

FRIENDS OF BETHLEHEM UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

FRIENDS OF BETHLEHEM UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Scott	(Appointed 22 January 2022)
	M Brown	
	N Dillon Hatcher	
	I Van Loo	
Charity number	1185770	
Principal address	29 Sedgeford Road London W12 0NA	
Independent examiner	David Walker FCA Langton House 124 Acomb Road Holgate York YO24 4EY	

FRIENDS OF BETHLEHEM UK

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 13

FRIENDS OF BETHLEHEM UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The trustees present their annual report and financial statements for the year ended 31 October 2021.

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

Objectives and activities

To promote Palestinian arts and culture for the public benefit by supporting Alrowwad Cultural & Arts Society in Aida refugee camp, Bethlehem, as well as other cultural institutions and artists in Bethlehem and Palestine - through the Bethlehem Cultural Festival of arts and culture of the Eastern Mediterranean and other activities organised throughout the year.

Supporting the Alrowwad Cultural & Arts Society in Bethlehem and producing the Bethlehem Cultural Festival.

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

The principal activity is to hold the annual Bethlehem Cultural Festival which promotes all aspects of Palestinian culture.

In addition, the trustees offer support and assistance to related cultural activities in the UK and in Palestine.

The Charity makes grants to Alrowwad for its regular work in Aida camp and to support occasional specific fundraising activities, including Alrowwad's annual Tekeyat campaign which supports people of Bethlehem during Ramadan with food, medicine and clothing aid. In addition, grants may be made to support or commission activities in the Bethlehem Cultural Festival.

The trustees do not accept or consider unsolicited applications for grants.

The Charity has no employees. It relies significantly on voluntary work by the trustees and artistic directors and curators of the festival.

The Charity could not achieve its objectives without such voluntary support.

FRIENDS OF BETHLEHEM UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Achievements and performance

The trustees have worked to highlight the work of different types of artist and a variety of persons who provide insight into the cultural life of Palestinians.

Online Arabic classes were offered which were taught by representatives of Alrowwad for students in the UK.

A series of online cookery classes, taught by representatives of Alrowwad, were offered.

The first Bethlehem Cultural Festival (BCF) was, because of the pandemic, held entirely online in December 2020 and was a mixture of panel discussions, theatre and music shows as well as collaborative events between the U.K. and Palestine.

The Festival highlighted a variety of work of artists and cultural practitioners in Palestine as well as forging partnerships between the U.K. and Palestine.

Following BCF2020, considerable fundraising and preparation began for BCF2021 which was planned to take place in London, Glasgow and online.

The Charity also initiated and facilitated connections through collaboration, including a bagpiping partnership between Glasgow and Bethlehem and an Arabic language project with Scotland's National Centre for Languages at the University of Strathclyde.

Financial review

As at 31 October 2021 unrestricted reserves stood at £ 6,561 (2020 £ 4,423)

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Charity depends on grants and individual donations for funding – income is always more than sufficient - but not assured.

Structure, governance and management

The charity is a Charitable Incorporated Organisation Registered at the Charity Commission under number 1185770. The charity constitution was adopted on 11th October 2019. The objects and name were amended on 2nd February 2021.

The trustees who served during the year and up to the date of signature of the financial statements were:

M Scott

M Brown

N Dillon Hatcher

I Van Loo

(Appointed 22 January 2022)

FRIENDS OF BETHLEHEM UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

New Trustees may be recruited to the Board at any time by the Trustees. Candidates are identified from the long-term, active supporters of Friends of Bethlehem UK and supporters of similar charitable objectives. The Trustees seek to maintain a balance of knowledge and experience relevant to particular aspects of the Charity's activities; for example: Finance, Governance, Arts, Palestine, Education, etc. Candidates are invited by the Chair to consider participation. Those who accept, attend a meeting with trustees to see and hear how the Charity operates. Once they decide to accept the invitation, they are encouraged to attend as many of the meetings as possible. Inevitably not everyone can attend every meeting. Trustees then confer on the suitability of the candidate and decide whether to appoint.

The Chair spends time with new trustees explaining procedures, objectives and achievements. A buddy trustee is assigned to assist with any questions. Meeting dates are agreed a year in advance, with some four meetings each year.

Minutes and review notes are circulated to all members of the Board on a regular basis.

The Charity is small so has a flat structure – most business is dealt with by the trustees – a considerable amount by email or online discussions.

The Charity has a strong relationship with the Palestinian cultural organisation Al Rowwad and other organisations with similar interests in Britain, Europe and Palestine.

The Trustees shall manage the affairs of the CIO and may exercise all the powers of the CIO.

Any meeting of the Trustees at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the Trustees.

It is the duty of each Trustee:

- (a) to exercise his or her powers as a Trustee in the way he or she considers to be in the best interests of the CIO's Objects and beneficiaries; and
- (b) to exercise such care and skill as is reasonable in the circumstances having regard in particular to any special knowledge or experience that he or she has or claims to have.

The Trustees may act regardless of any vacancy in their body but, if and so long as their number is less than 3, the remaining Trustees may act for the purposes of increasing the number of Trustees or winding up the CIO, but for no other purpose.

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



M Scott
Trustee

9 September 2022

FRIENDS OF BETHLEHEM UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FRIENDS OF BETHLEHEM UK

I report to the trustees on my examination of the financial statements of Friends of Bethlehem UK (the charity) for the year ended 31 October 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

David Walker FCA

Langton House
124 Acomb Road
Holgate
York
YO24 4EY

Dated: 9 September 2022

FRIENDS OF BETHLEHEM UK

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

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	2020 £
<u>Income from:</u>					
Donations and legacies	3	26,031	2,700	28,731	15,679
Charitable activities	4	5,033	-	5,033	-
Total income		31,064	2,700	33,764	15,679
<u>Expenditure on:</u>					
Raising funds	5	31	-	31	-
Charitable activities	6	28,895	-	28,895	11,256
Total expenditure		28,926	-	28,926	11,256
Net income for the year/ Net movement in funds		2,138	2,700	4,838	4,423
Fund balances at 1 November 2020		4,423	-	4,423	-
Fund balances at 31 October 2021		6,561	2,700	9,261	4,423

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

All income and expenditure derive from continuing activities.

FRIENDS OF BETHLEHEM UK

BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	12	-		5,240	
Cash at bank and in hand		13,067		4,703	
		<u>13,067</u>		<u>9,943</u>	
Creditors: amounts falling due within one year	14	(3,806)		(5,520)	
Net current assets			9,261		4,423
Income funds					
Restricted funds	15		2,700		-
Unrestricted funds			6,561		4,423
			<u>9,261</u>		<u>4,423</u>

The financial statements were approved by the Trustees on 9 September 2022



M Scott
Trustee

FRIENDS OF BETHLEHEM UK

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

1 Accounting policies

Charity information

Friends of Bethlehem UK is a Charitable Incorporated Organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

FRIENDS OF BETHLEHEM UK

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

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

FRIENDS OF BETHLEHEM UK

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

1 Accounting policies

(Continued)

1.8 Creditors and provisions

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

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	18,531	-	18,531	10,439
Grants receivable	7,500	2,700	10,200	5,240
	<u>26,031</u>	<u>2,700</u>	<u>28,731</u>	<u>15,679</u>
Donations and gifts				
supporting Al Rowwad	14,793	-	14,793	10,439
supporting Bethlehem Cultural Festival	2,238	-	2,238	-
Amos Trust supporting Bethlehem Cultural Festival	1,500	-	1,500	-
	<u>18,531</u>	<u>-</u>	<u>18,531</u>	<u>10,439</u>
Grants receivable for core activities				
British Council	-	-	-	5,240
Van Neste	7,500	-	7,500	-
University of Strathclyde	-	2,700	2,700	-
	<u>7,500</u>	<u>2,700</u>	<u>10,200</u>	<u>5,240</u>

FRIENDS OF BETHLEHEM UK

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

4 Charitable activities

	Bethlehem Cultural Festival 2021 £	2020 £
Bethlehem Cultural Festival ticket sales	5,033	-

5 Raising funds

	Unrestricted funds 2021 £	Total 2020 £
<u>Fundraising and publicity</u>		
Other fundraising costs	31	-
	31	-

6 Charitable activities

	Alrowwad Cultural & Arts Society 2021 £	Bethlehem Cultural Festival 2021 £	Total 2021 £	Alrowwad Cultural & Arts Society 2020 £	Bethlehem Cultural Festival 2020 £	Total 2020 £
Production Costs	-	2,140	2,140	-	3,270	3,270
Grant funding of activities (see note 8)	14,109	3,289	17,398	7,773	-	7,773
Share of support costs (see note 9)	338	8,299	8,637	213	-	213
Share of governance costs (see note 9)	360	360	720	-	-	-
	14,807	14,088	28,895	7,986	3,270	11,256

FRIENDS OF BETHLEHEM UK

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

7 Description of charitable activities

Alrowwad Cultural & Arts Society

Supporting Alrowwad Cultural & Arts Society in Aida refugee camp, Bethlehem, as well as other cultural institutions and artists in Bethlehem and Palestine.

Bethlehem Cultural Festival

Producing the Bethlehem Cultural Festival of arts and culture of the Eastern Mediterranean and other activities organised throughout the year.

8 Grants payable

	Alrowwad Cultural & Arts Society 2021 £	Bethlehem Cultural Festival 2021 £	Alrowwad Cultural & Arts Society 2020 £
Grants to institutions (4 grants):			
Alrowwad	14,109	-	7,773
Bethlehem Cultural Festival	-	3,289	-
	<u>14,109</u>	<u>3,289</u>	<u>7,773</u>

-

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Office costs	597	-	597	7	-	7
PR and marketing	2,400	-	2,400	-	-	-
Website costs	5,015	-	5,015	-	-	-
Travel and subsistence	325	-	325	-	-	-
Bank charges	300	-	300	206	-	206
Accountancy	-	720	720	-	-	-
	<u>8,637</u>	<u>720</u>	<u>9,357</u>	<u>213</u>	<u>-</u>	<u>213</u>
Analysed between Charitable activities	<u>8,637</u>	<u>720</u>	<u>9,357</u>	<u>213</u>	<u>-</u>	<u>213</u>

Governance costs includes payments to the auditors of £720 (2020- £nil) for independent examination fees.

FRIENDS OF BETHLEHEM UK

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

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	5,240

13 Loans and overdrafts

	2021 £	2020 £
Other loans	3,000	5,520
Payable within one year	3,000	5,520

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Borrowings	3,000	5,520
Trade creditors	86	-
Accruals and deferred income	720	-
	3,806	5,520

FRIENDS OF BETHLEHEM UK

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

15 Restricted funds

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

	Movement in funds		Movement in funds	
	Incoming resources	Balance at 1 November 2020	Incoming resources	Balance at 31 October 2021
	£	£	£	£
Arabic language project	-	-	2,700	2,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Grants were received for an Arabic language project for 2021 Bethlehem Cultural Festival in association with Scotland's National Centre for Languages.

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £
Fund balances at 31 October 2021 are represented by:				
Current assets/(liabilities)	6,561	2,700	9,261	4,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>6,561</u>	<u>2,700</u>	<u>9,261</u>	<u>4,423</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).