12,440	5,444	17,884	13,068	17,084	30,152
	<u>12,440</u>	<u>5,444</u>	<u>17,884</u>	<u>13,068</u>	<u>17,084</u>	<u>30,152</u>