



*BibleLands*  
**Annual Report  
and Accounts  
2011**

*we're changing  
our name, not  
our mission*



**EMBRACE**  
the Middle East

# BibleLands Group

Registered company number 03706037 (England and Wales)  
Registered charity number 1076329

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BibleLands seeks to improve the lives of vulnerable and disadvantaged people in the Middle East. We do this in partnership with local Christians, focusing on education, healthcare and community development.

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## A message from the chair of trustees

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### **In a challenging economic climate for charities, the trustees of BibleLands are very pleased by the progress achieved in 2011:**

- While many UK charities experienced significant declines in donation income during the year, BibleLands was able to show a modest increase over the previous year, so arresting the decline experienced since 2007.
- The Charity was also able to reverse the decline in individual donor numbers, with a net increase of 563 over 2010, compared to a net fall in the previous year of 1,096 donors.
- Legacy income remains unpredictable and was less than that received in 2010. However, we were able to increase our grant allocations in 2011, thanks to the surplus achieved on the sale of our former premises in Hazlemere.
- Direct charitable expenditure in 2011, on grants to partners and support of the Helen Keller Centre, totalled £2.2m, a 16.7 per cent increase on the previous year.
- The Charity undertook a radical review of its operations, with trustees agreeing a 4-year (2012-15) strategic plan entitled 'Fit for Fifteen', with the aim of reversing the long-term decline in income and supporter numbers and establishing the Charity's reputation as a 'best in breed' mid-sized Christian development charity.
- A process to review our branding was also agreed by trustees, and this concluded with a unanimous decision by trustees to change the name of the Charity to 'Embrace the Middle East' with effect from August 2012.

Please look at the succeeding pages to find more details of the year 2011 and our plans for 2012.

We are grateful for the generosity of our supporters and the faithfulness of our partners in the Middle East.

#### **Hugh Bradley**

Chair of trustees

The trustees of BibleLands, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

## The charity in numbers

### FIVE YEAR SUMMARY

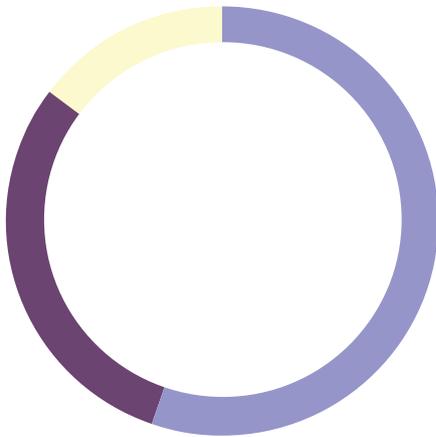
Year ending 31 December <sup>1</sup>	2007 £'000s	2008 £'000s	2009 £'000s	2010 £'000s	2011 £'000s
Donations	2,322	2,103	2,181	1,869	1,948
Legacies	575	554	1,036	783	510
Investment income	170	172	115	124	124
Local HKC income	59	188	220	497	315
Other	29	80	17	2	3
<b>Total</b>	<b>3,155</b>	<b>3,097</b>	<b>3,569</b>	<b>3,275</b>	<b>2,900</b>
Grants	1,708	1,453	1,981	1,632	1,660
Helen Keller support	477	619	821	770	878
Helen Keller less local income	418	431	601	272	563
UK staff costs	466	509	531	525	538
Other costs	458	437	448	363	489
<b>Total resources expended</b>	<b>3,109</b>	<b>3,018</b>	<b>3,781</b>	<b>3,290</b>	<b>3,565</b>
Net surplus/(deficit)	46	79	(212)	(15)	(665)
<b>Assets as at 31 December</b>	<b>2007 £'000s</b>	<b>2008 £'000s</b>	<b>2009 £'000s</b>	<b>2010 £'000s</b>	<b>2011 £'000s</b>
Investments	3,118	2,374	2,636	2,752	2,633
Cash at bank and in hand	883	1,329	1,047	1,595	936
Other net assets	110	18	34	947	901
<b>Total funds</b>	<b>4,110</b>	<b>3,720</b>	<b>3,717</b>	<b>5,294</b>	<b>4,470</b>

#### Notes

<sup>1</sup> Actual results to April 2007. April 2008 and December 2008 restated to a December year-end – management estimates

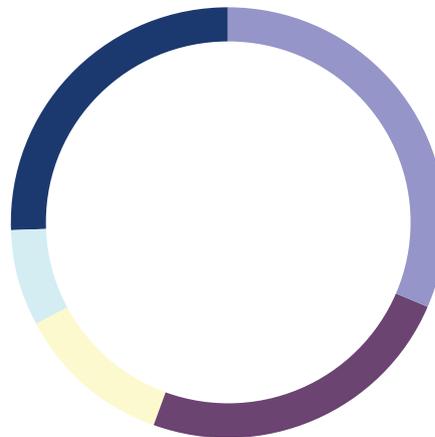
## DIRECT CHARITABLE EXPENDITURE BY REGION AND TYPE IN 2011

2011 Expenditure by region



Israel & Palestine	£1,230k
Lebanon	£670k
Egypt	£323k
<b>TOTAL</b>	<b>£2,223k</b>

2011 Expenditure by type



Education and training	£702k
Special needs/disability	£534k
Community development	£261k
Healthcare	£163k
Helen Keller Centre	£563k
<b>TOTAL</b>	<b>£2,223k</b>

## Financial review

All comparisons to the previous year are based on the annualised numbers in the table on page 2. Figures are expressed in k (thousands) since this is how the accounts are presented.

In summary, 2011 was a year of financial consolidation for the Charity. We were successful in stemming the loss of individual supporters and stabilising income. The 4-year strategic plan agreed by trustees has put in place the foundations for future growth, and a key element of this is the planned re-branding and relaunching of the Charity in 2012.

### INCOME AND EXPENDITURE

Overall income for the year was £375k less than in 2010, primarily due to reduced legacy income (down £273k) and a reduction in funds received by the Helen Keller Centre from the Israeli Ministry of Education of £126k. However, as noted in the fundraising report below, donations in the UK increased by £79k. In a year when charities generally were experiencing great difficulties in maintaining their voluntary income, this was a pleasing result.

Total expenditure increased by £275k in the year, including a small increase in grant expenditure of £27k. The cost of the branding review which is detailed in the 'how we performed' section below was £61k. £109k of the increase occurred at Helen Keller Centre. Employment costs there increased by £37k. These costs are mandated by the Israeli Ministry of Education due to the integration of Helen Keller into the Israeli education system, and are largely out of UK management's control. There was an increase in the costs of publications of £41k, from £156k to £197k. These additional costs were incurred as part of the Charity's efforts to stabilise income and supporter numbers. The remaining cost increases of £37k were due to general cost increases.

### BALANCE SHEET

Total charitable funds fell from £5,294k at the beginning of the year to £4,470k at the end, a decline of £824k, the main factor being a fall in cash reserves of £659k. This fall was due in part to the lower than expected legacy income, whilst investments also fell (by £119k), reflecting the fall in market values over the year. The reduction in cash was anticipated in last year's report as trustees used surplus funds from the sale of our former office in Hazlemere and the purchase of new freehold premises in Amersham to finance the brand review and make additional discretionary grants.

### TRADING

Bible Lands Trading Limited, the Charity's trading subsidiary, made a loss of £28k on a turnover of £335k which was a decrease of 8.8 per cent on the turnover for 2010. The reduction in turnover was expected, due to the situation in the national economy and is in line with the experience of the retail trade generally.

Administrative expenses for trading were £129k, £34k higher than in 2010, an increase of 35 per cent. This was due to employment and sub-contracting expenses totalling £72k, an increase of 42 per cent on the previous year, and the cost of marketing, including the catalogue, of £41k, an increase of 35 per cent on the previous year. These increases were as a result of the decision taken in 2010 to appoint a more experienced trading manager to develop the business. Since this appointment could not be made until June 2011, the company was obliged to bring in an external consultant to assist with the production of our 2011 catalogue in the first half of the year, and this led to an increase in costs.

Significantly, although the company's turnover was down, sales of alternative gifts and donations received for the Charity totalled £90k, which was an increase over 2010 of 11 per cent. Even with the operating loss, there was a positive contribution to the Charity of £62k and the trading company also continues to be a source of potential new donors to the Charity.

### UK PROPERTY

The Charity moved into its new offices in Amersham in December 2010. During the year the advantages of a fit-for-purpose building have been very evident. Strenuous efforts have been made to find tenants for the ground floor (the Charity occupies the first floor and has a small store for trading company products on the ground floor). Due to a subdued market for office space this has taken longer to achieve than expected. However, the first ground floor tenants took occupation in January 2012 and by April 2012 all available space will have been let. Rental income in the region of £36k per annum will result.

### RESERVES AND INVESTMENT POLICY

Trustees reviewed their reserves policy in January 2012. To reflect the fact that those reserves arising from the fixed assets of the Charity (being the building and equipment used) are not truly free reserves (as they would only be available to use if

the fixed assets were sold), and the fact that a portion of the group reserves reflect the net assets of the Helen Keller School and are therefore also unavailable to the Charity, trustees have agreed that reserves should be designated to the value of the fixed assets and Jerusalem-based assets in order to give a fairer reflection of the total of reserves that are free for use in the day-to-day operations of the Charity. These designations are shown on the face of the balance sheet.

Trustees are of the opinion that, to ensure the continuity of our wholly owned operations at the Helen Keller Centre in Jerusalem and the continuity in the short-term of grants to other overseas projects which we have supported for many years, free liquid reserves (defined as cash and investments less restricted or designated funds) should fall within a range of between 12 and 18 months of core grant expenditure (including support for the Helen Keller Centre) together with approximately six months of UK administrative expenses, all figures being as shown in the current audited annual accounts. If the level of free liquid reserves falls below the minimum threshold or rises above the maximum threshold, then trustees will give priority to increasing or decreasing the level of free reserves as appropriate.

As at 31 December 2011 general unrestricted reserves were £2,968k (2010: £3,725k), within the range set under the reserves policy, the minimum being £2,132k (2010: £2,203k) and the maximum £2,937k (2010: £3,080k). The fall in reserves was as a result of the trustees taking action to meet the policy objectives, as also noted in the section on the balance sheet, above.

## FUNDRAISING

We set ourselves some challenging goals for 2011, including the reversal of the gradual decline in supporter numbers experienced in recent years and the delivery of donation income in excess of the 2010 figure. Despite the continuing unstable economic climate we were successful in these goals, and we are extremely grateful to the 13,579 individuals and 1,116 churches, trusts and other organisations who gave us a donation during the year.

The Arab Spring in the first quarter of the year focused media attention on Egypt with the result that our Lent appeal for partners working with refugees in the region exceeded our expectations, raising £74k. In total the three 2011 appeals raised £207k. Three editions of *The Star in the East*,

reporting back on the impact of our partners' work, were mailed to 20,000 addresses, raising in total £94k. Given that *The Star in the East* is primarily an information publication, rather than a fund-raising tool, we have included the cost of its production in our charitable activities rather than the cost of generating voluntary funds, a change from 2010.

The donor acquisition programme which started in the fourth quarter of 2010 bore fruit in 2011 as evidenced by the net increase in individual donors of 563 as against the 2010 net loss of 1,096. We continued to promote our health, education and community development funds with increasing success and these more flexible, semi-restricted, funds have enabled us to offer grants to a greater number of partners.

During the year we commenced a project to review and update our website and in the fourth quarter we appointed a web development company to help us improve the way in which we interact with existing and new supporters online. The new website, due to launch in the third quarter of 2012, is being designed to be more dynamic and therefore more attractive to potential supporters as well as easier to navigate.

There were a number of opportunities for supporters to meet our partners during the year. Our second Annual Lecture, organised by the Friends of BibleLands, was a chance to hear Dr Bernard Sabella, Executive Secretary of the Department of Service to Palestinian Refugees for the Middle East Council of Churches. In October 2011 we held annual meetings and services of thanksgiving in London and Glasgow; supporters were able to hear about the work of the Princess Basma Centre in Jerusalem from the Deputy Principal, Mrs Maha Yasmineh.

Our pilgrimage programme was affected by the Arab Spring. Pilgrims were worried by the instability of the region and we were unable to recruit sufficient numbers to make the two planned visits viable, leading to the cancellation of both. We did however organise two successful educational trips to Israel and Palestine, enabling key church individuals to learn more about the situation on the ground in Israel and the occupied Palestinian territory, with particular reference to the Christian community.

## What we do and how we operate

### LEGAL BASIS

BibleLands is a registered charity (no 1076329) and a company limited by guarantee and not having share capital (no 03706037). The Company is governed by a Memorandum and Articles of Association dated 2 February 1999 and amended by special resolutions on 5 December 2006 and 18 October 2011.

### OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The work of BibleLands began in 1854 through what was then known as the Turkish Missions' Aid Society. On 18 October 2011 trustees approved new Articles of Association for the Charity, based on the Charity Commission's model articles. These Articles included a slightly revised set of objectives for the Charity as follows:

*Inspired by the compassionate ministry of Christ, to work with and support local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development.*

These charitable objectives reflected the refreshed vision and mission for the Charity agreed by trustees in the course of 2010:

Vision (what we seek to achieve): *BibleLands seeks to improve the lives of vulnerable and disadvantaged people in the Middle East*

Mission (how we are doing it): *We do this in partnership with local Christians, focusing on education, healthcare and community development.*

Despite the slight change in our charitable objectives, there was no change in the activities which the Charity undertakes to pursue these objectives. Our purpose is to raise funds from donors, primarily in the UK, and to use these funds to:

- Provide grants to autonomous Christian-led organisations involved in education, healthcare and community development in Israel, Palestine, Lebanon and Egypt.
- Provide financial and other support to the Helen Keller Centre for the Visually Impaired in East Jerusalem, which is a branch of the Charity.

Trustees confirm that in setting and pursuing these objectives, they have had regard to the Charity Commission's general guidance on public benefit. The Charity implements or funds programmes which give relief to persons who, without those programmes, would not receive the help they

require. While the Charity works exclusively through Christian-led agencies in the Middle East, no ultimate beneficiaries are excluded from help on the grounds of race or religion.

### GOVERNANCE

The governing body of the company is the board of trustees, known as the Council, whose members are also directors of the company. The trustees who served during the year and up to the date of this report are listed under 'Who we are' on page 16. The Council met four times during the year – in March, July, September and December. In addition, the Council delegated some of its responsibilities to three UK committees which met as follows:

- Finance & Audit (formerly Finance and Administration) – three times, in January, May and November
- Governance – a new committee which met for the first time in May
- Partnerships (formerly Overseas Operations) – three times, in January, May and October

A further committee of the Council is the Helen Keller Centre Jerusalem Board, which has a majority of local members from Israel and Palestine and which takes day-to-day management responsibility for the activities of the Helen Keller Centre for the Visually Impaired in East Jerusalem, a wholly-owned division of the Charity. The Chair of the Council, or his or her representative, sits as an ex-officio member of the Jerusalem Board and this role is currently held by Rev Brian Jolly, Vice Chair of the Council. The Chief Executive of BibleLands also sits as an ex-officio member of the Jerusalem Board. The Jerusalem Board met three times during 2011, in February, June and November.

We reported in last year's annual report that two trustees, Dr Hugh Boulter and Rev Michael Cleaves, stepped down from the Council in March 2011 having completed 15 years or more on the Council, this being the new limit on trustee length of service agreed by the Council in 2010 and enshrined in the revised Articles of Association approved by trustees in October 2011. Dr Boulter remains involved in the Charity through his current chairmanship of the Friends of BibleLands. A third trustee, Keren Lewis, resigned from the Council in January 2012. Trustees express their gratitude to Keren for her valued input.

Trustees are recruited through an open and transparent process, including by public advertisement on charity job websites and the Charity's own website, and are selected with the aim of ensuring that we have the professional skills

and experience needed for BibleLands to operate effectively. We also strive for a diverse and gender-balanced board, including trustees from different denominations. Trustees are elected for a three year term that may be renewed for further periods up to a maximum of fifteen years. Following the changes to the Articles of Association approved by trustees in October 2011, all trustees are required to be practising Christians (this formalises what was in effect the practice previously), and the maximum number of trustees has been set at twelve, with provision for an additional two co-opted trustees if this is needed to fill particular skills gaps.

In February 2012 we were pleased to welcome two new trustees to the board, both being Christians of Middle Eastern origin. Mariam Tadros, a Coptic Christian of Egyptian origin, works for the Christian development charity Tearfund, and Tanas Alqassis, a Palestinian Christian from Beit Sahour, works for the Church Mission Society.

Some trustees lead pilgrimages to the territories in which we operate, and the travel and accommodation costs of this are not normally borne by the Charity. Additionally, trustees occasionally visit the territories in which we work in order better to exercise their strategic function. In the course of 2011 there were no trustee visits overseas, apart from three visits by Rev Brian Jolly to attend meetings of the Jerusalem Board. Trustees have agreed that they will each focus on a particular country or territory, and that the Charity will only normally meet travel and subsistence costs in relation to travel (for induction or familiarisation purposes) to the relevant country or territory. The cost to the Charity of trustee overseas travel in 2011 was £2k (2009: £9k).

## MANAGEMENT & ORGANISATIONAL STRUCTURE

Trustees, working through the Council and its committees, are the ultimate decision-makers for BibleLands. They entrust day-to-day management of the Charity to a senior management team which operates within the frameworks set by the trustees. Led by a Chief Executive Officer, the senior management team includes the Head of Communications & Fundraising and the Principal of the Helen Keller Centre for the Visually Impaired in East Jerusalem. Senior management team members based in the UK and other senior staff members attend Council meetings but do not vote.

There are currently five UK-based teams within BibleLands:

- The Chief Executive's office (headed by the CEO, Jeremy Moodey, who is also Company Secretary),

which provides overall strategic leadership and day-to-day management of the Charity. Jeremy also takes senior management responsibility for finance and partnerships, as well as line management of the Principal of the Helen Keller Centre for Visually Impaired Children in East Jerusalem.

- The Communications & Fundraising team (headed by Tricia Pruden, who is also Deputy Chief Executive), which takes responsibility for all matters relating to communications and fundraising, including appeals, publications, the Charity's website and the Charity's trading operations, effected through Bible Lands Trading Limited, a wholly-owned subsidiary of the Charity.
- The Finance team (headed day-to-day by Andrew Green), which is responsible for managing the income and expenditure of the Charity, and also financial systems.
- The Partnerships team (headed day-to-day by Morag Gillies), which is responsible for managing the Charity's grants programme and overseas partnerships.
- The IT and Systems team (headed by Peter Jones), which is responsible for IT systems.

## RISK MANAGEMENT

Over the last two years the Council and management have increased their focus on risk analysis. All significant activities undertaken are subject to a risk review by management. Major risks are identified and recorded in a detailed risk register which prioritises the risks in terms of potential impact and likelihood of occurrence, and then details how to manage them, using the 4 Ts approach (Treat, Tolerate, Transfer or Terminate). The risk register is reviewed by trustees at each meeting of the full Council and of the Finance and Audit Committee.

The major risks are assessed as those most impacting on our fundraising capabilities and financial position:

- Fundraising risk caused by increased 'competition' from other charities and/or disaster appeals, and by continued problems in the global economy.
- Long-term attrition of our supporter base, particularly given its age profile.
- Volatility of income, given the relatively high proportion of income arising from legacies, which are not easy to predict.

## How we performed against our 2011 objectives

Our last annual report set out the detailed objectives set by trustees in 2011 for the Chief Executive and the senior management team. A summary of our progress in meeting the agreed objectives is set out below:

Objective	Commentary
<b>1. Clarify and agree a strategic direction of the Charity by the end 2011.</b>	<b>Achieved.</b> Having agreed a revised vision and mission for the Charity in 2010, trustees then approved a four-year (2012-15) strategic plan for the Charity, entitled 'Fit for Fifteen', in September 2011. The strategic plan envisages a major overhaul of the Charity and its operations, with the twin aims of reversing the long-term decline in income and supporter numbers, and establishing the Charity's reputation as a 'best-in-breed' mid-sized Christian development charity.
<b>2. Clarify and agree branding strategy by the end of 2011.</b>	<b>Achieved.</b> External branding consultants were appointed in July 2011, the cost of whom will be covered by the surplus free reserves generated by the sale of our previous office in Hazlemere in 2010. A re-branding strategy was proposed by management and the consultants and agreed unanimously by trustees in March 2012. The Charity will change its name to Embrace the Middle East in August 2012.
<b>3. Stabilise the income of the Charity.</b>	<b>Partially achieved.</b> Donation income excluding legacies increased slightly over 2010, by 4.1%. This was a good result in a year when many other charities saw significant falls in income. Underpinning this rise was a 4.7% increase in individual supporter numbers, the first such rise in several years. Legacy income, down 35% on the 2010 level, remained volatile and unpredictable, although the appointment of a dedicated (part-time) legacy marketing officer in December 2010 was a first step to addressing this.
<b>4. Bring human resources practices within the Charity up to 'best in class' for a mid-sized charity.</b>	<b>Achieved.</b> In 2011 we introduced a new performance management system and pay grading structure, supported by external training. This will enable us to introduce proficiency-based salary increments (performance pay) from April 2012. We also appointed new employment law advisers (NatWest Mentor) and revised staff contracts and the employee handbook to bring these into line with best practice.
<b>5. Refresh the Charity's trading operation, to improve trading income and support the wider Charity objectives.</b>	<b>Partially achieved.</b> We upgraded the post of Trading Manager and appointed an experienced individual to this role in June 2011. This was too late to have a significant impact on the 2011 trading season, and the need to bring in interim help from outside the Charity increased the costs, leading to a £28k net loss for the year, although the overall financial contribution of trading to the Charity, including donations and alternative gifts, was positive at £62k.
<b>6. Maximise stewardship of Charity assets, especially the new office in Amersham and the investment portfolio.</b>	<b>Partially achieved.</b> The Charity's move to new freehold premises in Amersham at the end of 2010 was highly successful, with all staff responding positively to the move. By the end of 2011 tenants had been identified for most of the vacant space on the ground floor of the new building, and it is expected that this will yield an annual net rental of £36k. The Charity's investment portfolio, managed by Investec, fell by 1.4%, slightly underperforming the agreed benchmark figure of +0.9%, largely because of the Charity's underweight position in long-dated gilts and our ethical investment policy, which excluded some high performing equity sectors such as tobacco and alcoholic beverages.
<b>7. Ensure full compliance of the Charity and trading with all necessary legislation and best business practice.</b>	<b>Partially Achieved.</b> The Charity continues to comply with all charity, corporate and trading regulations. However, in some areas such as data protection, payments and business recovery, we were not able to bring our policies and procedures up to best practice because of other priorities during the year.

## Our 2011 charitable activities in detail

In support of our vision and mission, our core activities are:

- The provision of grants to autonomous Christian-led projects in the Middle East.
- The provision of financial support to our wholly-owned division based in East Jerusalem, the Helen Keller Centre for Visually Impaired Children.

### STRATEGIC PLAN – ‘FIT FOR FIFTEEN’

In September 2011 trustees approved a four-year (2012-15) plan for the Charity presented by the Chief Executive. Entitled ‘Fit for Fifteen’, the plan envisaged a major overhaul of the Charity and its operations, with the twin aims of reversing the long-term decline in income and supporter numbers, and establishing the Charity’s reputation by 2015 as a ‘best-in-breed’ mid-sized Christian development charity. The plan covered the Charity’s charitable activities and communications and fundraising strategy, as well its ownership and management of the Helen Keller Centre in Jerusalem.

With regard to the charitable activities of BibleLands, the plan envisaged a refocusing on four ‘pillars’ as follows:

- A reformed partnerships strategy, based on clear grant-making criteria and country needs assessments, geared to clear development objectives and aimed at building up the capacity of our partners and weaning them off long-term dependency on our grants.
- A new bursary scheme, replacing our child sponsorship scheme, which targets funds on the most vulnerable and disadvantaged children and which covers a wider range of Christian schools than those we currently support.
- A new overseas volunteer programme which enables individuals from the UK to go on short- and medium-term attachments to assist Christian social projects in the Middle East.
- A Helen Keller Centre which has a clear sense of strategic direction, geared primarily to its relationship with the Israeli Ministry of Education but with a renewed sense of ministry to visually-impaired children in the West Bank, and with financial and legal building blocks being put in place (including reduced dependency on financial support from the UK) for the school’s ultimate independence from BibleLands by or shortly after 2015.

With regard to communications and fundraising strategy, the strategic plan took as its central premise that our target market would continue to be church-goers of all denominations in the UK. The plan identified an urgent need to diversify our communication channels to reach out to newer and younger audiences, and to offer greater supporter interactivity. The plan envisaged the development of existing communication channels and the establishment of some new ones:

- Our existing marketing channels of ad hoc appeals and committed giving schemes would continue.
- We would change the way our regional representatives work, moving the focus away from church ‘deputations’ to volunteer management and the promotion of the Charity at events such as Greenbelt and New Wine. To support this we would develop a coherent events strategy.
- We would seek to exploit better our connection with Christmas, through the much-loved Bethlehem Carol Sheets and other Christmas initiatives.
- We would develop our presence in new media, overhauling our website (a project due to complete in 2012) and establishing a foothold in social media platforms such as Facebook and Twitter.
- We would invest in our charity trading operation (which is effected through a wholly-owned subsidiary, Bible Lands Trading Limited) by appointing a full-time Trading Manager and moving away from seeing trading as a profit centre, tasked only with making a positive net contribution to the Charity through profits, alternative gifts and trading donations, to seeing it as a ‘shop window’ for the Charity and a means of acquiring new donors.
- We would develop a better strategy to recruit, train and retain volunteers who might represent the Charity at Christian events and in their own churches, and building networks within their own denominations.
- We would develop a coherent legacy marketing strategy, building on the appointment of a dedicated legacy marketing officer in December 2010.

## Our 2011 charitable activities in detail continued

### STRATEGIC PLAN – 'FIT FOR FIFTEEN' CONTINUED

Central to the above communications and fundraising strategy would be an overhaul of the Charity's branding. External brand consultants were hired in July 2011 and after undertaking research among supporters and other stakeholders they concluded that the existing brand was a major obstacle to the recruitment of new supporters, not least because many of them assumed we were a proselytising charity, or that we distributed Bibles. Accordingly, in September 2011 trustees commissioned the consultants to look at possible alternative names for the Charity, and to conduct further research on these with existing and potential new supporters. This led to a unanimous decision by trustees in March 2012 to change the name of the Charity to Embrace the Middle East with effect from August 2012.

The strategic plan also included a separate four-year plan for the Helen Keller Centre for the Visually Impaired in East Jerusalem. This is described in more detail under Helen Keller below.

### GRANT-MAKING CRITERIA

Our grant-making criteria, which are published on the Charity's website, were revised in the course of 2011, following a public consultation with partners, supporters and other stakeholders. The consultation, launched in April 2011, set out the following proposed changes to our grant-making strategy:

- The refocusing of our ministry to ensure that we targeted our help on the most vulnerable and disadvantaged in the Middle East, irrespective of their faith background. We proposed in particular to focus over the next few years on disability, healthcare, vulnerable and disadvantaged children and young adults and those suffering from the effects of conflict.
- Our clearer commitment to supporting the ministry of "local" Christians, which would exclude support for the ministry of Christians who were not indigenous to or naturalised in their country of operation.
- Our more systematic and strategic approach to grant-making, based on objective country needs assessments, clear accountability through partnership agreements and a reduced emphasis on grants towards our partners' operating expenses. We suggested a new focus on project grants for one-off projects which built up the local capability of our partners, including project development, income generation and the promotion of best practice.
- Our plans to change significantly our approach to supporting mainstream (non-special needs) education in the Middle East, based on the above changes but also replacing our long-standing child sponsorship scheme with a bursary scheme which could better target the most vulnerable and disadvantaged children. We would also apply financial caps to our support of individual educational institutions.

Following this consultation, we confirmed our continued commitment to working exclusively in "the lands of the Bible", concentrating on the following countries:

- Israel and Palestine (West Bank, including East Jerusalem, and Gaza)
- Egypt
- Lebanon

With regards to the definition of "local Christians", we made clear that although we encouraged work which benefited all members of the community, whatever their faith, our calling was only to support projects which, in their implementation, were clearly Christian-led and inspired, and which were seen, by their nature and presentation, to reinforce the local Christian presence.

Our published grant criteria therefore state that we require evidence from prospective partners:

- That the organisation/project has Christian leadership, whether at board or executive level.
- That the organisation/project demonstrates its Christian inspiration, for example through an appropriately worded statement of faith or mission statement, or through an organic link with a local indigenous church or membership of an appropriate ecumenical body.

We also require all our partners to enter into a partnership agreement which will clearly state our common Christian mission as the basis for the work we are doing in partnership. As an inter-denominational organisation, we do not show preference between any of the mainstream Christian denominations or groups.

We state that the work must be implemented directly by the partner organisation which receives the funds and which is accountable to us. There should be no discrimination by projects in respect of the recipients/beneficiaries of their work on religious, ethnic or other grounds except where specified by the nature of the project.

## OUR GRANT ACTIVITIES IN 2011 – ISRAEL AND PALESTINE

In the course of 2011 we disbursed grants totalling £667,561 to partners working in Israel and Palestine, in addition to support for the Helen Keller Centre in Jerusalem. Details of these grants are below:

Partner	Project, category & beneficiaries	Amount £
<b>Nazareth School of Nursing</b>	Education and training – school for 200 students	151,884
<b>Arab Evangelical School, Hebron</b>	Education and training – school for 350 students aged between 4 and 12 years; total includes £6,650 for equipment at the deaf unit	68,134
<b>Talitha Kumi, Beit Jala</b>	Education and training – school for 900 students	59,664
<b>Bethany Girls' School</b>	Education and training – school for 350 pupils aged between 4 and 15 years	52,248
<b>Four Homes of Mercy, Bethany</b>	Special needs/disability – home providing care for 90 residents with physical and/or mental disabilities; total includes £24,000 to pay the salary of the new director for one year	44,076
<b>Rawdat El Zuhur School, Jerusalem</b>	Education and training – primary school for 250 children aged between 4 and 12 years	43,231
<b>Hope School, Beit Jala</b>	Education and training – secondary school for 130 pupils; total includes £15,000 towards the chicken farm	37,540
<b>Bethlehem Arab Society for Rehabilitation</b>	Healthcare – out-patient and rehabilitation departments serving over 40,000 people each year	35,000
<b>St Luke's Hospital, Nablus</b>	Healthcare – 3,500 hospital admissions each year	27,920
<b>Spafford Children's Centre, Jerusalem</b>	Healthcare – 4,000 patients seen and 4,000 vaccinations administered yearly	24,500
<b>Princess Basma Centre</b>	Special needs/disability – a referral centre for the rehabilitation of children with disabilities with over 200 new in-patient children and 400 cases in the orthopaedic workshop each year	22,500
<b>Musalaha Ministry of Reconciliation</b>	Community Development – Jerusalem-based reconciliation project working with 100 Palestinian and Israeli women	20,000
<b>SIRA School, Bethlehem</b>	Special needs/disability – Swedish-run school for 70 pupils with special needs	18,750
<b>Al Ahli Arab Hospital, Gaza</b>	Healthcare – hospital seeing 40,000 out-patients and 4,500 in-patients per year	15,825
<b>Children's Relief Bethlehem (Caritas Baby Hospital)</b>	Healthcare – open-care baby unit at a hospital which cares for over 30,000 babies each year	14,200
<b>St John Eye Hospital, Jerusalem</b>	Healthcare – treated 107,000 patients in 2011 in Jerusalem, the West Bank and Gaza	10,820
<b>Jerusalem Arc</b>	Community Development – bringing together Palestinian Christian children from Jerusalem and across the West Bank	10,064
<b>Annahda Centre, Ramallah</b>	Special needs/disability – various activities serving over 25 children and parents	9,890
<b>Various</b>	Special needs/disability	1,315
<b>Total</b>		<b>667,561</b>

## Our 2011 charitable activities in detail continued

### OUR GRANT ACTIVITIES IN 2011 – LEBANON

In the course of 2011, we disbursed grants totalling £670,204 to partners working in Lebanon. Details of these grants are below:

Partner	Project, category & beneficiaries	Amount £
Al Kafaàt Foundation	Special needs/disability – projects reaching over 1,000 children with disabilities and 120 old people	365,865
J L Schneller School	Education and training – school for 350 students	61,846
Habitat for Humanity Lebanon	Community Development – a housing project in the Bekaa valley benefitting 40 families	49,717
LSESD (Lebanese Society for Educational & Social Development)	Education and training – two minibuses bought to assist in the transportation of children	32,000
Beit El Nour	Education and training – rehabilitation work with over 450 vulnerable young people	24,000
Armenian Evangelical School, Anjar	Education and training – school for 500 students aged between 3 and 17	21,800
Armenian Evangelical School, Beirut	Education and training – school for students aged between 2 and 18 years	21,273
Cedar Home Orphanage	Education and training – care for 20 at-risk girls and young women aged between 3 and 25 years	17,546
Birds Nest Orphanage, Byblos	Education and training – caring for 35 underprivileged children aged between 3 and 15 years	16,037
Evangelical Swiss School, Mejdalanjar	Education and training – school for 130 elementary and intermediate level pupils	13,500
Armenian Evangelical Torossian School	Education and training – school for 270 children from pre-school to grade 9	11,410
Armenian Evangelical Guertmenian School	Education and training – school for 110 children aged between 3 and 16 years	11,299
Armenian Evangelical Central High School	Education and training – schooling for 250 children aged between 3 and 18 years	6,608
Joint Christian Committee for Social Service (part of DSPR)	Community development – grants for toys (£3,000) and books (£2,000) for the children at the JCC centres in the Dbayeh and Sabra refugee camps	5,000
Zvartnotz	Special needs/disability – care for people with physical or learning disabilities aged between 6 and 22 years	4,106
BLESSED	Special needs/disability – grants for screen-reading computer software (£1,700) and books (£2,000) at this school for children with visual impairment or mental disability	3,700
Armenian Evangelical College	Education and training – school for children aged between 4 and 18 years	2,422
Various	Special needs/disability	2,075
<b>Total</b>		<b>670,204</b>

## OUR GRANT ACTIVITIES IN 2011 – EGYPT

In the course of 2011, we disbursed grants totalling £322,726 to partners working in Egypt. Details of these grants are below:

Partner	Project, category & beneficiaries	Amount £
<b>Think &amp; Do</b>	Community Development – projects in villages in Upper Egypt including teacher training, pre-schools and women's literacy, numeracy, health awareness and life skills	59,146
<b>Salaam Centre for Medico Social Services</b>	Community Development; Education and training – including work among the 25,000 rubbish pickers; total includes £6,000 emergency grant following revolution	36,090
<b>Refuge Egypt (part of the Diocese of Egypt)</b>	Community Development; Healthcare – including health projects benefitting over 4,000 refugees; total includes £6,000 emergency grant following revolution	29,460
<b>DUET (Development of Upper Egypt Trust)</b>	Community Development – integrated development work with villagers in Upper Egypt	27,023
<b>Episcopcare (part of the Diocese of Egypt)</b>	Community Development – projects in and around Cairo including healthcare, a kindergarten and work among the poor; total includes £6,000 emergency grant following revolution	26,196
<b>SAT-7</b>	Education – a 13-part talk show about health and nutrition, broadcast across the Arab world	25,000
<b>St Andrew's Refugee Services, Cairo</b>	Education and training – work among refugees, including feeding 220 refugee school children	22,140
<b>Harpur Memorial Hospital, Menouf (part of the Diocese of Egypt)</b>	Healthcare – treating 50,000 out-patients annually	18,348
<b>Shams El Birr Centre, Cairo</b>	Special needs/disability – rehabilitation and vocational training for 100 children and young people.	16,090
<b>Jesuit Centre</b>	Special needs/disability – vocational training for 30 disabled young people	14,850
<b>Dorcas Aid</b>	Special needs/disability – work with people with learning disabilities in Cairo and Upper Egypt	12,986
<b>El Saray Church, Alexandria</b>	Healthcare; Special needs/disability – including the Fairhaven School, serving 200 children with learning disabilities	12,000
<b>Deaf Unit, Cairo (part of the Diocese of Egypt)</b>	Special needs/disability – services benefitting 600 deaf people	11,397
<b>BLESS (Coptic Orthodox Church Bishopric of Public, Ecumenical and Social Services)</b>	Community Development – emergency grant following the revolution, used for food parcels/rent payments/short-term loans/etc	6,000
<b>CEOSS (Coptic Evangelical Organisation for Social Services)</b>	Community Development – emergency grant following the revolution, used for food parcels/rent payments/short-term loans/etc	6,000
<b>Total</b>		<b>322,726</b>

## Our 2011 charitable activities in detail continued

### HELEN KELLER CENTRE FOR VISUALLY IMPAIRED CHILDREN

The Helen Keller Centre, which is wholly owned by BibleLands, is a co-educational (mixed) school for children with visual impairment located in the Beit Hanina district of East Jerusalem. In 2011 the cost of running the school was £878k, of which £668k accounted for the employment costs (salaries and related benefits) of 36 staff. The school is registered as a special needs school with the Israeli Ministry of Education and consequently received Israeli grants totalling £273k during the year. Israeli financial support is provided under the provisions of the 1988 Special Education Law which guarantees the provision of special education for disabled children and young people up to the age of 21 years. There is no equivalent provision for visually-impaired children in the Palestinian territory.

The school is a centre of excellence for the rehabilitation of children and young people with visual impairment. It particularly focuses on preparing children for integration into mainstream secondary schools. The Principal of the school, Mrs Suad Younan, reports directly to the Chief Executive of BibleLands in the UK. In the academic year 2011/12 some 66 children (34 boys and 32 girls) aged from 3 to 12 years and from a wide range of socio-economic backgrounds were enrolled at the school. Most of the pupils are from Muslim families, with 52 of the pupils having homes in East Jerusalem or Israel and 14 coming from the West Bank. A fifth of the children are totally blind, while the remainder have low vision, often with additional disabilities such as learning difficulties or attention deficit disorder. The school continues to attract children from the West Bank despite the closure of the school's small residential section in June 2011.

The Chief Executive of BibleLands and the Principal of the Helen Keller Centre, working with external consultants, undertook a major strategic review of the school in 2011. This led to the development of a four-year strategic plan, which was approved by the trustees of BibleLands in September 2011 and by the Jerusalem Board in November 2011.

The strategy envisaged a school which, in co-operation with and part-funded by the Israeli Ministry of Education, would continue to focus on providing services to visually impaired students aged 3-21 years who have additional minor impairments (on condition that the visual impairment is the main handicap), built around five elements:

- A core pre-school section that begins the process of rehabilitation and integration for children with visual impairment or with visual impairment and other moderate disabilities.
- An academic section providing children, primarily aged 6-11 years, with a holistic education preparing them for integration into mainstream schools, ideally from Grade 7.
- An extended school day on certain days of the week to facilitate the wider psycho-social development of students through a range of extra-curricular activities and clubs.
- The provision of a pre-vocational rehabilitation programme to students as an integrated part of academic studies, equipping them with the tools for the work environment in later life.
- To the extent that funding allows, a commitment to peripatetic services to West Bank children, working in collaboration with the Palestinian National Authority and other NGOs.

Much of this strategy reflected what the Helen Keller Centre does now, as a well-established and highly regarded centre of excellence for the education, rehabilitation and integration of children with visual impairment. Trustees put the strategic plan in the context of a longer-term aim to put the foundations in place for the Helen Keller Centre, with secure governmental and NGO funding, and a close relationship with BibleLands, to achieve full independence from its UK parent. It remains the hope of trustees that this could take place in the next strategic planning period.

## Future plans

The year 2011 turned out to be one of stabilisation for the Charity, following the arrival of a new Chief Executive at the end of 2009 and the envisioning and strategising which took place in 2010. The main goals in 2011 were to establish the Charity at its new Amersham base, stabilise income and agree multi-annual strategies for the Charity and its Helen Keller operations in Jerusalem, including formulating a plan to review the Charity's branding.

With this in mind, trustees set a number of key objectives for the Chief Executive (and through him for the whole Charity) in 2012. These are detailed below, together with the timelines and planned assessment indicators.

Objective	Criteria for success
<b>1. Finalise and start implementing re-branding strategy by end of 2012.</b>	New brand launched successfully by end of 2012.
<b>2. Achieve growth in both voluntary and legacy income.</b>	Individual donors in 2012 growing to at least 14,000; average individual giving of existing supporters stabilised at £100 pa; legacy income to exceed 2011 figure of £510k.
<b>3. Stabilise financial position and management at the Helen Keller Center.</b>	Israeli Ministry or other third party income to be as budgeted, plus a new deputy principal appointed or identified.
<b>4. Continue to revise partnerships strategy in line with 'Fit for Fifteen' plan.</b>	Bursary and overseas volunteer schemes introduced by year-end.
<b>5. Stabilise contribution from the Charity's trading operation and align trading more closely with wider Charity objectives.</b>	Trading to make a positive net contribution to the Charity before donations, alternative gifts and any exceptional costs arising from the planned re-branding.
<b>6. Maximise stewardship of Charity assets, especially the new premises in Amersham and the Charity's investment portfolio.</b>	Ground-floor tenants in place and happy. Investment portfolio outperforming benchmark by year-end.
<b>7. Ensure full compliance of the Charity and trading with all necessary legislation and best business practice.</b>	Trustee approval of compliance and business recovery by the end of the year.

## Who we are

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### TRUSTEES

Tanas Alqassis (*from 2 February 2012*)  
Dr Hugh Boulter MBE (*until 15 March 2011*)  
Rev Daniel Burton  
Hugh Bradley (*Chair of Trustees*)  
Rev Michael Cleaves (*until 15 March 2011*)  
Rev Brian Jolly (*Vice Chair of Trustees, trustee representative on the Jerusalem Board*)  
Victoria Smith (*Treasurer and Chair of Finance & Audit Committee*)  
Douglas Callander  
Judy Hackney  
Keren Lewis (*until 2 January 2012*)  
Dr Brian McGucken (*Chair of the Governance Committee*)  
Joanna Robertson (*Chair of the Partnerships Committee*)  
Mariam Tadros (*from 2 February 2012*)  
Lisa Toner  
Dr Cyril Young DL (*until 13 March 2012*)

### PATRONS

Rev David Coffey OBE, former President, Baptist World Alliance  
Rt Rev Dr Michael Langrish, Bishop of Exeter  
Rev Baroness Richardson of Calow OBE, former President of the Methodist Conference

### SENIOR MANAGEMENT TEAM

Jeremy Moodey (*Chief Executive Officer and Company Secretary*)  
Tricia Pruden (*Deputy CEO and Head of Communications and Fundraising*)  
Mrs Suad Younan (*Principal of the Helen Keller Centre for the Visually Impaired*)

### REGISTERED OFFICE

24 London Road West, Amersham, Buckinghamshire HP7 0EZ

### AUDITORS

Wilkins Kennedy LLP, Statutory Auditor, Chartered Accountants, Greytown House,  
221-227 High Street, Orpington, Kent BR6 0NZ

### BANKERS

NatWest Bank plc, 2nd Floor, Rapid House, 40 Oxford Road, High Wycombe HP11 2EE

### SOLICITORS

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES

### INVESTMENT ADVISERS

Investec Wealth and Investment, 2 Gresham Street, London EC2V 7QN

## Statement of trustees' responsibilities

The trustees (who are also the directors of BibleLands for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure of the charitable company for the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 495 and 496 of the Companies Act 2006) of which the Charity's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee/director in order to make himself or herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

### AUDITORS

During the year, in line with the Charity's financial regulations, bids were invited from three firms of auditors (including Seymour Taylor) for providing audit services for the three years to 2014. Wilkins Kennedy LLP, an established firm who have a substantial portfolio of not-for-profit clients, were successful. The trustees thank Seymour Taylor for their many years of service to the Charity.

Approved by the Board of Trustees on 19 June 2012 and signed on its behalf by:

**Hugh Bradley**  
Chair of Trustees

## Report of the independent auditors

For the year ended 31 December 2011

We have audited the group and charity financial statements of BibleLands for the year ended 31 December 2011 which comprise the consolidated Statement of Financial Activities, the consolidated Balance Sheet, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

As explained more fully in the Statement of trustees' responsibilities set out on page 17, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:-

- give a true and fair view of the state of the group and charity's affairs as at 31 December 2011 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Michelle Wilkes** (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP

Statutory Auditor

Chartered Accountants

Greytown House

221-227 High Street

Orpington, Kent

BR6 0NZ

19 June 2012

# Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)

For the year ended 31 December 2011

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2011 £'000	Restated total 2010 £'000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Subscriptions and donations	3	869	1,079	1,948	1,869
Legacies	3	466	44	510	783
Total voluntary income		1,335	1,123	2,458	2,652
<b>Incoming resources from investments</b>					
Investment income	3	117	–	117	117
Interest income	3	7	–	7	7
<b>Incoming resources from trading operations</b>					
Income from trading	2	335	–	335	367
<b>Incoming resources from charitable activities</b>					
Resources generated from Helen Keller	3	–	315	315	497
Other incoming resources	3	2	1	3	2
<b>Total incoming resources</b>		1,796	1,439	3,235	3,642
<b>Resources expended</b>					
Cost of generating voluntary funds	4	634	–	634	637
Costs of trading activities	2	363	–	363	356
Investment management costs		20	–	20	16
<b>Total expenditure incurred in generating resources</b>		1,017	–	1,017	1,009
<b>Funds available for charitable activities</b>		779	1,439	2,218	2,633
<b>Charitable activities</b>					
Information and education about our work	4	105	–	105	–
Grants to partners	3, 4	373	1,287	1,660	1,632
Other direct support to partners	4	189	–	189	148
Helen Keller Centre	3, 4	20	858	878	770
<b>Total costs of charitable activities</b>		687	2,145	2,832	2,550
Governance costs	4	79	–	79	87
<b>Total charitable activity cost</b>		766	2,145	2,911	2,637
<b>Net incoming / (outgoing) resources</b>	5	13	(706)	(693)	(4)
<b>Transfers between funds</b>		(784)	784	–	–
<b>Other recognised gains/losses</b>					
Net (losses) / gains arising from investment assets	9	(139)	–	(139)	259
Impairment of fixed assets		(3)	–	(3)	–
Unrealised foreign exchange		(18)	–	(18)	–
Realised gains on sale of The Old Kiln		–	–	–	1,325
Other realised losses on disposal of assets		–	–	–	(1)
<b>Net movement in funds</b>		(931)	78	(853)	1,579
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		5,227	79	5,306	3,727
<b>TOTAL FUNDS CARRIED FORWARD</b>		4,296	157	4,453	5,306

## Continuing operations

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

## Consolidated Balance Sheet

As at 31 December 2011

	Note	2011 Group £'000	Restated 2010 Group £'000	2011 Charity £'000	Restated 2010 Charity £'000
<b>Fixed assets</b>					
Tangible assets	8	1,034	1,042	1,034	1,042
Investments	9	2,632	2,751	2,633	2,752
<b>Total Fixed assets</b>		<b>3,666</b>	<b>3,793</b>	<b>3,667</b>	<b>3,794</b>
<b>Current Assets</b>					
Stocks		46	54	–	–
Debtors falling due within one year	10	143	286	189	289
Cash at bank and in hand		963	1,633	936	1,595
<b>Total Current Assets</b>		<b>1,152</b>	<b>1,973</b>	<b>1,125</b>	<b>1,884</b>
<b>Creditors</b>					
Amounts falling due within one year	11	(365)	(460)	(322)	(384)
<b>Net current assets</b>		<b>787</b>	<b>1,513</b>	<b>803</b>	<b>1,500</b>
<b>Net assets</b>		<b>4,453</b>	<b>5,306</b>	<b>4,470</b>	<b>5,294</b>
<b>Funds</b>					
Restricted funds	15	157	79	157	79
Designated funds	14	1,345	365	1,345	365
General unrestricted funds		2,966	4,850	2,968	4,850
Non charitable trading funds		(15)	12	–	–
<b>Total funds</b>		<b>4,453</b>	<b>5,306</b>	<b>4,470</b>	<b>5,294</b>

The financial statements were approved by the Board of Trustees on the 19 June 2012 and were signed on its behalf by:

**Hugh Bradley**  
Chair of Trustees

The notes form part of these financial statements

# Consolidated Cash Flow Statement

For the year ended 31 December 2011

## RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011 £'000	Restated 2010 £'000
Net outgoing resources	(693)	(4)
Unrealised foreign exchange losses	(18)	–
Depreciation charges	58	–
Interest received	(7)	(7)
Interest paid	–	–
Dividends received	(117)	(117)
Decrease in stock	8	29
Decrease / (increase) in debtors	143	(240)
(Decrease) / increase in creditors	(95)	65
<b>Net cash outflow from operating activities</b>	<b>(721)</b>	<b>(274)</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	7	7
Interest paid	–	–
Dividends received	117	117
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>124</b>	<b>124</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(54)	(1,021)
Sale of tangible fixed assets	–	1,666
Purchase of fixed asset investments	(441)	(731)
Sale of fixed asset investments	422	874
<b>Net capital (outflow) / inflow for capital expenditure and financial investment</b>	<b>(73)</b>	<b>788</b>
<b>(Decrease) / increase in cash for the period</b>	<b>(670)</b>	<b>638</b>
<b>Movement in net debt in the period</b>		
Cash at bank and in hand as at 1 January	1,633	995
Change in net debt arising from cash flows	(670)	638
<b>Cash at bank and in hand as at 31 December</b>	<b>963</b>	<b>1,633</b>

The notes form part of these financial statements

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value as modified by the revaluation of certain assets pursuant to the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) and the Charities Act 2011.

### Basis of consolidation

The financial statements consolidate the results of the Charity (which includes the results of the Helen Keller Centre) and its wholly owned subsidiary Bible Lands Trading Limited on a line-by-line basis. A separate statement of financial activities and income and expenditure for the Charity are not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and paragraph 397 of the SORP.

### Incoming resources

#### Donations

Donations are brought into the financial statements when the receipts have been deposited into the bank. Gift aid tax reclaimable is recognised in the accounts when a claim has been submitted. Gifts in kind donated are included at the value at the date of the gift.

#### Legacies

The amount shown for legacy income includes accruals where the Charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified.

#### Grants

Grants are recognised when paid out of the bank account or when deposited into the bank. Grants agreed to be made but which have not been paid by year-end are accrued. Grants offered subject to conditions which have not been met at the year end are noted as a commitment but not accrued as expenditure.

### Resources expended

All overhead expenditure is accounted for on an accruals basis and classified under headings which aggregate all costs relating to the categories listed below.

#### *Costs of generating voluntary income*

Costs of generating funds are those costs incurred in seeking voluntary donations and include employment costs of fund raising employees along with the direct costs of publications.

Investment management fees are the fees charged by the fund managers who manage the investment portfolio.

#### *Charitable activities*

Charitable activities are both the grants made and the costs directly incurred in the support of expenditure on the Charity's objectives, also the cost of the Helen Keller Centre.

Information and education about our work costs are those costs incurred in providing information to supporters and other interested parties about the work of the Charity, both that which has taken place and that which is planned for the future. The cost includes employment costs of employees producing literature and making presentations, along with direct costs of the publications.

#### *Governance costs*

Governance costs include the costs of trustees' meetings including employment costs of facilitating them and producing reports for them. It also includes other costs primarily undertaken to comply with regulatory and statutory requirements, such as audit fees.

#### *Support costs*

Support costs are those costs that cannot be attributed directly to one of the above headings. The costs are necessarily undertaken but are not specific to a particular operation. Accounting, data processing, payroll, utilities are examples of the costs included. The costs are allocated to the above categories in proportion to allocations of hours worked by employees on the above headings.

**Irrecoverable VAT**

Irrecoverable VAT is included in the costs on which it was incurred.

**Reserves and funds policies**

The Charity's reserves are classified in the following three ways:

*Restricted funds* – funds that have been received by the charity with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The costs of raising and administering these funds are charged against the unrestricted, or free, reserves of the charity and accordingly gift aid tax reclaimed on these funds is included in unrestricted reserves.

*Designated funds* – these are funds that trustees from time to time set aside for specific purposes. These are normally when expenditure outside of the normal activity of the Charity is planned or when unrestricted funds have arisen from asset realisations and they are set aside for a specific use.

*Unrestricted funds* – funds, also termed free reserves, which are available for the trustees to use in the normal activity of the Charity in furtherance of its charitable objectives.

**Tangible fixed assets**

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life:

UK freehold property – 1% per annum on a straight line basis

Fixtures and fittings – 10% per annum on a straight line basis

Motor vehicles – 20% on a straight line basis over 4 years, with a 20% residual value at the end of that period

Computer equipment (including software) – 25% per annum on a straight line basis.

Some assets that had been depreciated at rates in place before the current policy are included at a net book value which is less than the value which would have been applied under the current policy. Those assets have not been depreciated.

The property in Jerusalem is valued at £1 due to the uncertainty of determining its marketability due to the political, social and economic situation prevailing in Israel and Palestine. This policy is reviewed each year.

Stocks of goods held by the trading company are valued at the lower of cost and net realisable value.

**Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into Sterling at the rate on the balance sheet date. Transactions in foreign currencies are converted into Sterling at the exchange rate of the day the transaction took place. Exchange differences are taken into account in the operating results.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution scheme, including a salary sacrifice arrangement. The Charity's contributions are charged as an expense in the pay period to which they relate.

**Investment assets and income**

Investments are held primarily to generate capital growth in order to support the work of the Charity over a long term period. Fixed asset investments are shown at open market valuation in line with the SORP, with net gains and losses arising on revaluations or disposals included in the accounts for the period concerned.

Income from equity and bond holdings is accounted for in the period in which it is received, while income from gilts and rental income is accounted for in the period to which it relates, on an accruals basis.

Unrealised gains and losses arise when fixed assets or fixed asset investments for Charity use are included in the balance sheet at revalued or market amounts. They are included in the Statement of Financial Activities as an incoming resource or additional depreciation as appropriate in the period in which they arise. Realised gains or losses are accounted for in the period when the asset is disposed of.

# Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2011

## 1. ACCOUNTING POLICIES CONTINUED

### Prior year adjustment

The prior year figures have been amended to include omitted bank accounts of £56k, therefore increasing the total cash and bank figure from £1,539k to £1,595k. They have also been adjusted to include an exchange difference of £76k on the severance pay accrual figure reducing the overall creditors balance from £460k to £384k. Therefore the reserves have been amended, increasing the previously reported reserves from £5,162k to £5,294k.

## 2. COMMERCIAL TRADING ACTIVITIES OF THE TRADING SUBSIDIARY

Bible Lands Trading Limited is a wholly owned subsidiary of the charity, incorporated in England and Wales.

A summary of the trading results is as follows:

### Summary profit and loss account

	2011 £'000	2010 £'000
Turnover	335	367
Cost of sales and administrative expenses	(363)	(356)
	(28)	11
Gift aid payment to parent company	–	(10)
(Loss) / Profit for the year	(28)	1

### Summary balance sheet as at the year end

	2011 £'000	2010 £'000
Current assets		
Stock	46	54
Debtors	47	9
Cash	27	38
Total current assets	120	101
Creditors falling due within one year	135	88
Net current (liabilities) / assets	(15)	13
Called up share capital	1	1
Capital redemption reserve	8	8
Profit and loss account	(24)	4
Shareholders' funds	(15)	13

### 3. CHARITABLE ACTIVITIES

The Charity has two principle charitable activities, the provision of grants to Christian partners in the areas where we work and owning and managing the Helen Keller Centre, a school in East Jerusalem which is a centre of excellence for the rehabilitation of children and young people with visual impairment.

A summary of our charitable activities is given below:

	Grant making	Helen Keller Centre	Total 2011	Restated total 2010
Incoming resources				
Voluntary income				
Unrestricted funds	869	–	869	845
Restricted funds	1,079	–	1,079	1,024
Legacies				
Unrestricted funds	466	–	466	781
Restricted funds	44	–	44	2
Ministry of Education	–	273	273	399
Other Israeli income	–	42	42	98
Other UK income	3	–	3	2
<b>Total incoming resources</b>	<b>2,461</b>	<b>315</b>	<b>2,776</b>	<b>3,151</b>
Grants paid	1,660	–	1,660	1,632
Other support to partners	189	–	189	148
School running expenses		878	878	770
<b>Total charitable activity expense</b>	<b>1,849</b>	<b>878</b>	<b>2,727</b>	<b>2,550</b>
Net surplus / (deficit) for the year	612	(563)	49	601
Transfers between activities	(445)	445	–	–
<b>Surplus / (deficit) for the year</b>	<b>167</b>	<b>(118)</b>	<b>49</b>	<b>601</b>

## Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2011

### 4. ANALYSIS OF RESOURCES EXPENDED

	Direct Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2011 £'000	Total 2010 £'000
Cost of generating funds	205	234	195	634	637
Charitable activities:					
Information and education	22	58	25	105	–
Grants to partners	–	1,660	–	1,660	1,633
Other support to partners	89	21	79	189	148
Helen Keller Centre	668	205	5	878	769
Governance	21	44	14	79	87
	1,005	2,222	318	3,545	3,274

### 5. NET INCOMING / (OUTGOING) RESOURCES

Net resources are stated after charging:

	2011 £'000	2010 £'000
Auditors' remuneration	54	43
Depreciation – owned assets	26	1
Staff pension contributions	45	26
Services provided by the Charity's auditors during the year:		
Audit of the Charity and consolidated financial statements	21	37
Fees relating to 2010 under accrued in that year	11	–
Fees for printing the 2010 accounts	2	–
Audit of the trading subsidiary	6	6
Audit of the Helen Keller Centre by Israeli auditors	14	–
	54	43

## 6. TRUSTEES' REMUNERATION AND BENEFITS

The trustees neither received nor waived any emoluments during the year.

The Charity reimbursed travel expenses to all trustees and patrons that served during the year. The total expenses were:

	2011 £'000	2010 £'000
Trustee travel expenses	10	18

## 7. STAFF COSTS

	2011 £'000	2010 £'000
Wages and salaries	1,148	1,052
Social Security costs	83	58
Pension plan contributions	45	26
	1,276	1,136

Employment costs in respect of the Helen Keller Centre included above totalled £668k.

The equivalent number in 2010 was £619k.

The average monthly number of employees during the year was as follows:

	2011	2010
UK administrative staff	13	13
Helen Keller Centre staff	36	36
UK management staff	5	5
	54	54

Number of employees receiving emoluments, including pension contributions and severance in the ranges:

	2011	2010
£60,000 – £70,000	1	1

## Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2011

### 8. TANGIBLE FIXED ASSETS

#### Group

	UK Freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2011	968	75	126	10	1,179
Additions	–	15	3	–	18
At 31 December 2011	968	90	129	10	1,197
Depreciation					
At 1 January 2011	–	32	99	6	137
Charge for the year	10	5	9	2	26
At 31 December 2011	10	37	108	8	163
Net Book Value					
At 31 December 2011	958	53	21	2	1,034
At 31 December 2010	968	43	27	4	1,042

#### Charity

	UK Freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Motor vehicles £'000	Totals £'000
Cost					
At 1 January 2011	968	74	126	10	1,178
Additions	–	15	3	–	18
At 31 December 2011	968	89	129	10	1,196
Depreciation					
At 1 January 2011	–	31	99	6	136
Charge for the year	10	5	9	2	26
At 31 December 2011	10	36	108	8	162
Net Book Value					
At 31 December 2011	958	53	21	2	1,034
At 31 December 2010	968	43	27	4	1,042

The Helen Keller Centre, in East Jerusalem, was revalued in US Dollars on 15 September 1999 on the basis of vacant possession by Qupty, Dahleh and Associates. This value has previously been stated in the accounts at the exchange rate prevailing on that date, which amounted to \$5,832k, translated to £3,600k. The trustees believe that, due to the uncertain political and economic situation in East Jerusalem, it would not be prudent to record the existence of the property at this substantial valuation.

The value was written down to a nominal value of £1 in the year ended 30 April 2006.

## 9. FIXED ASSETS INVESTMENTS

### Group

	Listed investments £'000	Unlisted investments £'000	Total £
Market value as at 31 December 2010	2,751	–	2,751
Additions	441	–	441
Disposals	421	–	421
Revaluations	(146)	7	(139)
Market value as at 31 December 2011	2,625	7	2,632

	Listed investments £'000	Unlisted investments £'000	Total £
Historical cost of the investments were			
31 December 2010	2,261	–	2,261
31 December 2011	2,355	1	2,356

### Charity

	Listed investments £'000	Unlisted investments £'000	Holding in trading company £'000	Total £
Market value as at 31 December 2010	2,751	–	1	2,752
Market value as at 31 December 2011	2,625	7	1	2,633

The listed investments were comprised of the following:

	2011 £'000	2010 £'000
UK equities	1,192	1,316
UK bonds	583	580
Property	239	233
North American equities	126	99
European equities	114	94
Far East and Australasian equities	111	102
Emerging economies	82	67
Overseas bonds	80	53
Other investments	98	207

No holding constituted more than 5% of the total market value of the portfolio.  
Of the unlisted investments, £6k were invested overseas.

## Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2011

### 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade debtors	46	4	–	–
Amount owed by group undertaking	–	–	93	12
Other debtors	74	204	74	262
Prepayments	23	78	22	15
<b>Total</b>	<b>143</b>	<b>286</b>	<b>189</b>	<b>289</b>

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2011 £'000	Re-stated 2010 £'000	2011 £'000	Re-stated 2010 £'000
Trade creditors	50	120	33	69
Social security and other taxes	44	33	24	14
Other creditors	192	5	191	5
Accruals	79	302	74	296
<b>Total</b>	<b>365</b>	<b>460</b>	<b>322</b>	<b>384</b>

### 12. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme for its UK employees. The assets are held separately from those of the Charity in an independently administered fund. The pension costs charged represent contributions to the fund payable by the Charity and amounted to £42k, (period to 31 December 2010 £24k). There were nil contributions outstanding at 31 December 2011 (period to 31 December 2010 £5,218).

### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2011 total funds £'000	Restated 2010 total funds £'000
Fixed assets	–	1,034	–	1,034	1,042
Investments	2,632	–	–	2,632	2,751
Current assets	684	311	157	1,152	1,973
Current liabilities	(365)	–	–	(365)	(460)
	2,951	1,345	157	4,453	5,306

### 14. DESIGNATED FUNDS

	As at 1 Jan 2011 £'000	New designations £'000	Designations released £'000	As at 31 Dec 2011 £'000
Capital expenditure at Helen Keller <sup>1</sup>	115	–	108	7
Ground floor refurbishment, Amersham <sup>2</sup>	50	–	34	16
Implementation of the rebranding strategy <sup>3</sup>	200	100	112	188
Fixed assets <sup>4</sup>	–	1,034	–	1,034
Helen Keller Centre assets <sup>5</sup>	–	75	–	75
Lift at Shams El Birr (Egypt) <sup>6</sup>	–	25	–	25
	365	1,234	254	1,345

<sup>1</sup> Trustees have resolved to maintain the designation of the unspent balance.

<sup>2</sup> The reduction was due to tenants' needs being less than originally estimated.

<sup>3</sup> The unspent balance from the original review has been carried forward and added to the additional amount estimated to be needed to complete the project. Total funds designated are £250k.

<sup>4</sup> Trustees have resolved to designate funds to the value of £1,034k to reflect the value of fixed assets being unavailable for use in the charity's usual operations.

<sup>5</sup> Trustees have designated £75k to reflect the value of the assets at the Helen Keller Centre, which are therefore outside of the UK.

<sup>6</sup> £25k has also been designated to enable the charity to support the installation of a lift at Shams El Birr. The project has not yet been submitted for approval but trustees are mindful to support the project if it meets grant criteria.

## Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2011

### 15. RESTRICTED FUNDS

As noted in the 2010 report, the Charity has adopted a policy of encouraging donors to support three general, semi-restricted, funds, which are not country or partner specific. This policy has been successful, as 35 per cent of total restricted funds raised this year have been for these less restricted funds.

The table below shows the income and expenditure, with opening and closing balances where appropriate for the main categories of restricted funds. The only significant fund balances outstanding at year end were for the Christmas appeal which was still open at year end and those for community development; projects for these have been identified and sums are now being disbursed.

Fund	Opening balance £'000	Income during 2011 £'000	Spending during 2011 £'000	Closing balance £'000
<b>General funds</b> <sup>1</sup>				
Education	–	99	93	6
Health	–	48	48	–
Community Development	–	19	19	–
Country specific funds	–	25	25	–
<b>Appeals</b> <sup>2</sup>				
Lent 2011	–	76	76	–
Summer 2011	–	43	43	–
Christmas 2011	–	93	26	67
<b>Alternative gifts</b> <sup>3</sup>	37	47	83	1
<b>Partners within the fields of their work</b> <sup>4</sup>				
Education	10	419	418	11
Health	4	24	24	4
Community development	25	35	5	55
Special needs and disability	3	195	185	13
<b>Total</b>	<b>79</b>	<b>1,123</b>	<b>1,045</b>	<b>157</b>

<sup>1</sup> General funds are funds restricted either by field of work or by country.

<sup>2</sup> Appeals are made for specific projects or activities, usually in response to needs that reflect current conditions at the time. In order for us to make an appropriate response, additional funds may be required.

<sup>3</sup> Alternative Gifts are sold through the trading subsidiary's catalogue and the funds received are passed by the company directly to the Charity. The gifts specify a purpose to which the funds would be put, for example providing aids for the visually impaired, providing mobility aids and so on. The gifts are held in funds identified for each purpose and used to support projects of that nature.

<sup>4</sup> There are 48 funds included in this section, which are funds restricted to specific partners working in the fields shown.

## 16. RELATED PARTY DISCLOSURES

BibleLands is an incorporated charity which has no controlling party. All transactions with group companies are eliminated on consolidation.

Total donations from trustees and former trustees totalled £5k during the year and it is not considered that any donations made influenced the policy of the charity.

Bible Lands Trading Limited collected donations on behalf of the charity through its catalogue and website sales and also sold alternative gifts which are a form of donation.

	2011 £'000	2010 £'000
Donations received on behalf of the Charity	44	45
Alternative gifts sold on behalf of the Charity	46	36
	90	81

As at 31 December 2011 a sum of £93k (2010 £12k) was receivable from the trading company.

## 17. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to £1 by guarantee.

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