

Registered number: 10384576
Charity number: 1171510

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 March 2021

British Friends of the Art Museums of Israel
(A company limited by guarantee)

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British Friends of the Art Museums of Israel
(A company limited by guarantee)

Reference and administrative details of the Company, its Trustees and advisers
for the year ended 31 March 2021

Trustees

J Atkin (resigned 31 March 2021)
C Zabludowicz
M Naggar
B Markeson
E Lee
G Djanogly
P Crystal

Company registered number

10384576

Charity registered number

1171510

Registered office

2nd Floor
168 Shoreditch High Street
London
E1 6RA

Independent auditors

Kreston Reeves LLP
Chartered Accountants
2nd Floor
168 Shoreditch Street
London
E1 6RA

Bankers

Natwest plc
1 Abbey Road
London
NW10 7RA

Hon. Solicitors

Bryan Cave Leighton Paisner
Governor's House
5 Laurence Pountney Hill
London
EC4R 0BR

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Company for the 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The principle objective of the charity is to further the development of the Art Museums of Israel. This is achieved through donations, subscriptions and organising appeals and fundraising events during the period.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Grant-making policies

The Charity has established its grant making policy to achieve its objects for the public benefit. The Charity's aim is to provide works of art to museums based in Israel. The Trust also pay for scholarships to students to study at these museums. The main beneficiaries of the grants are The Israel Museum in Jerusalem and the Tel Aviv Museum of Art.

c. Main activities undertaken to further the Company's purposes for the public benefit

The charity's public benefit aim is to raise funds to support educational programmes run by the art museums of Israel. This enables the museums to reach out to future generations in Israel and expose young audiences to the art, culture and history of Israel and to international modern and contemporary art. The charity also purchases art for the two largest museums. Through its fundraising events the charity aims to increase awareness of the art museums in Israel and their prolific programmes to new visitors and potential international donors.

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance

a. Review of activities

Incoming resources of the group for the period amounted to £720,119 (2020: £13,376,456). The prior year income includes £12,032,531 of assets transferred from British Friends of the Art Museum of Israel Charity (Registered number: 313008). Total resources expended for the period is £943,498 (2020: £1,062,403) which includes charitable donations/grants made to museums of £634,278 (2020: £341,468). Of the group's reserves the unrestricted funds have a balance of £836,091 (2020: £637,325) and can be used in accordance with the charitable objectives at the discretion of the Trustees, restricted funds have a balance of £nil (2020: £12,773) which are required by the donors to be used for the benefit of specific museums and/or projects and the remaining balance is held in an endowment fund.

b. Fundraising activities and income generation

The pandemic prevented the charity holding its annual gala. Nonetheless, a virtual Gala was held online together with an auction generating £83,753. Guest of honour Thomas Struth was in conversation with Mark Godfrey. Many other smaller fundraising events took place during the year, including "Women in Art", Insta Live talks and virtual tours with artists and galleries and when permitted live events, including a Private Tour of The Crowd - Oren Pinhasi at St Cyprian's Clarence Gate Church, Private Curator-led Tour at the Zabłudowicz Collection and a Director led tour of the interactive Pascal Sender exhibition at the new Saatchi Yates Gallery.

c. Investment policy and performance

Endowment Funds

The trustees of the charity have decided to hold the Bromberg Legacy as an expendable endowment as, in their opinion this is the best way to achieve the wishes of Joseph Bromberg.

Investments

The charity holds investments in an endowment fund. There are no specific targets for these investments.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company 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. Further details regarding the adoption of the going concern basis can be found in the accounting policies 2.2 on page 15.

b. Risk management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves at the levels sufficient to continue to operate, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks the company faces and confirm that they have established systems to mitigate the significant risks.

The Trustees have reviewed the major strategic, operational and financial risks which impact on the work of the charity and noted that systems have been established to mitigate the exposure to them. The Trustees review this matter each period.

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2021

c. Principal risks and uncertainties

It is the Trustees' policy to maintain the charity's reserves at a sufficient level to maintain the ongoing operation of the charity. The Trustees closely monitor the reserves on a regular basis and consider their level in relation to funds raised and resources to be expended.

Structure, governance and management

a. Constitution

British Friends of the Art Museums of Israel is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Key management remuneration

The trustees consider the board of trustees and the chief executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration or expenses were paid in the period.

d. Related party relationships

The charity has one subsidiary BFAMI Events Limited, a company incorporated in England and Wales, registration number 3413949. The company is responsible for arranging the annual gala dinner and other fundraising events. The excess of income over costs is then gifted to the British Friends of the Art Museums of Israel. The company is under the common control of the charity's Trustees.

e. Risk management

The Trustees have assessed the major risks to which the charity and the group is exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 9 December 2021 and signed on their behalf by:



B. Markeson
Treasurer

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Independent auditors' report to the Members of British Friends of the Art Museums of Israel

Opinion

We have audited the financial statements of British Friends of the Art Museums of Israel (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and 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 of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditors' report to the Members of British Friends of the Art Museums of Israel (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of British Friends of the Art Museums of Israel (continued)

Auditors' 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 an Auditors' 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.

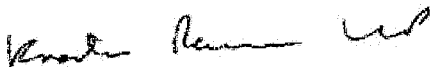
Independent auditors' report to the Members of British Friends of the Art Museums of Israel (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London

16 December 2021

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	3	243,814	11,750	-	255,564	12,249,861
Charitable activities	4	83,753	-	-	83,753	432,439
Other trading activities	5	59,016	-	-	59,016	354,323
Investments	6	-	-	321,786	321,786	339,833
Total income and endowments		386,583	11,750	321,786	720,119	13,376,456
Expenditure on:						
Raising funds		119,241	-	-	119,241	353,871
Charitable activities	7	799,734	24,523	-	824,257	708,532
Total expenditure		918,975	24,523	-	943,498	1,062,403
Net (expenditure)/ income before net gains/(losses) on investments		(532,392)	(12,773)	321,786	(223,379)	12,314,053
Net gains/(losses) on investments		409,372	-	1,811,594	2,220,966	(751,897)
Net (expenditure)/ income		(123,020)	(12,773)	2,133,380	1,997,587	11,562,156
Transfers between funds	14	321,786	-	(321,786)	-	-
Net movement in funds		198,766	(12,773)	1,811,594	1,997,587	11,562,156
Reconciliation of funds:						
Total funds brought forward		637,325	12,773	10,912,058	11,562,156	-
Net movement in funds		198,766	(12,773)	1,811,594	1,997,587	11,562,156
Total funds carried forward		836,091	-	12,723,652	13,559,743	11,562,156

British Friends of the Art Museums of Israel**(A company limited by guarantee)****Registered number: 10384576****Company balance sheet
as at 31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	583	2,862
Investments	11	12,723,652	10,912,058
		12,724,235	10,914,920
Current assets			
Debtors	12	56,615	69,648
Cash at bank and in hand		843,495	626,037
		900,110	695,685
Creditors: amounts falling due within one year	13	(90,187)	(180,275)
Net current assets		809,923	515,410
Total net assets		13,534,158	11,430,330
Charity funds			
Endowment funds	14	13,211,863	11,525,985
Restricted funds	14	11,651	12,773
Unrestricted funds	14	310,644	(108,428)
Total funds		13,534,158	11,430,330

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 09 December 2021 and signed on their behalf by:



B. Markeson
Treasurer

The notes on pages 14 to 28 form part of these financial statements.

British Friends of the Art Museums of Israel
(A company limited by guarantee)
Registered number: 10384576


Consolidated balance sheet
as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	583	2,862
Investments	11	12,723,652	10,912,058
		<u>12,724,235</u>	<u>10,914,920</u>
Current assets			
Debtors	12	56,615	69,648
Cash at bank and in hand		843,495	637,192
		<u>900,110</u>	<u>706,840</u>
Creditors: amounts falling due within one year	13	(64,602)	(59,604)
Net current assets		<u>835,508</u>	<u>647,236</u>
Total net assets		<u><u>13,559,743</u></u>	<u><u>11,562,156</u></u>
Charity funds			
Endowment funds	14	12,723,652	10,912,058
Restricted funds	14	-	12,773
Unrestricted funds	14	836,091	637,325
Total funds		<u><u>13,559,743</u></u>	<u><u>11,562,156</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 09 December 2021 and signed on their behalf by:


B. Markeson
Treasurer

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British Friends of the Art Museums of Israel
(A company limited by guarantee)

Consolidated statement of cash flows
for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	17	642,324	413,933
Cash flows from investing activities			
Dividends, interests and rents from investments		321,786	339,833
Transfer of assets from charity		-	12,031,531
Proceeds from the sale of tangible fixed assets		1,600	-
Purchase of tangible fixed assets		-	(3,816)
Proceeds from sale of investments		2,517,099	4,116,720
Purchase of investments		(3,276,227)	(4,229,757)
Net cash (used in)/provided by investing activities		(435,742)	12,254,511
Cash flows from financing activities			
Transfer of assets from charity		-	(12,031,531)
Net cash provided by/(used in) financing activities		-	(12,031,531)
Change in cash and cash equivalents in the year		206,582	636,913
Cash and cash equivalents at the beginning of the year		636,913	-
Cash and cash equivalents at the end of the year	18	843,495	636,913

The notes on pages 14 to 28 form part of these financial statements

British Friends of the Art Museums of Israel
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. General information

British Friends of the Art Museums of Israel is an incorporated charity. The address of the charity's principal office is detailed on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

British Friends of the Art Museums of Israel 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.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operating existence for the foreseeable future. The trustees have considered the on-going economic impact of the Covid-19 global pandemic, and consider this to not have a significant impact on the entity's ability to continue for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Basis of consolidation

The financial statements consolidate the accounts of British Friends Of The Art Museums Of Israel and all of its subsidiary undertakings ('subsidiaries').

The income and expenditure account for the period dealt with the accounts of the entity was profit of £2,103,828 (2020: £11,430,330).

Notes to the financial statements
for the year ended 31 March 2021

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Auction income is recognised when the payment is received, this follows the principle of recognising the income when the title is passed onto the customer.

Income from commercial trading activities is recognised as earned (as the relevant services is provided).

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably. This is normally upon notification of the interest paid or payable by the bank.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

Notes to the financial statements
for the year ended 31 March 2021

2. Accounting policies (continued)

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and 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.

Notes to the financial statements
for the year ended 31 March 2021

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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Notes to the financial statements
for the year ended 31 March 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	243,814	11,750	-	255,564	218,330
Donation from BFAMI charity	-	-	-	-	12,031,531
	<u>243,814</u>	<u>11,750</u>	<u>-</u>	<u>255,564</u>	<u>12,249,861</u>
Total 2020	<u>538,998</u>	<u>46,908</u>	<u>11,663,955</u>	<u>12,249,861</u>	

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gala dinner auction	83,753	83,753	432,439
	<u>83,753</u>	<u>83,753</u>	
Total 2020	<u>432,439</u>	<u>432,439</u>	

	Unrestricted funds	Total funds	Total funds
	2021	2021	2020
	£	£	£
Income from the Gala	59,016	59,016	354,323
Total 2020	354,323	354,323	

	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income - other local unlisted	236,715	236,715	257,804
Investment income - other foreign investments	85,071	85,071	82,029
	<u>321,786</u>	<u>321,786</u>	<u>339,833</u>
Total 2020	<u>339,833</u>	<u>339,833</u>	

			Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
	Expenditure		634,278	189,979	824,257	708,532
	Total 2020		341,468	367,064	708,532	

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Notes to the financial statements
for the year ended 31 March 2021

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational & Social Welfare 2021 £	Total funds 2021 £	Total funds 2020 £
Wages and salaries	92,017	92,017	90,087
Legal and professional	7,230	7,230	1,648
Telephone	92	92	1,140
Rent	17,819	17,819	37,642
Consultancy fees	6,700	6,700	18,000
Postage and stationary	15,404	15,404	31,908
Bank charges	6,768	6,768	5,203
Loss on disposal of fixed asset	388	388	-
Sundry	5,058	5,058	79,273
Computer expenses	4,295	4,295	1,824
Insurance	3,431	3,431	3,213
Travel expenses	(5,930)	(5,930)	13,814
Depreciation	291	291	954
Bad debts	5,920	5,920	20,665
Restricted donations paid	-	-	34,135
Governance costs	30,496	30,496	27,558
	189,979	189,979	367,064
Total 2020	367,064	367,064	

8. Analysis of grants - Grants to Institutions

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Grants to institutes	634,278	634,278	341,468
Total 2020	341,468	341,468	

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The Group has made the following material grants to Institutions during the period:

	2021 £	2020 £
Israel Museum, Jerusalem	443,278	116,468
Tel Aviv Museum of Art	78,500	130,000
Museums of Bat Yam	20,000	11,000
Herzliya Museum of Art	14,000	12,000
Petach Tikva Museum of Art	11,000	12,000
Design Museum Holon	10,000	10,000
Ein Harod Museum	10,000	10,000
Haifa Museum of Art	10,000	10,000
Zumu Museum	8,000	5,000
Negev Museum	6,000	5,000
Nahum Gutman Museum	5,000	5,000
Janco Dada Museum	5,000	5,000
Rubin Museum	5,000	5,000
Beit Ha'Gefen	5,000	5,000
Wilfrid Israel Museum	3,500	-
	634,278	341,468

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,000	13,560
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	5,600	3,090

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**Notes to the financial statements
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10. Tangible fixed assets

Group and Company

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2020	3,816	17,110	20,926
Disposals	(2,651)	(17,110)	(19,761)
At 31 March 2021	<u>1,165</u>	<u>-</u>	<u>1,165</u>
Depreciation			
At 1 April 2020	954	17,110	18,064
Charge for the year	291	-	291
On disposals	(663)	(17,110)	(17,773)
At 31 March 2021	<u>582</u>	<u>-</u>	<u>582</u>
Net book value			
At 31 March 2021	<u>583</u>	<u>-</u>	<u>583</u>
At 31 March 2020	<u>2,862</u>	<u>-</u>	<u>2,862</u>

11. Fixed asset investments

Group and Company

Valuation

	Listed investments £	Cash held for investments £	Total £
At 1 April 2020	10,336,269	575,789	10,912,058
Additions	3,276,227	-	3,276,227
Disposals	(2,800,940)	-	(2,800,940)
Revaluations	1,352,151	-	1,352,151
Movement in cash	-	(15,844)	(15,844)
At 31 March 2021	<u>12,163,707</u>	<u>559,945</u>	<u>12,723,652</u>

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Notes to the financial statements
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12. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	27,993	44,925	27,993	44,925
Other debtors	26,907	23,027	26,907	23,027
Prepayments and accrued income	1,715	1,696	1,715	1,696
	56,615	69,648	56,615	69,648

13. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	279	-	279
Trade creditors	6,135	13,342	6,135	13,342
Amounts owed to group undertakings	-	-	29,185	124,031
Other taxation and social security	13,739	-	13,739	-
Other creditors	16	295	16	295
Accruals and deferred income	44,712	45,688	41,112	42,328
	64,602	59,604	90,187	180,275

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Notes to the financial statements
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14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General funds	637,325	398,333	(930,725)	321,786	409,372	836,091
Unallocated amounts	-	(11,750)	11,750	-	-	-
	<u>637,325</u>	<u>386,583</u>	<u>(918,975)</u>	<u>321,786</u>	<u>409,372</u>	<u>836,091</u>
Endowment funds						
Endowment fund	<u>10,912,058</u>	<u>321,786</u>	<u>-</u>	<u>(321,786)</u>	<u>1,811,594</u>	<u>12,723,652</u>
Restricted funds						
Restricted Fund	12,773	-	(12,773)	-	-	-
Unallocated amounts	-	11,750	(11,750)	-	-	-
	<u>12,773</u>	<u>11,750</u>	<u>(24,523)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>11,562,156</u></u>	<u><u>720,119</u></u>	<u><u>(943,498)</u></u>	<u><u>-</u></u>	<u><u>2,220,966</u></u>	<u><u>13,559,743</u></u>

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14. Statement of funds (continued)

Statement of funds - prior year

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General funds	1,325,760	(1,028,268)	339,833	-	637,325
Endowment funds					
Endowment fund	12,003,788	-	(339,833)	(751,897)	10,912,058
Restricted funds					
Restricted Fund	46,908	(34,135)	-	-	12,773
Total of funds	13,376,456	(1,062,403)	-	(751,897)	11,562,156

15. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	637,325	386,583	(918,975)	321,786	409,372	836,091
Endowment funds	10,912,058	321,786	-	(321,786)	1,811,594	12,723,652
Restricted funds	12,773	11,750	(24,523)	-	-	-
	11,562,156	720,119	(943,498)	-	2,220,966	13,559,743

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**Notes to the financial statements
for the year ended 31 March 2021**

15. Summary of funds (continued)

Summary of funds - prior year

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	1,325,760	(1,028,268)	339,833	-	637,325
Endowment funds	12,003,788	-	(339,833)	(751,897)	10,912,058
Restricted funds	46,908	(34,135)	-	-	12,773
	<u>13,376,456</u>	<u>(1,062,403)</u>	<u>-</u>	<u>(751,897)</u>	<u>11,562,156</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	583	-	583
Fixed asset investments	-	12,723,652	12,723,652
Current assets	900,110	-	900,110
Creditors due within one year	(55,147)	-	(55,147)
Difference	(9,455)	-	9,455
Total	<u>836,091</u>	<u>12,723,652</u>	<u>13,559,743</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,862	-	-	2,862
Fixed asset investments	-	-	10,912,058	10,912,058
Current assets	694,067	12,773	-	706,840
Creditors due within one year	(59,604)	-	-	(59,604)
Total	<u>637,325</u>	<u>12,773</u>	<u>10,912,058</u>	<u>11,562,156</u>

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Notes to the financial statements
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17. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	1,997,587	11,562,156
Adjustments for:		
Depreciation charges	291	954
Realised gains on investments	(283,841)	132,097
Unrealised gains on investments	(768,625)	620,507
Dividends, interests and rents from investments	(321,786)	(339,833)
Loss on the sale of fixed assets	388	-
Decrease/(increase) in debtors	13,033	(44,015)
Increase in creditors	5,277	10,884
Transfer of assets from previous charity	-	(12,031,531)
Cash transferred for previous charity	-	502,714
Net cash provided by operating activities	642,324	413,933

18. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	843,495	636,913
Total cash and cash equivalents	843,495	636,913

19. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	637,192	206,303	843,495
Bank overdrafts repayable on demand	(279)	279	-
	636,913	206,582	843,495

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20. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group, to the fund and amounted to £2,056 (2020: £1,874). Contributions totalling £16 (2020: £16) were payable to the fund at the balance sheet date and are included in creditors.

21. Operating lease commitments

At 31 March 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	-	40,199	-	40,199
Later than 1 year and not later than 5 years	-	5,689	-	5,689
	<u>-</u>	<u>45,888</u>	<u>-</u>	<u>45,888</u>

22. Related party transactions

During the financial year, donations of £30,530 (2020: £40,230) were made by trustees to the charity.

23. Controlling party

The charity, which is constituted as a company limited by guarantee, was controlled throughout the period by the trustees.

24. Principal subsidiary

BFAMI Events Limited

Subsidiary name	BFAMI Events Limited
Company registration number	3413949
Basis of control	Trading subsidiary of the charity

Total assets as at 31 March 2021	£29,186
Total liabilities as at 31 March 2021	£3,600
Total equity as at 31 March 2021	£25,586

Turnover for the period ended 31 March 2021	£59,016
Expenditure for the period ended 31 March 2021	£33,629
Result for the period ended 31 March 2021	£25,387