

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 2022

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 2022

Trustees

C Wills (appointed 9 December 2021)
C Zabłudowicz
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 2022

The Trustees present their annual report together with the audited financial statements of the Company for the 1 April 2021 to 31 March 2022. 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.

Achievements and performance

a. Review of activities

Incoming resources of the group for the period amounted to £561,552 (2021: £720,119). Total resources expended for the period is £948,447 (2021: £943,498) which includes charitable donations/grants made to museums of £714,046 (2021: £634,278). Of the group's reserves the unrestricted funds have a balance of £449,196 (2021: £836,091) and can be used in accordance with the charitable objectives at the discretion of the Trustees, there are no restricted funds (2021: £nil) 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.

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

Trustees' report (continued)
for the year ended 31 March 2022

Achievements and performance (continued)

b. Fundraising activities and income generation

Due to the ongoing consequences of the pandemic the 75th Gala Dinner was postponed and will take place on 10th November 2022 at The Dorchester Hotel, W1. Guests of Honour will be Annie Morris and Idris Kahn. In March the Young Friends held their Spring Party at Saatchi Yates Gallery with over 300 guests in attendance generating a net revenue of £15,000. Many other smaller events took place throughout the year both online, with a webinar on NFT's, and in person with a Mayfair Gallery Tour, preview and breakfast at Sotheby's, Studio visit with Ori Gersht, Modern British Art Preview & Wine Tasting Event at Christie's, to name but a few. Full-day trips to UK destinations such as Petworth and Somerset. There was a 3-day art trip to Scotland which included viewing of Private Art Collections, a Director-led Tour of Jupiter Artland Sculpture Park and a tour of the V&A Dundee Museum. An Art Trip to Paris included a tour of Missim Camondo Museum, Fiac! Art Fair, a visit to the studio of Joseph Dadoune and the Private home of the Madar Family.

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 16.

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.

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.

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

Trustees' report (continued)
for the year ended 31 March 2022

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.

Trustees' report (continued)
for the year ended 31 March 2022

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 and signed on their behalf by:



B Markeson
Treasurer

Date: 12 January 2023

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 2022 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 2022 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 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.

British Friends of the Art Museums of Israel
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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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 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
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company 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 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.

British Friends of the Art Museums of Israel
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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

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 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 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) Second Edition (released October 2019), 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 income 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
- Assessment of identified fraud risk factors; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash, payroll and credit card expenditure; 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;

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.

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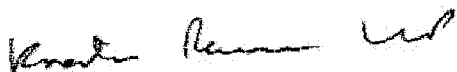
Independent auditors' report to the Members of British Friends of the Art Museums of Israel (continued)

- 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.
- 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 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 charitable company's trustees 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
27 January 2023

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	3	128,344	27,011	-	155,355	255,564
Charitable activities	4	1,951	-	-	1,951	83,753
Other trading activities	5	86,342	-	-	86,342	59,016
Investments	6	-	-	317,904	317,904	321,786
Total income and endowments		216,637	27,011	317,904	561,552	720,119
Expenditure on:						
Raising funds		102,331	-	-	102,331	122,977
Charitable activities		819,105	27,011	-	846,116	820,521
Total expenditure		921,436	27,011	-	948,447	943,498
Net (expenditure)/ income before net gains/(losses) on investments		(704,799)	-	317,904	(386,895)	(223,379)
Net gains on investments		-	-	723,220	723,220	2,220,966
Net (expenditure)/ income		(704,799)	-	1,041,124	336,325	1,997,587
Transfers between funds		317,904	-	(317,904)	-	-
Net movement in funds		(386,895)	-	723,220	336,325	1,997,587
Reconciliation of funds:						
Total funds brought forward		836,091	-	12,723,652	13,559,743	11,562,156
Net movement in funds		(386,895)	-	723,220	336,325	1,997,587
Total funds carried forward		449,196	-	13,446,872	13,896,068	13,559,743

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

Consolidated balance sheet
as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	410	583
Investments	11	13,812,038	12,723,652
		<u>13,812,448</u>	<u>12,724,235</u>
Current assets			
Debtors	12	48,065	56,615
Cash at bank and in hand		84,187	843,495
		<u>132,252</u>	<u>900,110</u>
Creditors: amounts falling due within one year	13	(48,632)	(64,602)
Net current assets		<u>83,620</u>	<u>835,508</u>
Total net assets		<u><u>13,896,068</u></u>	<u><u>13,559,743</u></u>
Charity funds			
Endowment funds		13,446,872	12,723,652
Restricted funds		-	-
Unrestricted funds		449,196	836,091
Total funds		<u><u>13,896,068</u></u>	<u><u>13,559,743</u></u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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

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

Consolidated balance sheet (continued)
as at 31 March 2022

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 and signed on their behalf by:



B Markeson
Treasurer

Date: 12 January 2023

The notes on pages 16 to 27 form part of these financial statements.

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

Company balance sheet
as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	410	583
Investments	11	13,812,038	12,723,652
		<u>13,812,448</u>	<u>12,724,235</u>
Current assets			
Debtors	12	48,065	56,615
Cash at bank and in hand		80,692	843,495
		<u>128,757</u>	<u>900,110</u>
Creditors: amounts falling due within one year	13	(92,539)	(90,187)
Net current assets		<u>36,218</u>	<u>809,923</u>
Total net assets		<u><u>13,848,666</u></u>	<u><u>13,534,158</u></u>
Charity funds			
Endowment funds		13,446,872	12,723,652
Restricted funds		-	-
Unrestricted funds		401,794	810,506
Total funds		<u><u>13,848,666</u></u>	<u><u>13,534,158</u></u>

The Company's net movement in funds for the year was £314,507 (2021 - £2,108,502).

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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

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

Company balance sheet (continued)
as at 31 March 2022

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 and signed on their behalf by:



B Markeson
Treasurer

Date: 12 January 2023

The notes on pages 16 to 27 form part of these financial statements.

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

Consolidated statement of cash flows
for the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	16	(2,249,514)	642,324
Cash flows from investing activities			
Dividends, interests and rents from investments		317,904	321,786
Proceeds from the sale of tangible fixed assets		-	1,600
Purchase of tangible fixed assets		(158)	-
Proceeds from sale of investments		2,386,910	2,517,099
Purchase of investments		(1,214,450)	(3,276,227)
Net cash provided by/(used in) investing activities		1,490,206	(435,742)
Change in cash and cash equivalents in the year		(759,308)	206,582
Cash and cash equivalents at the beginning of the year		843,495	636,913
Cash and cash equivalents at the end of the year	17	84,187	843,495

The notes on pages 16 to 27 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 2022

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 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').

2.3 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.

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

Notes to the financial statements
for the year ended 31 March 2022

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 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.

2.7 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.

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for the year ended 31 March 2022

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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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for the year ended 31 March 2022

3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	128,344	27,011	155,355	255,564
Total 2021	243,814	11,750	255,564	

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Gala dinner auction	1,951	1,951	83,753
Total 2021	83,753	83,753	

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from the Gala, gallery trips & other events	86,342	86,342	59,016
Total 2021	59,016	59,016	

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6. Investment income

	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income - other local unlisted	245,942	245,942	236,715
Investment income - other foreign investments	71,962	71,962	85,071
	<u>317,904</u>	<u>317,904</u>	<u>321,786</u>
Total 2021	<u>321,786</u>	<u>321,786</u>	

7. Analysis of expenditure by activities

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Expenditure	<u>714,046</u>	<u>132,070</u>	<u>846,116</u>	<u>820,521</u>
Total 2021	<u>634,278</u>	<u>186,243</u>	<u>820,521</u>	

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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational & Social Welfare 2022 £	Total funds 2022 £	Total funds 2021 £
Wages and salaries	74,054	74,054	92,017
Legal and professional	1,332	1,332	7,230
Telephone	144	144	92
Rent	4,140	4,140	17,819
Consultancy fees	-	-	6,700
Postage and stationary	1,126	1,126	15,404
Bank charges	5,312	5,312	6,768
Loss on disposal of fixed asset	-	-	388
Sundry	2,827	2,827	5,058
Computer expenses	11,658	11,658	4,295
Insurance	3,877	3,877	3,431
Travel expenses	2,141	2,141	(5,930)
Depreciation	331	331	291
Event expenses	594	594	-
Bad debts	-	-	5,920
Restricted donations paid	234	234	-
Governance costs	24,300	24,300	26,760
	<u>132,070</u>	<u>132,070</u>	<u>186,243</u>
Total 2021	<u>186,243</u>	<u>186,243</u>	

8. Analysis of grants - Grants to Institutions

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Grants to institutes	714,046	714,046	634,278
Total 2021	<u>634,278</u>	<u>634,278</u>	

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

	2022 £	2021 £
Israel Museum, Jerusalem	618,410	443,278
Tel Aviv Museum of Art	36,000	78,500
Museums of Bat Yam	4,000	20,000
Herzliya Museum of Art	5,000	14,000
Petach Tikva Museum of Art	4,000	11,000
Design Museum Holon	4,000	10,000
Ein Harod Museum	10,000	10,000
Haifa Museum of Art	4,000	10,000
Zumu Museum	4,000	8,000
Negev Museum	4,000	6,000
Nahum Gutman Museum	3,500	5,000
Janco Dada Museum	3,500	5,000
Rubin Museum	4,000	5,000
Beit Ha'Gefen	4,000	5,000
Wilfrid Israel Museum	-	3,500
American Friends of Israel Museum	5,636	-
	714,046	634,278

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	13,200	12,000
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	6,050	5,600

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Notes to the financial statements
for the year ended 31 March 2022

10. Tangible fixed assets

Group and Company

	Office equipment £
Cost	
At 1 April 2021	1,165
Additions	158
At 31 March 2022	<u>1,323</u>
Depreciation	
At 1 April 2021	582
Charge for the year	331
At 31 March 2022	<u>913</u>
Net book value	
At 31 March 2022	<u><u>410</u></u>
At 31 March 2021	<u><u>583</u></u>

11. Fixed asset investments

	Listed investments £	Cash held for investments £	Total £
Group and Company			
Valuation			
At 1 April 2021	12,163,707	559,945	12,723,652
Additions	1,214,450	-	1,214,450
Disposals	(2,265,374)	-	(2,265,374)
Revaluations	1,025,497	-	1,025,497
Movement in cash	-	1,113,813	1,113,813
At 31 March 2022	<u><u>12,138,280</u></u>	<u><u>1,673,758</u></u>	<u><u>13,812,038</u></u>

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Notes to the financial statements
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12. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	14,043	27,993	14,043	27,993
Other debtors	31,743	26,907	31,743	26,907
Prepayments and accrued income	2,279	1,715	2,279	1,715
	48,065	56,615	48,065	56,615

13. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	18	6,135	18	6,135
Amounts owed to group undertakings	-	-	47,507	29,185
Other taxation and social security	-	13,739	-	13,739
Other creditors	16	16	16	16
Accruals and deferred income	48,598	44,712	44,998	41,112
	48,632	64,602	92,539	90,187

14. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	836,091	216,637	(921,436)	317,904	-	449,196
Endowment funds	12,723,652	317,904	-	(317,904)	723,220	13,446,872
Restricted funds	-	27,011	(27,011)	-	-	-
	13,559,743	561,552	(948,447)	-	723,220	13,896,068

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14. Summary of funds (continued)

Summary of funds - prior 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)	-	-	-
	<u>11,562,156</u>	<u>720,119</u>	<u>(943,498)</u>	<u>-</u>	<u>2,220,966</u>	<u>13,559,743</u>

The restricted fund relates to a donation received for a particular grant that the charity made during the year.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	410	-	410
Fixed asset investments	365,166	13,446,872	13,812,038
Current assets	132,252	-	132,252
Creditors due within one year	(48,632)	-	(48,632)
Total	<u>449,196</u>	<u>13,446,872</u>	<u>13,896,068</u>

Analysis of net assets between funds - prior 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	(64,602)	-	(64,602)
Total	<u>836,091</u>	<u>12,723,652</u>	<u>13,559,743</u>

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	336,325	1,997,587
Adjustments for:		
Depreciation charges	331	291
Realised gains on investments	(121,536)	(283,841)
Unrealised gains on investments	(1,025,497)	(768,625)
Dividends, interests and rents from investments	(317,904)	(321,786)
Loss on the sale of fixed assets	-	388
Movement in cash in the capital accounts	(1,113,813)	-
Decrease in debtors	8,550	13,033
Increase/(decrease) in creditors	(2,231)	5,277
Net cash provided by/(used in) operating activities	(2,235,775)	642,324

17. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	84,187	843,495
Total cash and cash equivalents	84,187	843,495

18. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	843,495	(759,308)	84,187
	843,495	(759,308)	84,187

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19. 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 (2021: £2,056). Contributions totalling £16 (2021: £16) were payable to the fund at the balance sheet date and are included in creditors.

20. Related party transactions

During the financial year, donations of £14,229 (2021: £30,530) were made by trustees to the charity.

21. Controlling party

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

22. 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 2022	£51,003
Total liabilities as at 31 March 2022	£3,600
Total equity as at 31 March 2022	£47,403

Turnover for the period ended 31 March 2022	£86,342
Expenditure for the period ended 31 March 2022	£39,138
Result for the period ended 31 March 2022	£47,204