

**THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	B Borowski R Kaufman A Noam Zvi Nixon
<b>Delegated Management</b>	A Noam
<b>Charity Number</b>	1062357
<b>Address</b>	16 Great Queen Street London WC2B 5DG
<b>Auditor</b>	Harold Everett Wreford LLP 2nd Floor 38 Warren Street London W1T 6AE
<b>Bankers</b>	Bank Leumi (UK) Plc

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# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

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# **THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

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The trustees present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 March 2020.

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

#### **Objectives and activities**

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

The aim of the charity is the furtherance of education.

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

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

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

Donations of £578,745 (2019 - £646,000) were made solely to the Bible Lands Museum in Jerusalem during the year, this being the only institution that benefits from the grants made by the charity. It has managed to achieve this by receiving rental income from investment properties which it owns, from gift aid donations and from interest receivable from banks. The trustees' policy is to build their assets to a level whereby the trust income from their assets can be maximised and accrued on a regular, sustainable and increasing level in order to be able to apply all this income to meet the requirements of the charity's objects.

The charity has no plans for any significant developments.

#### **Achievements and performance**

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

#### **Financial review**

The group's reserves held at 31 March 2020 amounted to £9,597,857 (2019 - £8,973,374) which includes a revaluation reserve deficit of £1,511,676. The trustees revalued the group's investment properties to £14,844,541 in the year ended 31 March 2020 which includes a reduction for unamortised lease incentives of £43,473. The trustees are not aware of any material changes since this valuation. The charity has continued to fulfil its objectives of making donations for charitable purposes for the furtherance of education during the year.

#### **Reserves policy**

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

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

**THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

**Risk factors**

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

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

**Structure, governance and management**

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

The trustees who served during the year were:

B Borowski

R Kaufman

A Weis (Retired 29 September 2020)

J Waller (Retired 29 September 2020)

A Noam

Zvi Nixon

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

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

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

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

A Noam

Trustee

Dated:

  
9 June 2021

**THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

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

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

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**Opinion**

We have audited the financial statements of The British Friends of the Bible Lands Museum Jerusalem (the 'charity') and its subsidiaries (the 'group') for the year ended 31 March 2020 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

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

We have nothing to report in this regard.

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

**Matters on which we are required to report by exception**

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Other matters we are required to address**

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

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Harold Everett Wreford LLP

10 June 2021

Harold Everett Wreford LLP  
Chartered Accountants  
Statutory Auditor

2nd Floor  
38 Warren Street  
London  
W1T 6AE

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



# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
<b><u>Income and endowments from:</u></b>			
Donations	3	-	1,750,059
Investments	4	1,149,270	1,193,173
Other income	5	10,374	11,999
<b>Total income and endowments</b>		<b>1,159,644</b>	<b>2,955,231</b>
<b><u>Expenditure on:</u></b>			
Raising funds	6	6,950	6,514
Charitable activities	7	608,389	695,299
Other	12	171,090	179,813
<b>Total resources expended</b>		<b>786,429</b>	<b>881,626</b>
Net gain/(loss) on investments	13	250,000	-
<b>Net income (expenditure) for the year/ Net movement in funds</b>		<b>623,215</b>	<b>2,073,605</b>
Taxation		1,268	(13,612)
		<b>624,483</b>	<b>2,059,993</b>
Fund balances at 1 April 2019		8,973,374	6,913,381
<b>Fund balances at 31 March 2020</b>		<b>9,597,857</b>	<b>8,973,374</b>

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

All income and expenditure derive from continuing activities.

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	£
<b><u>Income and endowments from:</u></b>			
Donations	3	37,000	1,797,559
Investments	4	625,115	670,794
Other income	5	295,542	285,062
<b>Total income and endowments</b>		<b>957,657</b>	<b>2,753,415</b>
<b><u>Expenditure on:</u></b>			
Raising funds	6	3,150	819
Charitable activities	7	568,445	653,898
Other	12	54,684	58,661
<b>Total resources expended</b>		<b>626,279</b>	<b>713,378</b>
Net gains/(loss) on investments	13	600,000	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>931,378</b>	<b>2,040,037</b>
Fund balances at 1 April 2019		8,782,953	6,742,916
		<b>9,714,331</b>	<b>8,782,953</b>
<b>Fund balances at 31 March 2020</b>		<b>9,714,331</b>	<b>8,782,953</b>

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


All income and expenditure derive from continuing activities.


**THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Investment Properties	14		14,844,541		14,551,068
Investments	15		370,416		370,416
			<u>15,214,957</u>		<u>14,921,484</u>
<b>Current assets</b>					
Debtors falling due after one year	17	362,105		405,459	
Debtors falling due within one year	17	212,764		132,045	
Cash at bank		268,301		276,819	
		<u>843,170</u>		<u>814,323</u>	
<b>Creditors: amounts falling due within one year</b>					
Loans and overdrafts	18	2,617,500		330,000	
Taxation and social security		64,295		74,149	
Other creditors	19	1,863,489		1,843,020	
		<u>4,545,284</u>		<u>2,247,169</u>	
<b>Net current liabilities</b>			<u>(3,702,114)</u>		<u>(1,432,846)</u>
<b>Total assets less current liabilities</b>			<u>11,512,843</u>		<u>13,488,638</u>
<b>Creditors: amounts falling due after more than one year</b>					
Loans and overdrafts	18	1,914,986		4,515,264	
			<u>(1,914,986)</u>		<u>(4,515,264)</u>
<b>Net assets</b>			<u>9,597,857</u>		<u>8,973,374</u>
<b>Income funds</b>					
Unrestricted funds – general			<u>9,597,857</u>		<u>8,973,374</u>
			<u>9,597,857</u>		<u>8,973,374</u>

The accounts were approved by the Trustees on

9 June 2021

  
R Kaufman -Trustee

  
A Noam -Trustee

**THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM**

**STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED 31 MARCH 2020**

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investment Properties	14		7,894,541		7,251,068
Investments	15		3,563,856		3,776,000
			11,458,397		11,027,068
<b>Current assets</b>					
Debtors falling due after one year	17	362,105		405,459	
Debtors falling due within one year	17	1,147,185		797,931	
Cash at bank		198,539		132,015	
			1,707,829		1,335,405
<b>Creditors: amounts falling due within one year</b>					
Loans and overdrafts	18	1,587,500		150,000	
Taxation and social security		38,604		47,067	
Other creditors	19	1,825,791		1,794,953	
			3,451,895		1,992,020
<b>Net current liabilities</b>			(1,744,066)		(656,615)
<b>Total assets less current liabilities</b>			9,714,331		10,370,453
<b>Creditors: amounts falling due after more than one year</b>					
Loans and overdrafts	18		-		(1,587,500)
<b>Net assets</b>			9,714,331		8,782,953
<b>Income funds</b>					
Unrestricted funds – general			9,714,331		8,782,953
			9,714,331		8,782,953

The accounts were approved by the Trustees on 9 June 2020

R Kaufman - Trustee

A Noam Trustee

**THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24		(827,788)		(740,240)
<b>Investing activities</b>					
Rent and interest received		1,149,270		1,193,173	
<b>Net cash (used in)/generated from investing activities</b>			1,149,270		1,193,173
<b>Financing activities</b>					
Repayment of bank loans		(330,000)		(318,750)	
<b>Net cash used in financing activities</b>			(330,000)		(318,750)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(8,518)		134,183
Cash and cash equivalents at beginning of year			276,819		142,636
<b>Cash and cash equivalents at end of year</b>			268,301		276,819

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies

##### Company information

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

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed dated 18th March 1997, the Charities Act 2011 and, "Accounting and Reporting by Charities"; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (effective for accounting periods from 1st January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

##### 1.2 Going Concern

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

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

##### 1.3 Basis of Consolidation

The consolidated statement of financial activities and financial position include the financial statements of the charity and its subsidiaries undertakings made up to 31 March 2020. The results of subsidiaries sold or acquired are included in the statement of financial activities up to, or from the date control passes. Intra-group turnover and profits are eliminated fully on consolidation.

##### 1.4 Charitable funds

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

##### 1.5 Incoming resources

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

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

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies

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

#### 1.6 Resources expended

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

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

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

#### 1.7 Investment properties

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

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

#### 1.8 Fixed asset investments

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

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

#### 1.9 Cash and cash equivalents

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

#### 1.10 Financial instruments

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

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

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

#### *Basic financial assets*

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

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

#### 1.11 Fund structure

All funds held are unrestricted income funds.

#### 2 Critical accounting estimates and judgements

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

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

3 Donations	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Donations and gifts	-	1,750,059	37,000	1,797,559
	<hr/>	<hr/>	<hr/>	<hr/>



# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

4 Investments	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Rental income	1,149,177	1,189,016	625,077	666,680
Income from unlisted investments	-	3,790	-	3,790
Interest receivable	93	367	38	324
	<u>1,149,270</u>	<u>1,193,173</u>	<u>625,115</u>	<u>670,794</u>

Rental income arises on investment properties held in the United Kingdom. Income from unlisted investments relates to distributions from a Limited Partnership registered in Israel and a private limited company registered in Mauritius. Interest receivable arises from Bank interest and late payment of rent.

5 Other income	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Net income due from a subsidiary LLP	-	-	287,459	277,283
Insurance commission	10,374	11,999	8,083	7,779
	<u>10,374</u>	<u>11,999</u>	<u>295,542</u>	<u>285,062</u>

6 Raising funds	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
<u>Investment property expenses</u>				
Agents' fees and property related expenses	6,950	6,514	3,150	819
	<u>6,950</u>	<u>6,514</u>	<u>3,150</u>	<u>819</u>

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7	Charitable activities	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Grant funding of activities (see note 8)	578,745	646,000	578,745	646,000
	Governance costs (see note 9)	29,644	49,299	(10,300)	7,898
		<u>608,389</u>	<u>695,299</u>	<u>568,445</u>	<u>653,898</u>

### 8 Grants payable

Charitable activities include grants of £578,745 (2019 - £646,000) paid overseas to the Bible Lands Museum, Jerusalem, this being the only institution that benefits from the grants made by the charity.

9	Support Costs	Group			Charity	
		2020 Governance Costs £	2019 Governance Costs £	2020 Governance Costs £	2019 Governance Costs £	Basis of allocation
	Unamortised lease incentives	(43,473)	(4,145)	(43,473)	(4,145)	Governance
	Audit fees	22,750	20,250	13,250	11,250	Governance
	Legal and professional	37,343	31,917	7,319	13	Governance
	Bank charges	1,055	1,277	635	780	Governance
	Foreign exchange loss	11,920	-	11,920		Governance
	Commission charged	49		49		Governance
		<u>29,644</u>	<u>49,299</u>	<u>(10,300)</u>	<u>7,898</u>	
	Analysed between charitable activities	<u>29,644</u>	<u>49,299</u>	<u>(10,300)</u>	<u>7,898</u>	

There are no specific support costs.

### 10 Auditor's remuneration

The analysis of auditor's remuneration is as follows: **Group**  
**Fees payable to the charity's auditor and associates:**

	2020 £	2019 £	2020 £	2019 £
Audit of the charity's annual accounts	<u>22,750</u>	<u>20,250</u>	<u>13,250</u>	<u>11,250</u>

### 11 Employees

There were no employees during the year.

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 12 Other

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Financing costs	171,090	179,813	54,684	58,661
	<u>171,090</u>	<u>179,813</u>	<u>54,684</u>	<u>58,661</u>

### 13 Net gains/(losses) on investments

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Revaluation of investments properties:				
The British Friends of the Bible Lands Museum Jerusalem	600,000	-	600,000	-
Gilgamesh (Broxbourne & Portslade) Limited	(350,000)			
	<u>250,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>

### 14 Investment properties

	Group 2020 £	Charity 2020 £
<b>Fair value</b>		
At 1 April 2019	14,551,068	7,251,068
Unamortised lease incentives	43,473	43,473
Net gains through fair value adjustments	250,000	600,000
	<u>14,844,541</u>	<u>7,894,541</u>
At 31 March 2020	14,844,541	7,894,541

Investment properties comprises of freehold properties. The fair value of the group's investment properties at 31st March 2020 is £14,844,541 (2019 - £14,551,068) and has been arrived at on the basis of a valuation carried out at this date by a property management company, Landswood de Coy LLP. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in its location and takes into account the state of the rental market in the area where the properties are situated. Accordingly, the trustee, A. Noam adopted this valuation at the balance sheet date.

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

Note	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cost	16,761,675	16,761,675	9,312,142	9,312,142
Accumulated depreciation	-	-	-	-
	<u>16,761,675</u>	<u>16,761,675</u>	<u>9,312,142</u>	<u>9,312,142</u>
Carrying amount	16,761,675	16,761,675	9,312,142	9,312,142

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 15 Fixed asset investments

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
Investments in subsidiaries	22	-	-	3	3
Loans to subsidiaries		-	-	3,193,437	3,405,581
Unlisted investments		370,416	370,416	370,416	370,416
		<u>370,416</u>	<u>370,416</u>	<u>3,563,856</u>	<u>3,776,000</u>
<b>Movement in fixed asset investments</b>					
<b>Group</b>				<b>Shares £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 31 March 2019				370,416	370,416
At 31 March 2020				370,416	370,416
<b>Carrying amount</b>					
At 31 March 2020				370,416	370,416
At 31 March 2019				370,416	370,416
<b>Movement in fixed asset investments</b>					
<b>Charity</b>					
			<b>Loans £</b>	<b>Shares £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 31 March 2019			3,405,581	370,419	3,776,000
Repayments			(212,144)	-	(212,144)
At 31 March 2020			3,193,437	370,419	3,563,856
<b>Carrying amount</b>					
At 31 March 2020			3,193,437	370,419	3,563,856
At 31 March 2019			3,405,581	370,419	3,776,000

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

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

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 16 Financial instruments

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	574,869	537,504	4,702,727	4,608,971
Equity instruments measured at cost less impairment	370,416	370,416	370,419	370,419
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	6,395,975	6,688,284	3,412,501	3,532,453
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 17 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
<b>Amounts falling due within one year:</b>				
Other debtors	212,764	132,045	188,497	126,702
Amounts due from subsidiary undertaking	-	-	958,688	671,229
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	212,764	132,045	1,147,185	797,931
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	362,105	405,459	362,105	405,459
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total debtors</b>	<u>574,869</u>	<u>537,504</u>	<u>1,509,290</u>	<u>1,203,390</u>

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 18 Loans and overdrafts

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loans	4,550,000	4,880,000	1,587,500	1,737,500
Unamortised finance costs	(17,514)	(34,736)	-	-
	<u>4,532,486</u>	<u>4,845,264</u>	<u>1,587,500</u>	<u>1,737,500</u>
Payable within one year	2,617,500	330,000	1,587,500	150,000
Payable after one year	<u>1,914,986</u>	<u>4,515,264</u>	<u>-</u>	<u>1,587,500</u>

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

The long-term loans bear interest at the rate of 2.45% per annum and was repayable by 26 June 2020 for the charity, 14 January 2021 for Gilgamesh (Broxbourne & Portslade) Limited and 20 May 2021 for Gilgamesh Hull LLP, the subsidiaries of the charity. The loans have been renegotiated subsequent to the year end (see note 26).

#### 19 Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Other creditors	1,663,435	1,624,227	1,663,436	1,625,513
Accruals and deferred income	200,054	218,793	162,355	169,440
	<u>1,863,489</u>	<u>1,843,020</u>	<u>1,825,791</u>	<u>1,794,953</u>

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 20 Trustees' expenses and remuneration and related party transactions

Trustees are not remunerated. The trust deed includes a professional charging clause permitting remuneration of trustees who are solicitors, accountants and other professionals. A Noam is a director of Novest Limited which provides property advice to the charity's property investment subsidiary, Gilgamesh (Broxbourne & Portslade) Limited at a cost of £27,000 (2019 - £27,400).

During the year the charity received donations of £Nil (2019 - £1,750,059) from Finlaw (Hove) Limited.

The following were outstanding at the reporting end date:

	Charity and Group	
	2020 £	2019 £
Other related parties	1,662,150	1,624,227

At the balance sheet date the Charity owed interest free unsecured loans of £352,815 (2019 - £352,815) to Gilgamesh Properties Limited, a company registered in Israel and £1,309,335 (2019 - £1,271,412) to Gilgamesh Properties Limited, a company registered in the UK. Both companies are controlled by Mrs. B. Borowski, a Trustee of the Charity. Both loans are repayable on demand.

#### 21 Control

The charity is controlled by its trustees.

#### 22 Subsidiaries

Details of the charity's subsidiaries at 31 March 2020 are as follows:

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

At 31 March 2020 the aggregate of the share capital and reserves amounted as follows:

Gilgamesh Hull LLP - £958,690 surplus  
Gilgamesh (Broxbourne & Portslade) Limited - £116,473 deficit

# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 23 Net income of subsidiaries

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

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

##### Gilgamesh Hull LLP

	2020 £	2019 £
Income	375,020	374,073
Administrative expenses	(87,601)	(96,819)
Interest receivable	40	29
	<hr/>	<hr/>
Surplus retained for the year	287,459	277,283
	<hr/>	<hr/>

##### Gilgamesh (Broxbourne & Portslade) Limited

Income	151,372	152,483
Administrative expenses	(109,549)	(118,929)
Interest receivable	15	14
Decrease in fair value of investment property	(350,000)	-
Corporation tax	1,268	(13,612)
	<hr/>	<hr/>
(Loss)/Surplus for the year	(306,894)	19,956
	<hr/>	<hr/>

#### 24 Cash generated from operations

	2020 £	2019 £
Surplus for the year	624,483	2,059,993
Adjustments for:		
Investment income recognised in profit or loss	(1,149,270)	(1,193,173)
Fair value gains and losses on investment properties	(250,000)	-
Unamortised lease incentives	(43,473)	(4,145)
Movements in working capital:		
(Increase)/Decrease in debtors	(37,365)	97,882
Increase/(Decrease) in creditors	27,837	(1,700,797)
	<hr/>	<hr/>
Cash absorbed by operations	(827,788)	(740,240)
	<hr/>	<hr/>



# THE BRITISH FRIENDS OF THE BIBLE LANDS MUSEUM JERUSALEM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 25 Analysis of changes in net (debt) funds

	At 1 April 2019 £	Cashflows £	At 31 March 2020 £
Cash at bank and in hand	276,819	(8,518)	268,301
Loans falling due within one year	(330,000)	(2,287,500)	(2,617,500)
Loans falling due after more than one year	(4,515,264)	2,600,278	(1,914,986)
	<hr/>	<hr/>	<hr/>
	(4,568,445)	304,260	(4,264,185)
	<hr/>	<hr/>	<hr/>

#### 26 Post balance sheet events

Subsequent to the year-end on 26 June 2020, the charity obtained an extension of its loan with Santander Bank Plc. The existing loan which was repayable in full was extended for another four years with effect from 26 June 2020.

In addition to the charity, its subsidiary property investment company, Gilgamesh (Broxbourne & Portslade) Limited also obtained an extension of its loan with Santander Bank Plc.

The loan which had been repayable in full by 14 January 2021 was renegotiated for another five years and is now repayable in full by 14 January 2026.

Gilgamesh Hull LLP also had its financial commitment with Santander Bank Plc renegotiated and extended for another five years effective 20 May 2021 and is now repayable in full by 20 May 2026.