

**Friends of the Holy Land**  
**Unaudited Financial Statements**  
**31 March 2018**

**BSN ASSOCIATES LIMITED**

Chartered accountant  
BSN Associates Limited  
3B Swallowfield Courtyard  
Wolverhampton Road  
Oldbury  
West Midlands  
B69 2JG

# **Friends of the Holy Land**

## **Financial Statements**

**Year ended 31 March 2018**

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	<b>Pages</b>
Trustees' annual report	<b>1 to 8</b>
Independent examiner's report to the trustees	<b>9</b>
Statement of financial activities	<b>10</b>
Statement of financial position	<b>11</b>
Statement of cash flows	<b>12</b>
Notes to the financial statements	<b>13 to 20</b>

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# Friends of the Holy Land

## Trustees' Annual Report

### Year ended 31 March 2018

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The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2018.

#### Reference and administrative details

<b>Registered charity name</b>	Friends of the Holy Land
<b>Charity registration number</b>	1130054
<b>Principal office</b>	Farmer Ward Road Kenilworth Warwickshire CV8 2DH

#### The trustees

Patrick John Horsfield  
James Kelly  
James Quinn (Chairman)  
Peter Rand  
Charles Reed  
David Ryall  
Anthony Stokes  
Norah Whelan

#### Patrons

His Eminence Cardinal Vincent Nichols, Archbishop of Westminster  
The Most Reverend and Right Honourable Justin Welby, Archbishop of Canterbury  
The Right Reverend and Right Honourable Lord Williams of Oystermouth  
The Most Reverend Patrick Kelly, Archbishop Emeritus of Liverpool  
The Most Reverend Bernard Longley, Archbishop of Birmingham  
The Most Reverend Malcom LcMahon, Archbishop of Liverpool  
The Right Reverend Christopher Chessun, Bishop of Southwark  
The Right Reverend Doctor Michael Langrish, retired Bishop of Exeter.

#### Bankers

Natwest  
32 Market Place  
Cirencester  
GL7 2NU

#### Solicitors

Wright Hassell LLP  
Olympus Avenue  
Leamington Spa  
Warwickshire  
CV34 6BF

#### Independent examiner

BSN Associates Limited  
Chartered accountant  
BSN Associates Limited  
3B Swallowfield Courtyard  
Wolverhampton Road  
Oldbury  
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# Friends of the Holy Land

## Trustees' Annual Report *(continued)*

Year ended 31 March 2018

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### Structure, governance and management

#### Constitution and Governing Document

This Charitable Trust was created by and is governed by a Deed of Declaration of Trust made on 23 March 2009 by Patrick John Horsfield, John Milton Weedon, Anthony Arthur John McDowell and Michael Francis Whelan. It was registered with the Charity Commission on 9 June 2009 with the following objectives:

- the advancement of religion and advancement of education in each case in Israel, Palestine, Jordan and Cyprus (together the 'Holy Land') by improving the quality of education and training in, and providing financial support to, schools, educational establishments and Parishes, principally, but not exclusively, run by the Latin Patriarch of Jerusalem, for members of the Christian community in the Holy Land; and
- the prevention of relief of poverty and sickness in the Holy Land by financial support, organisation of self-help projects, purchase of goods and artefacts of all kinds from members of the Christian community for re-sale by the Charity and through any other means by which their quality of life can be improved.

#### Organisational Structure

By virtue of the power given to them by Clause 7 of the Trust Deed the Trustees have appointed Peter Rand as Executive Trustee and appointed him Chairman of the Management Committee with the powers and responsibilities set out in the Regulations of the Trustees dated 22 November 2013 and appointed the following persons as members of the Management Committee:

#### Management Committee

Peter Rand - Executive Trustee and Chairman of the Management Committee

James Quinn - Trustee member of the Management Committee

Anthony Stokes - Trustee and Director of Finance

Karen Baxter - Office manager

Marion Homer - Communications Manager

John Rice - Pilgrimages

June Palmer - Minute Taker

Maria McCaffery - Director of Development and subsequently appointed CEO on 1 January 2018

With the approval of the Trustees the Management Committee have appointed a Committee in Bethlehem to provide all the necessary local information and support to the needs of the Charity in the area of its work.

#### Holy Land Committee

##### Rev. Dr. Jamal Khader, Chairman

Dr Khader is a member of the Theological Reflection Committee of the Latin Patriarchate and of the Committee of Dialogue with Jews. He teaches at the Latin Seminary in Beit Jala, Bethlehem University, the Emmaus Center in Beit Sahour, and Mar Elias College in Ibillin. He also teaches Peace Studies and Conflict Resolution Strategies for the Master's in International Cooperation and Development (MICAD) program. Dr Khader is the Chairperson of the Department of Religious Studies and the Dean of Arts at Bethlehem University. Dr Khader was the Rector of the Latin Patriarchate Seminary in Beit Jala until August 2017 when he was appointed Parish Priest in Ramallah.

##### Mrs Laila Asfoura

Managing Director Laila Tours and Travel

##### Husam Wahhab

Certified Public Accountant and Lecturer, Bethlehem University

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# Friends of the Holy Land

## Trustees' Annual Report *(continued)*

Year ended 31 March 2018

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### Structure, governance and management *(continued)*

#### **George Saadeh**

Principal of the Shepherds Field Greek Orthodox School in Beit Sahour and former Deputy Mayor of Bethlehem

#### **Canon Hosam Naoum**

Dean of St George's Anglican Cathedral Jerusalem,  
Headmaster of St George's School, Jerusalem,  
Secretary to the Meeting of the Heads of Churches in Jerusalem

The purpose of this Committee is to manage the permanent Friends of the Holy Land, 'FHL', office in Bethlehem, to identify, recommend, administer and monitor the objects of the charitable donations and to act on behalf of the Management Committee as the active administration of the Charity in the Holy Land. The Committee has been instrumental in ensuring the Registration of the Charity with the Palestinian Authority as a branch of an overseas NGO in Palestine, granting the charity formal authority to conduct its charitable activities throughout the West Bank and Gaza. Support to Christians in Israel and Jordan is made direct form the UK or through local institutions.

The members of the Committees are all volunteers. A small office has been made available and permanent members of staff have been employed to carry out the day to day administration and recording of the Charity's activities in the Holy Land. Visits are made by senior members of the Management Committee to consult with and plan the activities of the Committee at approximately quarterly intervals.

#### **Relationship with Related Parties and Other Charities**

The Charity maintains close relationships with the Catholic Bishops' Conference of England and Wales and the Church of England through the good offices of its patrons and the day jobs of two of its Trustees, David Ryall and Charles Reed. There are no formal links between the Charity and the two organisations.

The Charity is a Body in Associate of Churches Together England and Churches Together GB and Ireland.

#### **Governance and Internal Controls**

The Strategic Plan focused heavily on these issues and continued the steps previously taken by the Trustees to ensure that the Charity fully complies with all relevant Governance issues and sets up all appropriate and necessary controls to that end. Registration by the Palestinian Authority has been a welcome accreditation of the works of FHL. The Trustees have approved documents relating to and identifying areas of Delegation, Risks and Risk Management.

# **Friends of the Holy Land**

## **Trustees' Annual Report *(continued)***

**Year ended 31 March 2018**

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### **Ecumenical Progress**

#### **In the Holy Land**

There has been increasing collaboration between the Charity and the institutions set up by the various churches in the Holy Land, particularly the Latin Patriarchate, the Episcopal Diocese of Jerusalem, CNEWA - Pontifical Mission and Caritas Jerusalem. There has been acknowledgement of the different mission between the Charity and those institutions that accept that the mission of the Charity is based in the support of identified individual and families in need. However, these existing institutions with their wide networks of parishes and groups provide an essential filter for the Charity to identify individuals and families in need. The Charity is now a recognised member of the social agency providers in the Region.

Whilst there is a close relationship with the Episcopal Church, the Latin Church and the Greek Orthodox Church through the individual members of the Holy Land Committee and the help that the charity is able to give, the intention of the Trustees remains to build closer links with all of the Christian Communities in the Holy Land.

#### **In England, Wales, Scotland and Continental Europe**

There has been steady progress during the year involving the various Dioceses of both the Anglican and Roman Catholic Churches. The Management Committee has pursued its plan to build a network of Regional Coordinators, Ambassadors and Diocesan Coordinators to link with the Director of Development and Head Office Kenilworth. The Bishops of England, Wales, Scotland and continental Europe have appointed a total of 44 Diocesan Coordinators whose appointments form the solid means of organisation for our expanding work over here.

We continue to benefit from the help of our Patrons in this regard. In particular both Cardinal Vincent Nichols and Archbishop Justin Welby have continued to be personally active on our behalf throughout the year. An increasing number of Dioceses have committed their Lent or Advent Appeals, Lenten Alms or Christmas Crib Offerings to this Charity.

# Friends of the Holy Land

## Trustees' Annual Report *(continued)*

Year ended 31 March 2018

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### Objectives and activities

The prime objective of FHL is to support the Christian people of all denominations in the area of Palestine, Israel and Jordan, known as the Holy Land. This is achieved by raising awareness of the challenges they experience, encouraging prayers to be offered on their behalf, generating and channelling financial resources to provide a sustainable future and encouraging visits and pilgrimages to the Holy Land to meet local Christians.

At 31 March 2018 the Charity had identified 869 projects up from 611 projects a year earlier - over 42% increase on the previous year. The increasing rate of projects can be attributed to an increasing need and the ability of our organisation in the Holy Land to meet that increasing demand. We are fortunate that during this year our reserves and our income in England and Wales has allowed us to meet these increased demands.

These projects are in various stages of development but in the vast majority have already benefitted from expenditure:

### Community Support

Support for Christians is either through projects that support the community or most frequently direct individual named families. (See Family Support below). Projects in the community during the last 12 months included:

- Summer Camps; FHL funded one-third of the cost of the Summer Camp at the Episcopal Parish in Nablus.
- St Vincent's Orphanage in Bethlehem benefited from FHL grants
- Iraqi Refugees in Jordan; A programme continued to support up to 100 Christian refugee families who fled from Iraq, in many cases with nothing and for whom the Charity has provided a lifeline.

### Family Support

- Education; The payment or part-payment of educational fees is a core FHL activity, enabling families to send 164 children to 14 different faith schools and 46 students to 6 different universities in various towns and villages in the West Bank, Gaza and Israel. Support was offered to the Arab Evangelical Episcopal School in Ramallah and Christ Anglican School in Nazareth, Israel, both managed by the Anglican Diocese in Jerusalem.
  - Medical; Support has been given during the year to assist with the funding of 117 urgent medical procedures and the provision of medications. In addition the project to fund those Christian patients at the Ramallah Medical Centre for Diabetes and Cardiovascular Diseases under the management of the Anglican Diocese in Jerusalem, has continued throughout the year with funds from the 2015 Lent Appeal in the Diocese of Norwich. Similarly funding of patients' medical procedures and medications has continued at St. Luke's Hospital in Nablus.
  - Regular support; The most needy families in the Christian community are identified by the FHL Holy Land Committee or local Clergy and their circumstances verified. FHL then provide regular help with 500 shekels (approx. £100) per month to these families (91 during the year) which can make a significant difference to their quality of life. The Family Support was extended to Gaza. Cases are reassessed every 12 months.
  - Housing repairs; These continue on an ad hoc basis according to cases brought to the attention of the Holy Land Committee. Work can include decorating, damp-proofing, electrical and plumbing repairs to more significant improvements such as installing a new kitchen or bathroom. Full costings are obtained and verified by qualified members of the Holy Land Committee.
  - Dental project; The project allows the inspection and relevant dental work to school children.
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# Friends of the Holy Land

## Trustees' Annual Report *(continued)*

### Year ended 31 March 2018

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#### Objectives and activities *(continued)*

##### **Social Care for the Elderly - St. Martha's House**

This is undertaken through support to the running costs of St. Martha's House, the first Day Care Centre for elderly ladies in the Bethlehem area. The house is open 4 days a week and provides comfort and support as well as practical facilities, such as lunches, hairdressing and pedicure, twice a week for around 34 Christian ladies, mostly widows with no family members to help them.

##### **Sustainable Employment**

The 16 young people employed during October 2016 in new positions at 4 Christian institutions in Gaza has proved successful. Both of these projects are managed with the support of the Pontifical Mission in Jerusalem.

##### **Children with Special Needs - School of Joy**

The School of Joy, a school for children with Special Needs in Beit Sahour, continues to be underwritten with the help of donations to FHL. The Principal secures approximately 40% of income from elsewhere and Bethlehem University provides expert teaching skills to staff. FHL funding has enabled the School to increase from 30 children and 3 classes in 2011 to 67 children and 6 classes in 2018.

##### **Development in the UK**

The Charity launched a website in the previous year, which has enabled the Charity to be more active on social media following rebranding. We now had 44 Diocesan Coordinators appointed by Bishops in England and Wales from the 64 Anglican and Catholic Dioceses in this country.

#### **Achievements and performance**

##### **Review of the Strategic Plan**

On 31 March 2014 the Trustees published their Strategic Plan for the Charity for the five years commencing on 1 April 2014. The Plan has been regularly reviewed and updated by the Management committee and by the Trustees.

The charity is not yet nine years old. It has grown at a remarkable rate during that period. For the first time this year it failed to maintain its growth during the year in income which reduced year on year by some £77,000. The charitable grants were commensurately reduced by £59,000. . The accounts for the year reveal an income of £605,418 a decrease over the previous year of some 11%. The charitable grants made during the year to 31 March 2018 were £510,750 down from £551,764 the previous year, a decrease of 7.43%. It is clear that the work on the ground in the Holy Land and the pressures on the region imposed by the difficult political situation mean that there is abundant need to be met. Whatever increase the Charity can secure during the current year will be very easily spent.

##### **Financial review**

Income was derived from donations from charitable trusts, individual donations, fundraising activities, parishes and dioceses in England, Wales, Scotland and Europe through appeals or through the activities of support groups including those formed in parishes. Income amounted to £605,418 (2017: £682,830). Charitable grants amounted to £510,750 (2017: £551,764). Operational and fundraising costs amounted to £130,917 (2017: £148,372).



# Friends of the Holy Land

## Trustees' Annual Report *(continued)*

### Year ended 31 March 2018

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#### **Reserves Policy**

As the Charity develops it is the policy of the Trustees to hold a financial reserve to cover 6 months administration expenses together with a contingency to ensure a continuity of operation can be maintained in circumstances where income may be temporarily reduced or to respond to any funding emergency that may arise.

#### **Unrestricted funds**

The balance of funds held at 31 March 2018 was £240,859.

#### **Designated and Restricted Funds - Beit Sahour Housing Project**

In the year ending 31<sup>st</sup> March 2017 we found that the project to build apartments at Beit Sahour had not proved possible to continue due to challenges with title and planning on the chosen site and difficulties in sourcing a suitable alternative. Accordingly, the Fund that we had designated for the Beit Sahour Housing Project was transferred to General Funds with the agreement of the Trustees and it was agreed to distribute it to core projects over three years, commencing in the prior year. The Restricted Fund shows donations received of around £20,000. All the donors and parishes who contributed to the Fund had been contacted, following advice from the Charities Commission and given the option of their donation being transferred to General Funds, principally for house refurbishment or for their donations to be returned. All donors who responded agreed to have their funds transferred. We informed the Charities Commission of these facts and on 27<sup>th</sup> February 2018 received notice from the Commission of the alternation of the Trusts in relation to the Beit Sahour Housing Project.

#### **Bethlehem University**

During the year we combined with Bethlehem University and with the Charity "Friends of Bethlehem University" ("FOBU") to facilitate the wish of FOBU to wind down its activities as the trustees of that Charity felt that it had completed its main objectives and to assist those donors to FOBU who wished to continue their support of the University pending the setting up of a new Charity. It is expected that the new charity will come into being and operation during the next financial year when this area of help will be concluded.

#### **Pensions**

The Charity contributes to a defined contribution scheme and has no legal or constructive obligations to pay further contributions if the fund does not have sufficient assets to pay all employee benefits relating to employee service in the current or prior periods.

#### **Going Concern**

Whilst the Trustees are mindful that the Charity is dependent upon income and donations from individuals and Charitable Trusts/Foundation, they have a reasonable expectation that this will continue for the foreseeable future. Furthermore, grants are only made following the receipt of donations and for these reasons it continues to adopt the 'going concern' basis preparing the financial statements.

#### **Risk Assessment and Management**

The Trustees currently believe there are no significant risks in the management of the Charity and the disbursement of benefits. Normal management controls are in place. A Risk Assessment has been carried out by the Trustees.

#### **Investment Policy**

At present the Charity has no investments. Under the Declaration of Trust the Trustees have powers to make any investment the Trustees see fit.

#### **Currency Fluctuation**

As with many charities providing funding overseas, the drop in value of the pound against the shekel and the US dollar has had an impact on our ability to fund projects.

# Friends of the Holy Land

## Trustees' Annual Report *(continued)*

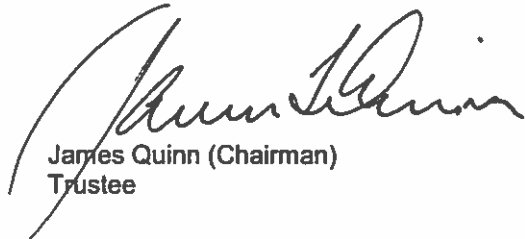
Year ended 31 March 2018

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### Public Benefit Statement

The Trustees consider they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. The Charity's activities satisfy the objectives set out in its constitution as described within the Trustees Report.

The trustees' annual report was approved on 8 October 2018 and signed on behalf of the board of trustees by:



James Quinn (Chairman)  
Trustee

# Friends of the Holy Land

## Independent Examiner's Report to the Trustees of Friends of the Holy Land

Year ended 31 March 2018

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I report to the trustees on my examination of the financial statements of Friends of the Holy Land ('the charity') for the year ended 31 March 2018.

### 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 Act').

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

### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 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 accounts to be reached.

*P. Hawkes*

Philippa Hawkes BA CA  
On behalf of BSN Associates Limited

BSN Associates Limited  
3B Swallowfield Courtyard  
Wolverhampton Road  
Oldbury  
West Midlands  
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# Friends of the Holy Land

## Statement of Financial Activities

31 March 2018

	Note	Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
<b>Income and endowments</b>					
Donations and legacies	4	450,093	139,361	589,454	659,826
Other trading activities	5	15,964	–	15,964	23,004
<b>Total income</b>		<u>466,057</u>	<u>139,361</u>	<u>605,418</u>	<u>682,830</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of other trading activities	6	12,637	–	12,637	19,475
Expenditure on charitable activities	7,8	118,280	510,750	629,030	680,661
<b>Total expenditure</b>		<u>130,917</u>	<u>510,750</u>	<u>641,667</u>	<u>700,136</u>
<b>Net income/ (expenditure)</b>		<u>335,140</u>	<u>(371,389)</u>	<u>(36,249)</u>	<u>(17,306)</u>
Transfers between funds		(362,187)	362,187	–	–
<b>Net movement in funds</b>		<u>(27,047)</u>	<u>(9,202)</u>	<u>(36,249)</u>	<u>(17,306)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		267,906	74,511	342,417	359,723
<b>Total funds carried forward</b>		<u>240,859</u>	<u>65,309</u>	<u>306,168</u>	<u>342,417</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 21 form part of these financial statements.

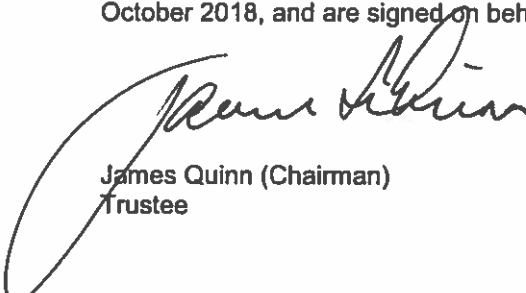
# Friends of the Holy Land

## Statement of Financial Position

31 March 2018

		2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	15	–	740
<b>Current assets</b>			
Stocks	16	6,410	4,480
Debtors	17	12,230	11,437
Cash at bank and in hand		295,577	330,057
		<u>314,217</u>	<u>345,974</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>8,049</u>	<u>4,297</u>
<b>Net current assets</b>		<u>306,168</u>	<u>341,677</u>
<b>Total assets less current liabilities</b>		<u>306,168</u>	<u>342,417</u>
<b>Net assets</b>		<u>306,168</u>	<u>342,417</u>
<b>Funds of the charity</b>			
Restricted funds		65,309	74,511
Unrestricted funds		240,859	267,906
<b>Total charity funds</b>	20	<u>306,168</u>	<u>342,417</u>

These financial statements were approved by the board of trustees and authorised for issue on 8 October 2018, and are signed on behalf of the board by:



James Quinn (Chairman)  
Trustee



Anthony Stokes  
Trustee

The notes on pages 14 to 21 form part of these financial statements.

# Friends of the Holy Land

## Statement of Cash Flows

Year ended 31 March 2018

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	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Net expenditure	(36,249)	(17,306)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	740	2,960
Accrued expenses/(income)	2,458	(310)
<i>Changes in:</i>		
Stocks	(1,930)	582
Trade and other debtors	(793)	612
Trade and other creditors	1,294	1,341
Cash generated from operations	<u>(34,480)</u>	<u>(12,121)</u>
Net cash used in operating activities	<u>(34,480)</u>	<u>(12,121)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(34,480)</b>	<b>(12,121)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>330,057</b>	<b>342,178</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>295,577</u></b>	<b><u>330,057</u></b>

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The notes on pages 14 to 21 form part of these financial statements.

# Friends of the Holy Land

## Notes to the Financial Statements

Year ended 31 March 2018

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### 1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is Farmer Ward Road, Kenilworth, Warwickshire, CV8 2DH.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income and expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The entity constitutes a public benefit entity as defined in FRS102.

#### Going concern

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity and as such, advantage has been taken of the following disclosure exemptions available under FRS 102:

- Disclosures in respect of financial instruments have not been presented

#### Exchange rates

Transactions in foreign currency have been converted to sterling at the average exchange rates during the year.

#### Taxation

The Charity is exempt from taxation on its charitable activities.

# Friends of the Holy Land

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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### 3. Accounting policies *(continued)*

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No significant estimates or judgements have been made by management when preparing the financial statements. The policies followed are shown below.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

#### Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

#### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.



# Friends of the Holy Land

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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### 3. Accounting policies *(continued)*

#### Resources expended *(continued)*

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - Over 3 years

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# Friends of the Holy Land

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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### 3. Accounting policies *(continued)*

#### Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

### 4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
<b>Donations</b>			
Donations	<u>450,093</u>	<u>139,361</u>	<u>589,454</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
<b>Donations</b>			
Donations	<u>507,519</u>	<u>152,307</u>	<u>659,826</u>

During the year the Trustees made donations of £505 to the charity.

### 5. Other trading activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Commercial activities: Olive wood products	<u>15,964</u>	<u>15,964</u>	<u>23,004</u>	<u>23,004</u>

### 6. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Olive wood products	<u>12,637</u>	<u>12,637</u>	<u>19,475</u>	<u>19,475</u>

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# Friends of the Holy Land

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Grant making	–	510,750	510,750
Support costs	118,280	–	118,280
	<u>118,280</u>	<u>510,750</u>	<u>629,030</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Grant making	–	551,764	551,764
Support costs	128,897	–	128,897
	<u>128,897</u>	<u>551,764</u>	<u>680,661</u>

### 8. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2018 £	Total fund 2017 £
Grant making	<u>510,750</u>	<u>118,280</u>	<u>629,030</u>	<u>680,661</u>

### 9. Analysis of support costs

Support costs can be analysed as follows:

	2018 £	2017 £
Employee costs	65,242	60,372
Rent and rates	7,581	7,804
Holy Land office	16,538	15,111
Light and heat	–	125
Telephone	1,620	1,385
Post and stationery	2,789	2,150
Promotional material	5,445	15,498
Travelling expenses	8,428	10,307
Computer expenses	6,614	7,251
Depreciation	740	2,960
Relocation expenses	–	3,276
Sundry expenses	3,283	2,658
Total support costs	<u>118,280</u>	<u>128,897</u>

# Friends of the Holy Land

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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### 10. Analysis of grants

Grants can be analysed as follows:

	2018	2017
	£	£
Community support	41,345	47,042
Family support	346,732	397,299
Martha's House	50,112	39,582
School of Joy	72,561	67,841
	<u>510,750</u>	<u>551,764</u>

### 11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	<u>740</u>	<u>2,960</u>

### 12. Independent examination fees

	2018	2017
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>720</u>	<u>-</u>

### 13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	62,008	56,161
Social security costs	1,896	1,578
Employer contributions to pension plans	1,338	2,633
	<u>65,242</u>	<u>60,372</u>

The average head count of employees during the year was 3 (2017: 3).

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

### 14. Trustee remuneration and expenses

The Trustees give freely their time and expertise without any form of remuneration or other benefit.

Travelling expenses to the Holy Land amounting to £2,751 (2017: £2,896) were reimbursed to 2 Trustees (2017: 2 Trustees) during the year.

# Friends of the Holy Land

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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### 15. Tangible fixed assets

	Equipment £
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	8,880
<b>Depreciation</b>	
At 1 April 2017	8,140
Charge for the year	740
<b>At 31 March 2018</b>	<b>8,880</b>
<b>Carrying amount</b>	
At 31 March 2018	–
At 31 March 2017	740

### 16. Stocks

	2018 £	2017 £
Raw materials and consumables	6,410	4,480

### 17. Debtors

	2018 £	2017 £
Trade debtors	848	1,720
Prepayments and accrued income	1,736	1,411
Other debtors	9,646	8,306
	<b>12,230</b>	<b>11,437</b>

### 18. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	2,932	474
Social security and other taxes	5,117	3,823
	<b>8,049</b>	<b>4,297</b>

### 19. Pensions and other post retirement benefits

#### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,338 (2017: £2,633).

# Friends of the Holy Land

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

### 20. Analysis of charitable funds

#### Unrestricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
General funds	267,906	453,420	(118,280)	(362,187)	240,859

#### Restricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Restricted funds	74,511	139,361	(510,750)	362,187	65,309

#### Movement in funds

	Opening balances £	Incoming resources £	Outgoing resources £	Transfers £	Closing balances £
Unrestricted	267,906	453,420	(118,280)	(362,187)	240,859
Beit Sahour Housing Bethlehem University appeal	20,009	346	-	(20,355)	-
Community support	7,809	2,191	-	-	10,000
Family support	2,295	27,601	(41,345)	15,267	3,818
Martha's House	7,477	44,804	(346,732)	295,942	1,491
School of Joy	-	6,595	(50,112)	43,517	-
	36,921	57,824	(72,561)	27,816	50,000
	<u>342,417</u>	<u>592,781</u>	<u>(629,030)</u>	<u>-</u>	<u>306,168</u>

The balances on restricted funds represent income from donations specifically given and not spent by the year end. These funds include donations received to be distributed over the next two years. The transfers from unrestricted funds represent expenditure met out of general funds not covered by specific donations.

### 21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	-	-	-	740
Current assets	248,908	65,309	314,217	345,974
Creditors less than 1 year	(8,049)	-	(8,049)	(4,297)
<b>Net assets</b>	<u>240,859</u>	<u>65,309</u>	<u>306,168</u>	<u>342,417</u>

### 22. Related parties

No Trustee or other person connected with the Charity had any personal interest in any contract or transaction entered into by the Charity during the year. The Trustees are not aware of any related party transactions requiring disclosure.