

REGISTERED COMPANY NUMBER: 03706037 (England and Wales)
REGISTERED CHARITY NUMBER: 1076329

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2009
FOR
BIBLELANDS GROUP



BIBLELANDS

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The Trustees, 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 2009. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Dr Hugh Boulter MBE (*President*)
The Revd Daniel Burton (*Chair of the Board of Trustees until 17 September 2009*)
Hugh Bradley (*Vice Chair of the Board of Trustees, and Chair from 17 September 2009*)
The Revd Brian Jolly (*Vice Chair of the Board of Trustees from 17 September 2009 and Chair of Communications & Fundraising Committee*)
Victoria Smith (*Treasurer and Chair of Finance & Administration Committee*)
Douglas Callander
The Revd Michael Cleaves (*Chair of Overseas Operations Committee*)
Dr Ros Davies (*until 17 September 2009*)
Judy Hackney
The Revd Nichola Jones (*until 1 January 2010*)
Keren Lewis (*from 17 March 2010*)
Dr Brian McGucken (*from 23 June 2009*)
Joanna Robertson
Lisa Toner (*from 23 June 2009*)
Dr Cyril Young DL (*Trustee representative on the Jerusalem Committee*)

Patrons

The Revd David Coffey OBE, President, Baptist World Alliance
The Rt Revd Dr Michael Langrish, Bishop of Exeter
The Revd 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*)

Registered office and company information

The Old Kiln
Willow Chase
Hazlemere, High Wycombe
Bucks HP15 7QP

Auditors

Seymour Taylor Audit Limited
57 London Road
High Wycombe
Bucks HP11 1BS

Bankers

National Westminster plc
33 High Street
High Wycombe
Bucks HP11 2AJ

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

Nehad Ershied Adv
14 Iben Batota Street
PO Box 31937
Jerusalem 91319 Israel

Investment advisers

Fortis Investment Management Limited
5 Aldermanbury Square
London EC2V 7HR

Rensburg Sheppards
2 Gresham Street
London EC2V 7QN

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THE CHARITY IN NUMBERS

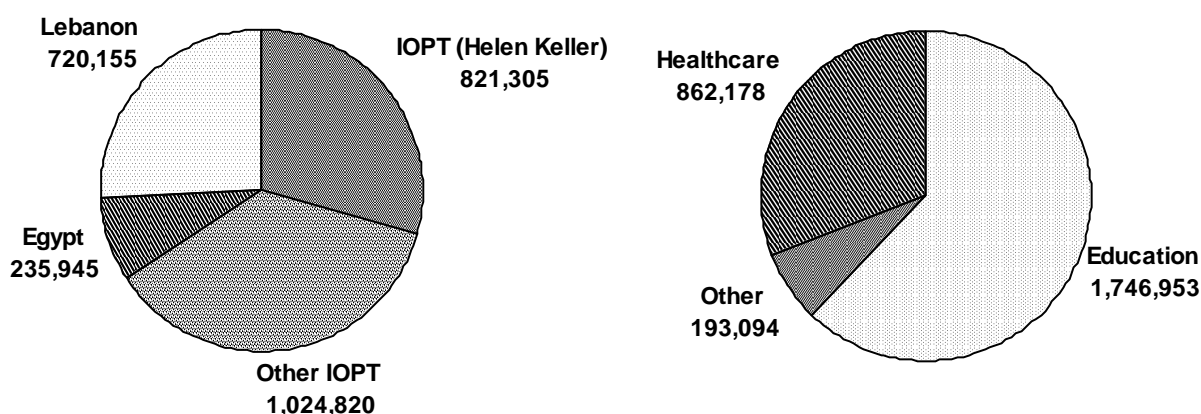
FOUR YEAR SUMMARY

Year ending 31 December ⁽¹⁾	2006 £'000s	2007 £'000s	2008 £'000s	2009 £'000s
Donations	2,383	2,322	2,103	2,181
Legacies	550	575	554	1,036
Investment income	173	170	172	115
Other (inc Israeli Ministry)	2	88	268	237
Total	3,108	3,155	3,097	3,569
Grants	2,083	1,708	1,453	1,981
Helen Keller support	414	477	619	821
UK staff costs	421	466	509	531
Other costs	424	458	437	448
Total resources expended	3,342	3,109	3,018	3,781
Net surplus/(deficit)	(234)	46	79	(212)
Assets as at 31 December	2006 £'000s	2007 £'000s	2008 £'000s	2009 £'000s
Investments	3,110	3,118	2,374	2,636
Cash at bank and in hand	759	883	1,329	1,047
Other net assets	83	110	18	34
Total funds	3,952	4,110	3,720	3,717

Notes

- Actual results to April 2006, April 2007, April 2008 and December 2008 restated to a December year-end based on management estimates

DIRECT CHARITABLE AND GRANT EXPENDITURE BY REGION AND TYPE IN 2009 (£)



Source: BibleLands management accounts; IOPT means Israel and the occupied Palestinian territory

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WHO WE ARE 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 resolution on 5 December 2006.

OBJECTIVES & PRINCIPAL ACTIVITIES

The work of BibleLands began in 1854 through what was then known as the Turkish Missions' Aid Society. Our charitable objectives, as defined in our Memorandum and Articles of Association, are as follows:

"BibleLands exists to support the local Christian groups in the lands of the Bible, dedicated to fulfilling the compassionate Ministry of Christ. Our calling is to encourage work for the welfare of children, young people and others in need, with an emphasis on health and education."

The Charity pursues these objectives by raising funds from donors, primarily in the UK, and by using these funds to:

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

Following the appointment of a new Chief Executive, Trustees determined in early 2010 that the charitable objectives should be expressed in the following refreshed vision and mission:

Vision (what we are trying 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.*

It is intended that this vision and mission should inform our strategy going forwards, and that in particular the key measurement of the success of the Charity should be the extent to which it improves the lives of vulnerable and disadvantaged people in the Middle East.

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 Reference and Administrative Details on page 1. 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 and Administration – three times in February, May and November

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- Communications and Fundraising – three times in January, May and October
- Overseas Operations – three times in January, May and October

A further committee of the Council is the Jerusalem Committee, which has a majority of local members from Israel and the occupied Palestinian territory and which takes day-to-day management responsibility for the activities of the Helen Keller Centre for the Visually Impaired in East Jerusalem, a division of the Charity. The Chair of the Council, or his or her representative, sits as an *ex-officio* member of the Jerusalem Committee and this role is currently held by Dr Cyril Young, a UK Trustee. The Chief Executive of BibleLands also sits as an *ex-officio* member of the Jerusalem Committee. The Committee met three times during the year, in February, May and September.

Trustees reviewed the governance structure during the course of the year and decided to create a new committee, the Audit Committee, tasked with overseeing the risk management of the charity and its trading subsidiary. This committee, chaired by the vice chair of Trustees, will begin work in 2010.

One Trustee (Dr Ros Davies) resigned from the Council during the year, while two new Trustees (Dr Brian McGucken, a retired paediatric consultant, and Mrs Lisa Toner, a university administrator) joined the Council. 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 on the basis of their experience and knowledge, with the aim of maintaining a wide range of expertise which can be used for the benefit of the Charity. The term of office for Trustees is three years, up to a maximum of five terms. All Trustees receive a formal induction programme.

Trustees conducted a review of their skills during the year and identified a number of areas, as detailed in the NCVO Code of Good Governance, where Trustees currently have expertise, including (but not limited to):

- strategic leadership and team-working
- governance
- general finance, business and management
- human resources and diversity
- the operating environment in the Middle East

One particular skills gap was identified in the area of international development, and Trustees agreed to focus on this when selecting new Council members.

The Chair and new Chief Executive attended a one-day seminar on charity governance in November. Trustee visits were also made to Israel and the occupied Palestinian territory (Dr Cyril Young, Dr Brian McGucken, Doug Callandar), Egypt (Hugh Bradley, Revd Daniel Burton, Dr Cyril Young, Judy Hackney) and Lebanon (Hugh Bradley, Revd Daniel Burton).

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, led by a Chief Executive Officer, whose members attend Council meetings but do not vote. There are currently five teams within BibleLands:

- The Chief Executive's office (headed by the CEO, Jeremy Moodey), which provides overall strategic leadership and day-to-day management of the Charity. Jeremy Moodey is also the Company Secretary and takes senior management responsibility for finance and overseas

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operations, as well as line management of the Principal of the Helen Keller Centre for Visual Impairment 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 Overseas Operations team (headed day-to-day by Morag Gillies), which is responsible for managing the Charity's grants programme and overseas partnerships.
- IT and Premises (headed by Peter Jones), which is responsible for IT systems and also the management and maintenance of the Charity's office premises in Hazlemere near High Wycombe.

As reported to supporters during the year, BibleLands underwent a major management restructure following a review initiated by Trustees in March 2009 and completed in August 2009. In implementing the restructure, which was agreed unanimously by the Council and which led to the departure in August 2009 of three senior managers (Nigel Edward-Few as Chief Executive, Nick Plant as Head of Finance and Mo Burnley as Head of Overseas Operations), Trustees were mindful of the following factors:

- The need to keep administrative and overhead costs at a reasonable and sustainable level at a time of increased economic uncertainty.
- The fact that a senior management team of four people was too top-heavy for a charity of our size.
- The need to change the role of the Chief Executive, both to make it more strategic and also to give it direct responsibility before the Council for financial matters and the Charity's overseas operations.

As part of the management restructure therefore, the key strategic and management responsibilities of the former Heads of Finance and Overseas operations were combined into a new job description for the Chief Executive, who together with the Head of Communications and Fundraising (a post retained by Tricia Pruden) would constitute a new, smaller, senior management team.

Nigel Edward-Few, Nick Plant and Mo Burnley served in their respective roles for a combined total of more than thirty years and their service is remembered with gratitude.

The new Chief Executive, Jeremy Moodey, was appointed to the post in July 2009 and took up his position in November. After studying international history and politics at the University of Leeds he entered the Diplomatic Service and had postings in Pakistan and Rome. He moved to the City as an investment banker in 1994 and, prior to his appointment to the BibleLands post, had been a Managing Director at Rothschild. He is a committed Christian of many years standing and an active member of his local Anglican church in North London. Trustees are confident that Jeremy will be able to use his strategic and commercial expertise from outside the charity world to develop BibleLands in the future, and in a way that is entirely in sympathy with the Christian traditions which have sustained the Charity throughout its long history.

RISK MANAGEMENT

The Trustees have put in place a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of

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managing them.

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

- Financial risk caused by exchange rate fluctuations increasing our revenue funding and capital liabilities at Helen Keller.
- 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.

PUBLIC BENEFIT

BibleLands confirms that in setting its programme of work it has regard to both the Charity Commission's general guidance on public benefit and its specific guidance on the prevention or relief of poverty, the advancement of community development, the relief of those in need by reason of ill-health or disability and the advancement of health and the saving of lives. The programme is also in conformity with the Charity's charitable objectives and aims.

In particular, programmes are in place that give relief to persons who, without those programmes, would not receive the help they require. No persons are excluded from help on grounds of race or religion but due to restrictions placed on travel in Israel and occupied Palestinian territory it is not always possible to provide services to all who may require them.

WHAT WE SET OUT TO DO IN 2009 AND HOW WE PERFORMED OVERALL

In our last annual report, for the eight month period from 1 May 2008 to 31 December 2008, we set out various objectives for 2009. Our progress in meeting these objectives is set out below:

Objective

1. The next phase of the Charity's **five year business plan** will be put in place, paying particular attention to maintaining and developing the Charity's income.

2. The Charity's **board of Trustees** would strengthen its skills base, recruiting new Trustees and being involved in Trustee training programmes that would meet these gaps in expertise.

3. Trustees will ensure that the organisation stays true to its aims and objectives and remains fit for purpose, providing support and facilitation to **the Chief Executive and the senior management team** in their day-to-day running of the Charity.

Commentary

Partially achieved. The implementation of the five-year business plan continued throughout the first half of 2009, with a three-year programme of grants for our Lebanese partners agreed. Work on a new business plan was begun after the arrival of a new CEO, and the Charity's income held up well.

Achieved. Two new Trustees were appointed during the year, bringing experience in the areas of healthcare, education and corporate governance. Trustees also conducted an audit of their expertise and skills, and identified areas that needed to be filled through future Trustee appointments.

Achieved. The senior management team was restructured and strengthened by the appointment of Jeremy Moodey as Chief Executive. The interaction between Trustees and management was improved by streamlining the conduct of Council business.

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Objective

4. The **overseas operations team** would continue its rolling review of the Charity's overseas activities.

5. The Chief Executive and the board's designated Trustee would continue to attend local **Helen Keller Centre Jerusalem Board** meetings to maintain appropriate oversight and guidance to this substantive element of BibleLands' overseas activities.

6. The communications and fundraising team would make strenuous efforts to improve the Charity's **external communications**, and would review the Charity's brand identity so as to recruit new donors, develop trust and corporate funding, develop a major donor care programme, to generate increased unrestricted income from donations and legacies and strengthen BibleLands' volunteer support base.

7. The Charity's **trading activity** would continue to be reviewed and steps taken to increase its profitability, income generation and cost effectiveness and efficiency.

8. The finance team would continue to maintain the Charity's **liquid assets and reserves**, by working closely with the Charity's investment adviser to ensure that investments generated the best possible returns during a period of considerable financial uncertainty.

Commentary

Partially achieved. While management changes meant that the overseas operations team was unable to continue its strategic review of the Charity's overseas activities, the Charity did operate a "business as usual" strategy with regard to grants, dispensing funds totalling £2.0 million, in addition to Helen Keller Centre funding, in line with the previous year.

Achieved. Board supervision of the Helen Keller Centre in East Jerusalem continued throughout the year, and the Centre, under the direction of its Principal Mrs Suad Younan, was successful in attracting more grants from the Israeli Ministry of Education, totalling some £183,632. The Ministry also gave formal recognition to the Centre as a school for the rehabilitation of the visually impaired.

Achieved. The Charity's communications and fundraising team also continued on a "business as usual" basis, producing publications of the highest quality, including three editions of our magazine, *Star in the East*, and three successful appeals, at Lent, summer and Christmas. As a result of the team's efforts, and the continued effectiveness of the Charity's committed giving schemes (including a child sponsorship programme), the Charity's income held up well, with donation income in line with the previous twelve months, at £2.2 million, and legacy income significantly increased on the previous twelve months, at £1.0 million. This was an outstanding achievement in the context of the management changes occurring in the Charity at the time, and the wider economic uncertainty in the UK.

Achieved. The charity's trading operations continued to be effective, although a loss was suffered for the year due to a one-off adjustment to stock values. A small profit was achieved before the adjustment, and the trading operation continued to attract potential new supporters – with 2,353 trading customers added to the Charity's database as a result of trading activities in 2009. The trading operation also generated some £90,000 of additional donations and Alternative Gifts.

Achieved. Notwithstanding market volatility, the Charity's free reserves, mostly held in liquid investments, remained in a healthy position, with free reserves of £3.5 million held at the year-end.

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Objective

9. **Staff members** would continue to be encouraged to participate in training programmes that enhanced their individual performance and benefit the efficient development and operation of the Charity, while developing the individual's capacity and skills.

10. The charity would, when market conditions improved, recommence its programme to dispose of its current **office premises** in Hazlemere and find more appropriate, efficient and operationally effective alternative accommodation.

Commentary

Partially achieved. While there was some training and development of staff members, this was not at the level envisaged, principally because of lack of time as staff members covered the vacancies created by the management restructure.

Not achieved. The management restructure in 2009 meant that the property move became a lower priority. The search for an alternative location continued, but nothing suitable has yet been found.

OUR 2009 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 division based in East Jerusalem, the Helen Keller Centre for the Visually Impaired.

GRANT- MAKING CRITERIA

Our geographical area of support is limited to the lands of the Bible and we concentrate on the following countries:

- Israel and the occupied Palestinian territory (West Bank, including East Jerusalem, and Gaza)
- Egypt
- Lebanon

We fund work in education, healthcare, social care, disability and other special needs, support and care of refugees and vocational and adult training. Our focus in these areas is particularly on the most vulnerable and disadvantaged in society, including children, people with disabilities and those in poverty.

Work supported must have leadership from a local Christian group, organisation or individuals, and be Christian in inspiration. As an ecumenical and inter-denominational organisation, we do not show preference between any of the mainstream, Trinitarian Christian denominations or groups.

Grants will not usually be made to individuals.

Successful applicants will be required to:

- Enter into an agreement with BibleLands which will specify the nature of our partnership.
- Administer the grant or grants appropriately in accordance with the purpose for which it is given.
- Submit a copy of their annual, audited accounts to BibleLands.
- Submit reports to BibleLands outlining how the grant has been used and giving some indication of its effect on the project's beneficiaries. The number and regularity of the reports will depend on whether the grant made is in respect of capital or revenue expenditure.

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OUR GRANT ACTIVITIES IN 2009 – ISRAEL AND THE OCCUPIED PALESTINIAN TERRITORY

The political landscape in Israel and the occupied Palestinian territory in 2009 was dominated by the Gaza crisis in December 2008 (Operation Cast Lead, designed to prevent Hamas rocket attacks on Israel) and the Israeli elections in February 2009 which led to the formation of a new government headed by Prime Minister Benjamin Netanyahu. President Obama visited Cairo in June 2009 and spoke about rapprochement between the Muslim world and the west, and called for an end to Israeli construction of new housing settlements in the occupied Palestinian territory, as well as Arab recognition of Israel. In August 2009 the Palestinian Authority issued an EU-backed plan to declare a state unilaterally within two years, but by the year end there had been little progress towards a definitive peace settlement.

Demographically, the Christian community is rapidly diminishing. Christians in Bethlehem at the end of the Second World War accounted for approximately 70 per cent of the total population, but this figure has dropped to an estimated 5 per cent today. The Christian community in Nazareth has fallen from 60 per cent of the total population to 30 per cent over the same period, while in Jerusalem Christians now make up less than 2 per cent. This precipitous decline has been attributed to three main factors: the poor economic conditions in the area; the sense of marginalisation and persecution felt by the minority Christian community; and the appeal of Christian majorities in countries such as the US and Canada, where many Arab Christians already have relatives.

In the course of 2009, we disbursed grants totalling £1,024,820 to partners working in Israel and the Palestinian territory, in addition to support for the Helen Keller Centre in Jerusalem. Details of these grants are below:

<i>Partner</i>	<i>Project and numbers helped</i>	<i>Amount £</i>
Nazareth School of Nursing	Education – running costs of the school for 200 students and a new lecture theatre	402,097
Al Ahli Arab Hospital, Gaza	Healthcare – hospital for 20,000 out-patients and 3,500 in-patients yearly	180,928
Arab Evangelical School, Hebron	Education – school for 350 students, aged 4-12 years	61,119
Talitha Kumi, Beit Jala	Education – school for 900 students	59,999
Four Homes of Mercy, Bethany	Healthcare – home providing rehabilitation for 90 residents with physical and/or learning disabilities	53,994
Bethany Girls School	Education – Christian school educating 350 pupils aged 4-15 years	51,883
Rawdat El Zuhur School, Jerusalem	Education – primary school educating up to 250 children 4-12 years	44,249
St John Eye Hospital, Jerusalem	Healthcare – treated 90,000 patients in 2009, including 3,500 major sight-saving operations	27,060
SIRA School, Bethlehem	Education – Swedish-run school for 70 pupils with special needs	24,061
Spafford Children's Centre Jerusalem	Healthcare – 4,000 patients seen and 4,000 vaccinations administered yearly	21,850

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Princess Basma Centre, Jerusalem	Healthcare – over 200 new in-patient children admitted 2009, and 400 cases seen in the orthopaedic workshop	21,000
Bethlehem Arab Society for Rehabilitation	Healthcare – out-patient and rehabilitation departments serving over 40,000 people each year	15,000
Sheepfold, Beit Sahour	Healthcare – care for 20 children and young adults with special needs	13,393
Annahda Centre, Ramallah	Healthcare – various activities serving over 250 children and parents	8,900
St Luke's Hospital, Nablus	Healthcare – 3,500 hospital admissions each year	6,336
Other projects and pensions to former employees	Various	4,688
	Total	1,024,820

OUR GRANT ACTIVITIES IN 2009 – LEBANON

Lebanon saw significant developments in 2009 following the election the previous year, after more than two years of political crisis, of Michel Suleiman, a Maronite Christian, as president. Peaceful parliamentary elections in June 2009 led eventually (after five months of political wranglings) to the appointment in November of Saad Hariri as prime minister, heading a unity coalition government. Hariri is the son of the assassinated prime minister Rafiq Hariri and a Sunni Muslim. It is hoped that the Hariri government, which was widely welcomed by all political groups in Lebanon, will herald a period of stability in the country.

There has been no official census in Lebanon since 1932 but the Christian community is estimated to be about 30-35 per cent of the total. The constitutional position of Lebanon's Christian minority is protected by the principle of confessionalism; that is, the division of the senior positions of state between the three main confessional groups. The president has to be a Maronite Christian, the prime minister a Sunni Muslim and the speaker a Shi'ite. Prior to the 1989 Ta'if Agreement, which ended almost 15 years of civil war, the Maronite Christian community had a much stronger political position. In recent years there has been a relative decline in the Christian population, largely as a result of emigration and the higher birth rate among Muslims.

In the course of 2009, we disbursed grants totalling £720,155 to partners working in Lebanon. Details of these grants are below:

Partner	Project and numbers helped	Amount £
Al Kafaàt Foundation, Beirut	Healthcare – projects reaching over 1,000 children with disabilities and 100 old people	378,592
J L Schneller School, Bekaa Valley	Education – Christian school educating 350 students	54,002
Armenian Evangelical (AE) School, Anjar	Education – school for 500 students aged 3-17 years	43,556
AE School, Beirut	Education – school for students aged 2-18 years	42,496
Cedar Home Orphanage, Beirut	Healthcare – care for 25 at-risk girls and young women aged 3-25 years	33,514

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Birds Nest Orphanage, Byblos	Healthcare – caring for 50 underprivileged children aged 3-15 years	32,064
Evangelical Swiss School, Mejdolanjar	Education – 130 elementary and intermediate level pupils	24,000
AE Guertmenian School, Beirut	Education – 110 children aged 3-16 years	23,539
AE Torossian School, Beirut	Education – 270 children from pre-school to grade 9	23,076
Blessed, Beirut	Education – for 50 blind or special needs children	15,000
Centres for Armenian Handicapped, Beirut	Healthcare – care for disabled children aged 8-20 years	14,642
Beit el Nour, Beirut	Various – rehabilitation projects benefiting 100 juvenile delinquents	14,500
AE Central High School, Beirut	Education – schooling for 250 children aged 3-18 years	13,370
AE College, Beirut	Education – education for children aged 4-18 years	4,938
Zvartnotz, Beirut	Healthcare – care for people with physical or learning disabilities aged 6-22 years	2,866
	Total	720,155

OUR GRANT ACTIVITIES IN 2009 – EGYPT

President Hosni Mubarak has been in power since 1981 but is now suffering from poor health, delegating day-to-day responsibility to his Prime Minister, Ahmed Nazif. With presidential elections due in September 2011, attention is turning to the question of succession, which is creating a climate of political uncertainty within Egypt. This has not been helped by an increase in Islamic militancy: in February 2009 a bomb attack by al-Qaeda in a popular tourist area of Cairo killed a French student and injured 24 other people, while in April 2009 the government said it had uncovered a Hezbollah plot to attack tourist sites in the Sinai.

Some 10 per cent of Egypt's 83 million population are Christians, mostly from the Coptic Orthodox church but also from other Catholic, Protestant and Orthodox traditions. Christianity has existed in Egypt since the first century, yet Christians face significant discrimination and churches are strictly regulated. Pressure has recently increased on Coptic Orthodox and evangelical churches, and in July 2009 there were Muslim attacks on Coptic Orthodox communities. In June a convert was driven into hiding after his attempt to change his official religious identity from Muslim to Christian was rejected. In May 2009 Egyptian police clashed with Coptic Christian pig farmers trying to stop their animals being taken away for slaughter as a precaution against swine flu.

In the course of 2009, we disbursed grants totalling £235,945 to partners working in Egypt. Details of these grants are below:

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<i>Partner</i>	<i>Project and numbers helped</i>	<i>Amount £</i>
Diocese of Egypt	Various – projects in and around Cairo, including healthcare, a new medical centre to serve the industrial town of Sadat City, an 850-pupil school and work among the poor	63,858
Salaam Centre for Medico Social Services, Cairo	Various – work among the 25,000 rubbish pickers	27,840
Refuge Egypt, Cairo	Refugee work – including health projects benefiting upwards of 4,000 patients	23,460
St Andrews Refugee Centre, Cairo	Refugee work – including feeding their 220 refugee school children	22,140
Harpur Memorial Hospital, Menouf	Healthcare – treating 50,000 out-patients annually	20,071
Think & Do Project, Upper Egypt	Community development – 680 young people attending vocational training courses, and work in local villages directly benefitting over 50,000 people	14,010
DUET, Upper Egypt	Community development – including providing schoolbags for 350 pupils	13,682
Shams El Birr Centre, Cairo	Healthcare – rehabilitation and vocational training for 100 children and young people	10,200
Jesuit Centre, Minya	Education – vocational training for 3,000 young and/or disabled people and carers	10,000
Deaf Unit, Cairo	Healthcare – services benefitting 600 deaf people	8,232
Habitat for Humanity, Upper Egypt	Community development – housing projects, including work to increase provision for disabled people	7,414
El Saray Church, Alexandria	Healthcare – including the Fairhaven School, serving 200 children with learning difficulties	7,200
Hadana Kindergarten, Cairo	Healthcare – a nursery serving poor and disadvantaged aged 2-6 years	6,336
Other	Various	1,502
	Total	235,945

HELEN KELLER CENTRE FOR THE VISUALLY IMPAIRED

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. The Principal, Mrs Suad Younan, reports directly to the Chief Executive of BibleLands in the UK. In the academic year 2009/10 some 65 children aged from 3 to 18 years and from a wide range of socio-economic backgrounds were enrolled at the school. Most of the pupils are from Muslim families. At present 13 of the pupils are boarders, in many cases because their family homes are in the West Bank, on the other side of the Israeli security barrier, and therefore not easily accessible

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from the school. The school is a centre of excellence for the rehabilitation of children and young people with visual impairment. It has been accorded a Special Education status by the Israeli Ministry of Education, with whom it is officially registered. In recent years the Helen Keller Centre has moved towards a more multi-disciplinary educational approach, with a focus on professional capacity building, appropriate staffing structures and managerial strategies, and compliance with the highest educational, administrative and safety standards. All children have personalised learning plans geared to their particular needs.

Approximately 70 per cent of children at the Helen Keller Centre have a statement of Special Educational Needs from the Israeli Ministry of Education, which also provides a subsidy to the school for their education. This status is reviewed every three years by a Special Placement Committee. Given the increasing importance of this revenue stream from the Ministry, which is the only other significant source of income apart from the financial support received from BibleLands, there has been considerable focus on ensuring that the school complies with the statutory requirements (educational, professional and safety-related) imposed by the Ministry.

This has also involved refurbishment of the fabric of the school and its grounds. Such works in 2009 included the renovation, furnishing and equipment of the school hall with audio-visual equipment and the renovation of the 'independence kitchen' where children learn to acquire autonomy in the every-day environment of a real-life kitchen.

FUNDRAISING

Direct year-on-year comparisons are problematic, since the previous period to December 2008 was for eight months only. However, annualising the previous results on a pro rata basis, legacy and donation income increased by 21 per cent to just over £3.2 million during 2009. One third of this was generated through legacies, one quarter through committed giving programmes and the remainder through other fundraising activities.

We are indebted to the 79 individuals whose legacies we received during the year, and whose names are inscribed in a book of remembrance available for inspection at our offices. A substantial increase in both the number of legators and the value of their gifts resulted in an overall increase in legacy income of 87 per cent, allowing us to make significant additional grants, including the funds needed to complete the auditorium at the School of Nursing in Nazareth.

Fundraising activities generated donation income of £2,181,000. Although income from committed giving fell by £31,000, the increase in general donations resulted in a net gain of 3.7 per cent on the previous year. A programme to revitalise committed giving was approved by Trustees and this will be implemented during 2010.

The conflict in Gaza at the beginning of the year attracted considerable media interest and the £127,000 for our Gaza appeal, together with appeals for Al-Kafaàt in the summer of 2009 and the Christmas appeal for work in Israel and the occupied Palestinian territory, resulted in an overall increase in appeal income of 13 per cent.

The new BibleLands website was launched in February 2009, giving a fresh, new look to our work. Three editions of *The Star in the East* were circulated to 20,000 individuals and churches, generating income of £88,000. Overall, the number of individual supporters dropped by 3.7 per cent and supporting churches by nearly 12 per cent, continuing an underlying trend over recent years, but magnified by the effect of the credit crunch. We are particularly grateful to the generosity of those who continued to donate despite the uncertain financial situation. During 2009 a plan was drawn up to address the issue of donor recruitment and this will be implemented during 2010.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2009

Supporters were able to visit partner projects in Egypt and Israel and the occupied Palestinian territory through two pilgrimages led by Trustees and we welcomed 150 supporters to our Annual Service in October where there was an opportunity to hear and meet partners from Egypt and Lebanon.

In addition to delivering £51,000 in donations and £39,000 in alternative gift income, the trading operation also acted as a vehicle for our branded Christmas cards and other products, bringing new supporters onto our database. During 2009 the decision was taken to forego the spring catalogue, which was barely breaking even, and incorporate Easter products into the main catalogue published annually in September.

FINANCIAL REVIEW

All comparisons to previous year are based on the annualised numbers in the table on page 2.

INCOME

As detailed in the fundraising section above, despite difficult economic conditions we succeeded in increasing total income by some 15 per cent on the previous year, largely thanks to a near doubling of legacy income. Of the £3,217,347 received from donations and legacies, approximately 43 per cent, or £1,392,863, were funds that were restricted by the donors. Restricted giving has fallen as a percentage of total giving (in 2006 the ratio was 60 per cent), reflecting management's efforts to increase unrestricted income in order to provide flexibility to react to needs as they arise. In 2010 there will be further initiatives to increased unrestricted giving.

Investment income fell by a third over the previous year. This was not unexpected given historically low interest rates in 2009, which meant that almost 99 per cent of investment income came from dividends on our investment portfolio

Overall income includes £235,005 received by the Helen Keller Centre for the Visually Impaired in East Jerusalem, a division of the Charity. Of this, £183,632 was received from the Israeli Ministry of Education, which supports the education of a number of the pupils. However, due to the timing of payments, the grant received was some £70,000 less than expected. Most of the shortfall has already been made up in 2010.

EXPENDITURE

UK staff costs were kept under control during the year, with only a modest 4.3 per cent increase despite the additional costs of the management restructure. The total expenditure increased year-on-year by just over 25 per cent, a significant element of this relating to the increased cost of our operations at the Helen Keller Centre. This was partly a result of the downward trend in the sterling-shekel exchange rate, which has increased the sterling cost to BibleLands of the shekel-denominated cost base at the Helen Keller Centre. In addition, the Helen Keller Centre incurred significant refurbishment costs of £147,022 in order to meet the registration requirements of the Israeli Ministry of Education. This figure includes £84,197 for work carried out in 2008 which was included in fixed assets in the 2008 accounts but which has now been treated as normal expenditure in line with our accounting policy.

Grants included £175,000 paid out towards the cost of the building for the Centre for Training and Sheltered Employment at Al-Kafaat in Lebanon in 2009, which was delayed from 2008, the income

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2009

for which had been received during 2007 and 2008.

Overall, the charity's costs exceeded income by £210,900. This deficit was planned by Trustees in view of the strong reserves position and increased legacy income. This enabled Trustees to make a substantial additional grant, totalling £250,000, towards the cost of a new lecture theatre at the Nazareth School of Nursing. If such a grant had not been made, the Charity would have reported a small surplus, even after the exceptional costs of the management restructure. It remains the intention of Trustees to run balanced budgets, with grant and other expenditure in line with expected income, save to the extent that the Charity's reserves policy enables additional grant payments to be made.

BALANCE SHEET

The balance sheet is little changed at the end of December 2009 compared to the previous year. Apart from a few items of computer related equipment, there was no significant investment in tangible assets due to the planned office relocation.

The reduction in tangible asset values is despite improvements made to the property in East Jerusalem in 2008 which were previously described as fixed assets of the Helen Keller Centre but which have now been treated as an expense.

Our investment portfolio, invested in a mixture of UK and overseas equities and fixed income securities, stood at just over £2.6 million by the year-end, an increase of 11 per cent on the previous year. During the year there was a realised loss on trading investments of £105,287, but due to improvements in financial markets there was a revaluation gain of £312,445.

TRADING

Our trading subsidiary, Bible Lands Trading Limited, which is renowned for the Bethlehem Carol Sheet and its catalogue of primarily Christmas-related items, continues to be an essential part of the charity's publicity programme. While the subsidiary recorded a loss for the year of £9,992, this was a result of a write-down of £25,563 of stocks of goods left unsold from previous years, and the underlying performance of the trading operation was profitable. In addition, donations and sales of Alternative Gifts on behalf of the charity through the trading arm totalled £89,999, adding to the value the Charity derives from its trading arm.

UK PROPERTY

It remains the Charity's aim to move from its current freehold offices in Hazlemere, Buckinghamshire, given their unsuitability and high maintenance costs. As noted in previous reports, we have secured a residential planning consent, which should enable the site to be sold for residential development. However, the property has not been actively marketed since the aborted sale in April 2008, both because of the poor property market generally, and the absence of high quality freehold properties to buy. The current planning consent expires in July 2010, and it is our intention to extend this by at least two years, during which time the Charity will have to move offices. The Chief Executive is working closely with the Charity's property advisers to identify suitable new premises.

RESERVES AND INVESTMENT POLICY

At the end of 2009, Trustees reviewed the Charity's reserves policy. The 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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2009

supported for many years, free reserves (defined as cash and investments less restricted or designated funds) should fall within a range of between 12 and 18 months of direct charitable and grant expenditure (including support for the Helen Keller Centre) as shown in the current audited annual accounts. If the level of free reserves falls below the 12 month threshold or rises above the 18 month threshold, then Trustees will give priority to increasing or decreasing the level of free reserves as appropriate.

Free reserves as defined above stood at £3.5 million as at 31 December 2009, compared to £3.4 million as at 31 December 2008. This is within the range specified above.

FUTURE PLANS

It will be clear from the narrative above that 2009 was a year of transition for BibleLands, with the Charity's strategic development put on hold while management was restructured and a new Chief Executive appointed. The Charity's main objective, of helping vulnerable and disadvantaged people in the Middle East, was however achieved through the disbursement of grants totalling £1,980,920 to our overseas partners, and the provision of financial support totalling £821,305 to our division based in East Jerusalem, the Helen Keller Centre for the Visually Impaired.

The senior management team has agreed the following objectives for 2010:

1. To clarify and refresh the charity's vision and mission (this has already been achieved as described above).
2. To draw up and agree with Trustees a new business plan, reflecting the refreshed vision and mission and covering the Charity's grant-making operations (including its grant-making criteria), its Helen Keller operations and its communications and fundraising efforts, including branding.
3. To improve the quantum and quality of the charity's income, improving on our 2010 income target of £2.9m, further reducing the percentage of income that is restricted and increasing the income that comes from committed giving programmes.
4. To reverse the recent trend of declining supporter numbers, with the implementation of a donor acquisition programme and the achievement of a net year-on-year increase in donors of at least 1,500.
5. To develop and begin implementing a medium-term strategy for the charity's child sponsorship programme.
6. To strengthen the Charity's overseas operations team, including recruitment of new staff.
7. To continue to support the Helen Keller Centre as it conducts its own strategic review, and to work with the Jerusalem Board and the Principal in improving financial management and reporting, and stabilising and developing the relationship with the Israeli Ministry of Education.
8. To make definitive proposals to Trustees on the proposed office move from Hazlemere.
9. To review and restructure the Charity's salary and benefits system, to bring it into line with best practice and market benchmarks.
10. To work with Trustees in reviewing the Charity's governance, to ensure that it aligns with best practice in the charity sector.
11. To develop the Charity's trading arm, making it a profit-centre in its own right, as well as a means of acquiring potential supporters.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2009

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 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 charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charity SORP.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Seymour Taylor Audit Limited, will be re-appointed in accordance with section 487(2) of the Companies Act 2006.

Approved by the board of Trustees on 22 June 2010 and signed on its behalf by:

H R Bradley

Chair of Trustees

22 June 2010

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REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2009

We have audited the group and charity financial statements of BibleLands for the year ended 31 December 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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 trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees (who are also the directors of the charitable company 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Report of the Trustees is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statement.

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REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2009

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the state of the group and charitable company's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- The information given in the Report of the Trustees is consistent with the financial statements.

EMPHASIS OF MATTER - ASSET VALUATION

In forming our opinion, which is not qualified, we have considered the valuation of the Helen Keller Centre and in view of the significance of this we feel that it should be drawn to your attention. During the year the trustees have carried out an impairment review on the valuation of the Helen Keller Centre and due to the significant uncertainty over this building, which is used for charitable purposes, continue to maintain its valuation to £1. Details of this are in note 17 to the consolidated financial statements.

Mr William Johnston BA FCA (Senior Statutory Auditor)
for and on behalf of Seymour Taylor Audit Limited, Statutory Auditor
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

22 June 2010

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Unrestricted funds £	Restricted funds £	Year Ended 31.12.09 Total funds £	Period 1.5.08 to 31.12.08 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	1,824,484	1,392,863	3,217,347	1,705,991
Activities for generating funds	3	2,161	-	2,161	768
Investment income	4	115,385	-	115,385	102,875
Commercial trading operations	5	385,772	-	385,772	337,976
Incoming resources from charitable activities					
Helen Keller Centre	6	-	235,005	235,005	224,161
Total incoming resources		2,327,802	1,627,868	3,955,670	2,371,771
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	7	433,129	-	433,129	230,057
Investment management costs	8	598	-	598	360
Commercial Trading Operations	5	395,764	-	395,764	321,122
Charitable Activities					
Support of Overseas Christian Project Partners	9	766,341	1,676,957	2,443,298	1,282,465
Helen Keller Centre		21,663	821,305	842,968	456,649
Governance costs	13	60,805	-	60,805	51,034
Total resources expended		1,678,300	2,498,262	4,176,562	2,341,677
NET INCOMING/(OUTGOING) RESOURCES before transfers					
		649,502	(870,394)	(220,892)	30,094
Gross transfers between funds	23	(674,583)	674,583	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(25,081)	(195,811)	(220,892)	30,094

The notes form part of these financial statements

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Unrestricted funds £	Restricted funds £	Year Ended 31.12.09 Total funds £	Period 1.5.08 to 31.12.08 Total funds £
Other recognised gains/losses					
Realised gains or losses on disposal of investment assets		(105,287)	-	(105,287)	(196,706)
Gains or losses on revaluation of investment assets		<u>312,445</u>	<u>-</u>	<u>312,445</u>	<u>(274,095)</u>
Net movement in funds		182,077	(195,811)	(13,734)	(440,707)
RECONCILIATION OF FUNDS					
Total funds brought forward		3,393,412	347,283	3,740,695	4,181,402
TOTAL FUNDS CARRIED FORWARD		<u>3,575,489</u>	<u>151,472</u>	<u>3,726,961</u>	<u>3,740,695</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

BIBLELANDS**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2009**

		31.12.2009		31.12.2008	
	Notes	Group £	Charity £	Group £	Charity £
FIXED ASSETS					
Tangible assets	17	363,446	363,446	475,176	475,176
Investments	18	<u>2,634,505</u>	<u>2,635,505</u>	<u>2,372,612</u>	<u>2,373,612</u>
		2,997,951	2,998,951	2,847,788	2,848,788
CURRENT ASSETS					
Stocks		82,908	-	97,657	-
Debtors: amounts falling due within one year	19	45,643	51,220	72,737	57,841
Cash at bank and in hand		<u>1,071,063</u>	<u>1,047,444</u>	<u>1,352,392</u>	<u>1,328,889</u>
		1,199,614	1,098,664	1,522,786	1,386,730
CREDITORS					
Amounts falling due within one year	20	<u>(470,604)</u>	<u>(380,955)</u>	<u>(629,879)</u>	<u>(515,116)</u>
NET CURRENT ASSETS					
		<u>792,010</u>	<u>717,709</u>	<u>892,907</u>	<u>871,614</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>3,726,961</u>	<u>3,716,660</u>	<u>3,740,695</u>	<u>3,720,402</u>
NET ASSETS					
		<u>3,726,961</u>	<u>3,716,660</u>	<u>3,740,695</u>	<u>3,720,402</u>
FUNDS					
Unrestricted funds	23	3,575,489	3,565,188	3,393,412	3,373,119
Restricted funds		<u>151,472</u>	<u>151,472</u>	<u>347,283</u>	<u>347,283</u>
TOTAL FUNDS					
		<u>3,726,961</u>	<u>3,716,660</u>	<u>3,740,695</u>	<u>3,720,402</u>

The notes form part of these financial statements

BIBLELANDS**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

		Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Net cash outflow from operating activities	Notes 1	(339,054)	122,484
Returns on investments and servicing of finance	2	115,278	95,904
Capital expenditure and financial investment	2	(57,553)	(73,586)
Decrease in cash in the period		<u>(281,329)</u>	<u>144,802</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		<u>(281,329)</u>	<u>144,802</u>
Change in net debt resulting from cash flows		<u>(281,329)</u>	<u>144,802</u>
Movement in net debt in the period		(281,329)	144,802
Net debt at 1 January		<u>1,352,392</u>	<u>1,207,590</u>
Net debt at 31 December		<u>1,071,063</u>	<u>1,352,392</u>

The notes form part of these financial statements

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NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

1. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Net (outgoing)\incoming resources	(220,892)	30,094
Depreciation charges	30,351	19,814
Fixed assets expensed	84,197	-
Interest received	(1,487)	(21,607)
Interest paid	107	6,971
Dividends received	(113,898)	(81,268)
Increase/(decrease) in stock	14,749	(9,169)
Increase/(decrease) in debtors	27,094	(9,349)
Increase/(decrease) in creditors	<u>(159,275)</u>	<u>186,998</u>
Net cash outflow from operating activities	<u>(339,054)</u>	<u>122,484</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Returns on investments and servicing of finance		
Interest received	1,487	21,607
Interest paid	(107)	(6,971)
Dividends received	<u>113,898</u>	<u>81,268</u>
Net cash inflow for returns on investments and servicing of finance	<u>115,278</u>	<u>95,904</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,818)	(81,212)
Purchase of fixed asset investments	(987,176)	(529,184)
Sale of fixed asset investments	<u>932,441</u>	<u>536,810</u>
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>(57,553)</u>	<u>(73,586)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.09 £	Cash flow £	At 31.12.09 £
Net cash:			
Cash at bank and in hand	<u>1,352,392</u>	<u>(281,329)</u>	<u>1,071,063</u>

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 the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Basis of Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary Biblelands Trading Limited on a line-by-line basis. A separate statement of Financial Activities, and income and expenditure account for the charity itself are not presented because the charity has taken advantage of the exemptions afforded by Companies Act 2006 and paragraph 397 of the SORP.

Incoming resources

Donations

Donations are brought into the financial statements when the asset is deposited into the bank. The gift aid tax that is reclaimable on these donations is recognised in the reserves to which they relate when the tax rebate is received into the bank account.

Gifts in kind donated are included at valuation at the date of the gift.

Legacies

This comprises amounts received in the period. Legacies are brought into the financial statements when the assets are converted into cash and the money is deposited into the bank.

Grants

Grants are recognised when paid or received.

Resources expended

All overhead expenditure is accounted for on an accruals basis and has been classified under headings which aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Overheads have been allocated on the basis of head count.

Costs of generating funds are those costs incurred in fundraising to seek voluntary donations and include the salaries and other direct costs of fundraising staff. Investment management costs are professional fees to manage the investment portfolio and deal with investment acquisitions and disposals.

Charitable activities are grants made and costs incurred directly in the support of expenditure on the charity's objectives and include project management carried out from the charity's premises.

Governance costs include those incurred with the governance of the charity and its assets and are primarily associated with the compliance of constitutional and statutory requirements. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1. ACCOUNTING POLICIES - continued

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Reserves policy

The 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 reserves (defined as cash and investments less restricted or designated funds) should fall within a range of between 12 and 18 months of grant expenditure as shown in the current audited annual accounts. If the level of free reserves falls below the 12 month threshold or rises above the 18 month threshold, then trustees will give priority to increasing or decreasing the level of free reserves as appropriate.

Tangible fixed assets

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

Fixtures and fittings	- reducing balance - 25%
Motor vehicles	- straight line - 25%
Computer equipment	- straight line - 33%

Revaluation of UK freehold property

As permitted by the transitional arrangements included within Financial Reporting Standard 15 'Tangible Fixed Assets' the company has elected not to adopt a policy of revaluation of its UK freehold property. The company is retaining the book value of its UK freehold property, previously revalued on 10 January 1995, and will not update that valuation.

Revaluation of overseas freehold property

Overseas freehold property is revalued annually in light of the current political, social and economic environment in the area in which the property is situated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for a particular purpose. The cost of raising and administering such funds is charged against the unrestricted reserve.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investment assets and income

BibleLands' policy is to hold investments primarily in order to generate income and capital growth for the support of its work over a long-term period. The effect of this policy is that fixed asset investments are shown at open market valuation in line with SORP 'Accounting By Charities'. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the period.

Investment income is accounted for as follows:

Listed and unlisted - amounts received during the year

Rental income - amounts receivable

Realised and unrealised gains

Unrealised gains and losses arise when fixed assets for charity use or fixed asset investments are included in the balance sheet at revalued amounts or market value. They are included in the statement of financial activities as an incoming resource or additional depreciation as appropriate in the period they arise. Realised gains and losses are recognised when an asset is disposed of.

2. VOLUNTARY INCOME

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Subscriptions and donations	2,181,376	1,360,573
Legacies	<u>1,035,971</u>	<u>345,418</u>
	<u><u>3,217,347</u></u>	<u><u>1,705,991</u></u>

BIBLELANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2009

3. ACTIVITIES FOR GENERATING FUNDS

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Other income	<u>2,161</u>	<u>768</u>

4. INVESTMENT INCOME

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
UK listed investment income	113,898	81,268
Bank interest receivable	<u>1,487</u>	<u>21,607</u>
	<u>115,385</u>	<u>102,875</u>

5 COMMERCIAL TRADING OPERATIONS IN TRADING SUBSIDIARY

Bible Lands Trading Limited is a wholly owned subsidiary, which is incorporated in the United Kingdom. A summary of the trading results excluding intercompany transactions is shown below.

Summary Profit and Loss Account

	£	31.12.09 £	£	Period 1.5.08 to 31.12.08 £
Turnover		385,772		337,976
Cost of sales and administrative expenses	<u>(395,764)</u>	(9,992)	<u>(321,112)</u>	16,864
Gift aid payment		-	15,371	
Gift aid payment to parent company	<u>-</u>	-	<u>(15,371)</u>	-
Profit / (Loss) for the year		<u>(9,992)</u>		<u>16,864</u>

BIBLELANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2009

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Year Ended 31.12.09	Period 1.5.08 to 31.12.08
	Helen Keller Centre £	Helen Keller Centre £
Israeli Ministry of Education	183,632	158,920
Other income	51,373	21,225
Gains on foreign exchange	-	44,016
	<u>235,005</u>	<u>224,161</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	Year Ended 31.12.09	Period 1.5.08 to 31.12.08
	£	£
Staff costs	172,152	80,246
Rates and water	1,866	898
Insurance	3,600	1,882
Light and heat	3,639	1,402
Telephone	2,109	921
Sundries	6,441	3,823
Repairs and maintenance	3,745	2,092
Motor and travel costs	12,045	7,788
Legal fees	5,914	1,436
Office expenses	16,837	7,532
Publications costs	103,645	61,377
Advertising costs	87,163	53,601
Bank charges	1,217	-
Depreciation	12,756	7,059
	<u>433,129</u>	<u>230,057</u>

8. INVESTMENT MANAGEMENT COSTS

	Year Ended 31.12.09	Period 1.5.08 to 31.12.08
	£	£
Investment management fees	<u>598</u>	<u>360</u>

BIBLELANDS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009****9. CHARITABLE ACTIVITIES COSTS**

	Direct costs (Note 10)	Grant funding of activities (Note 11)	Support costs (Note 12)	Totals
	£	£	£	£
Helen Keller Centre	821,305	-	21,663	842,968
Support of Overseas Christian Project Partners	-	1,980,920	462,378	2,443,298
	<u>821,305</u>	<u>1,980,920</u>	<u>484,041</u>	<u>3,286,266</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Staff costs	477,042	316,637
Light and heat	22,599	20,314
Motor and travel costs	9,194	8,832
Facility improvements and equipment	147,022	-
Educational supplies	6,061	4,687
Activity expenses	21,478	14,096
Repairs and maintenance	17,907	15,358
Medical expenses	18,063	26,838
Other administrative expenses	64,267	24,438
Registration fees	13,039	11,775
Losses on foreign exchange	<u>24,633</u>	<u>-</u>
	<u>821,305</u>	<u>442,975</u>

11. GRANTS PAYABLE

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Support of Overseas Christian Project Partners	<u>1,980,920</u>	<u>952,658</u>

Further information on grants payable can be found in the body of the Trustees' report.

BIBLELANDS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009**

12. SUPPORT COSTS

	Management £
Support of Overseas Christian Project Partners	462,378
Helen Keller Centre	<u>21,663</u>
	<u>484,041</u>

Support costs, included in the above, are as follows:

Management

			Year Ended 31.12.09	Period 1.5.08 to 31.12.08
	Support of Overseas Christian Project Partners £	Helen Keller Centre £	Total activities £	Total activities £
Wages	281,449	11,285	292,734	226,450
Social security	22,703	921	23,624	20,638
Pensions	15,312	621	15,933	11,869
Rates and water	3,871	157	4,028	2,916
Insurance	7,471	303	7,774	6,107
Light and heat	7,551	306	7,857	4,551
Telephone	2,838	115	2,953	2,988
Sundries	5,641	229	5,870	10,466
Repairs and maintenance	7,774	315	8,089	6,789
Motor and travel costs	23,186	3,978	27,164	11,172
Legal fees	11,053	449	11,502	2,841
Office expenses	22,066	895	22,961	24,440
Bank charges	8,292	337	8,629	-
Recruitment costs	26,921	1,093	28,014	-
Depreciation of tangible and heritage assets	<u>16,250</u>	<u>659</u>	<u>16,909</u>	<u>12,254</u>
	<u>462,378</u>	<u>21,663</u>	<u>484,041</u>	<u>343,481</u>

BIBLELANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2009

13. GOVERNANCE COSTS

	Year Ended 31.12.09	Period 1.5.08 to 31.12.08
	£	£
Staff costs	26,407	8,111
Sundries	301	6,781
Legal fees	398	1,787
Auditors' remuneration	25,851	21,119
Office expenses	598	797
Costs of trustees' meetings	4,732	4,520
Premises costs	1,724	592
Depreciation	687	356
Interest payable and similar charges	107	6,971
	<u>60,805</u>	<u>51,034</u>

14. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Year Ended 31.12.09	Period 1.5.08 to 31.12.08
	£	£
Auditors' remuneration	32,611	26,119
Depreciation - owned assets	30,351	19,814
Staff pension contributions	<u>28,248</u>	<u>19,449</u>

Services provided by the Charity's auditor during the year:

	Year Ended 31.12.09	Period 1.5.08 to 31.12.08
	£	£
The audit of the Charity and consolidated financial statements	25,851	21,119
The audit of the Charity's subsidiary	6,760	5,000
Other services	2,961	-
	<u>35,572</u>	<u>26,119</u>

BIBLELANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2009

15. TRUSTEES' REMUNERATION AND BENEFITS

The trustees neither received nor waived any emoluments this period or last year.

Trustees' Expenses

During the period the Charity reimbursed travel expenses to all the trustees and patrons that served during the year; the total of these travel expenses was £19,793 (Period to 31 December 2008 - £11,526).

16. STAFF COSTS

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
Wages and salaries	1,007,769	654,606
Social security costs	42,228	30,837
Other pension costs	<u>28,248</u>	<u>19,449</u>
	<u>1,078,245</u>	<u>704,892</u>

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

	Year Ended 31.12.09 £	Period 1.5.08 to 31.12.08 £
UK administrative staff	15	17
Helen Keller Centre staff	33	30
UK management staff	<u>4</u>	<u>4</u>
	<u>52</u>	<u>51</u>

Wages and salaries in respect of The Helen Keller Centre included above amounted to £477,042 (Period to 31 December 2008 - £316,637). All other staff costs relate to the UK.

One employee received total emoluments including pension and severance payments in the range of £70,000 - £80,000 during the year (Period to 31 December 2008 - Nil).

BIBLELANDS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009**

**17. TANGIBLE FIXED ASSETS
Group**

	UK freehold property £	Overseas freehold property £	Fixtures and fittings £
COST			
At 1 January 2009	336,228	1	215,886
Additions	-	-	709
Disposals	-	-	<u>(84,197)</u>
At 31 December 2009	<u>336,228</u>	<u>1</u>	<u>132,398</u>
 DEPRECIATION			
At 1 January 2009	-	-	119,669
Charge for year	-	-	<u>3,725</u>
At 31 December 2009	<u>-</u>	<u>-</u>	<u>123,394</u>
 NET BOOK VALUE			
At 31 December 2009	<u>336,228</u>	<u>1</u>	<u>9,004</u>
At 31 December 2008	<u>336,228</u>	<u>1</u>	<u>96,217</u>
 Motor vehicles			
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2009	19,698	180,962	752,775
Additions	-	2,109	2,818
Disposals	-	-	<u>(84,197)</u>
At 31 December 2009	<u>19,698</u>	<u>183,071</u>	<u>671,396</u>
 DEPRECIATION			
At 1 January 2009	8,208	149,722	277,599
Charge for year	<u>4,924</u>	<u>21,702</u>	<u>30,351</u>
At 31 December 2009	<u>13,132</u>	<u>171,424</u>	<u>307,950</u>
 NET BOOK VALUE			
At 31 December 2009	<u>6,566</u>	<u>11,647</u>	<u>363,446</u>
At 31 December 2008	<u>11,490</u>	<u>31,240</u>	<u>475,176</u>

BIBLELANDS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009**

**17. TANGIBLE FIXED ASSETS - continued
Charity**

	UK freehold property £	Overseas freehold property £	Fixtures and fittings £
COST			
At 1 January 2009	336,228	1	210,177
Additions	-	-	709
Disposals	-	-	<u>(84,197)</u>
At 31 December 2009	<u>336,228</u>	<u>1</u>	<u>126,689</u>
 DEPRECIATION			
At 1 January 2009	-	-	113,960
Charge for year	-	-	<u>3,725</u>
At 31 December 2009	<u>-</u>	<u>-</u>	<u>117,685</u>
 NET BOOK VALUE			
At 31 December 2009	<u>336,228</u>	<u>1</u>	<u>9,004</u>
At 31 December 2008	<u>336,228</u>	<u>1</u>	<u>96,217</u>
 Motor vehicles			
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2009	19,698	180,768	746,872
Additions	-	2,109	2,818
Disposals	-	-	<u>(84,197)</u>
At 31 December 2009	<u>19,698</u>	<u>182,877</u>	<u>665,493</u>
 DEPRECIATION			
At 1 January 2009	8,208	149,528	271,696
Charge for year	<u>4,924</u>	<u>21,702</u>	<u>30,351</u>
At 31 December 2009	<u>13,132</u>	<u>171,230</u>	<u>302,047</u>
 NET BOOK VALUE			
At 31 December 2009	<u>6,566</u>	<u>11,647</u>	<u>363,446</u>
At 31 December 2008	<u>11,490</u>	<u>31,240</u>	<u>475,176</u>

BIBLELANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2009

17. TANGIBLE FIXED ASSETS - continued

Included in freehold property above are the following:-

The Old Kiln, Hazlemere was revalued on 10 January 1995 on the basis of vacant possession by Rafferty Buckland; this value is incorporated in the accounts at £326,228. The trustees have considered the current valuation of the property and believe it to be in excess of the Balance Sheet value.

Helen Keller School, Jerusalem was revalued in US dollars on 15 September 1999 on the basis of vacant possession by Qupty, Dahleh & Associates. This value has been previously stated in the accounts at the exchange rate prevailing on that date, which amounted to \$5,832,800 translated to £3,600,494. The trustees believe that, due to the uncertain political and economic situation presently existing in Jerusalem, it is no longer prudent to record the existence of the property at this substantial valuation. The value was therefore written down to a nominal value of £1 in the year ended 30 April 2006. No change in the physical condition or usefulness of the building has occurred.

The properties at High Wycombe and Jerusalem could not be disposed of without materially affecting the Charity's work.

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	Year Ended 31.12.2009 £	Period 1.5.08 to 31.12.08 £
NBV of revalued tangible fixed assets:		
Net book value at end of year	<u>326,229</u>	<u>326,229</u>
Historical cost	<u>521,543</u>	<u>521,543</u>

BIBLELANDS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009**

**18. FIXED ASSET INVESTMENTS
Group**

	31.12.2009 £	31.12.2008 £
Listed investments	2,633,505	2,371,612
Unlisted investments	<u>1,000</u>	<u>1,000</u>
	<u>2,634,505</u>	<u>2,372,612</u>

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 December 2008	2,371,612	1,000	2,372,612
Additions	987,176	-	987,176
Disposals	(925,831)	-	(925,831)
Revaluations	<u>200,548</u>	<u>-</u>	<u>200,548</u>
At 31 December 2009	<u>2,633,505</u>	<u>1,000</u>	<u>2,634,505</u>
NET BOOK VALUE			
At 31 December 2009	<u>2,633,505</u>	<u>1,000</u>	<u>2,634,505</u>
At 31 December 2008	<u>2,371,612</u>	<u>1,000</u>	<u>2,372,612</u>

There were no investment assets outside the UK.

The historical cost of total fixed asset investments at 31 December 2009 was £2,337,299 (2008 - £2,387,852).

The following listed investments are material as the market value for each is in excess of 5% in value of the portfolio:-

UK Government Stock 4% 07/09/2016	£154,200
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Charity

	31.12.09 £	31.12.08 £
Listed investments	2,633,505	2,371,612
Unlisted investments	1,000	1,000
Shares in group undertakings	<u>1,000</u>	<u>1,000</u>
	<u>2,635,505</u>	<u>2,373,612</u>

Bible Lands Trading Limited

BibleLands Trading Limited is a wholly owned subsidiary of this Charity. Its principal activity is that of the sale of gifts, cards, folders, and the Bethlehem Carol Sheet via mail order catalogues and on-line site. The results of this company are summarised in note 5.

BIBLELANDS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009****19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	Charity	Group	Charity
	31.12.2009	31.12.2009	31.12.2008	31.12.2008
	£	£	£	£
Trade debtors	-	-	3,277	-
Other debtors	7,208	12,785	11,619	-
Prepayments and accrued income	<u>38,435</u>	<u>38,435</u>	<u>57,841</u>	<u>57,841</u>
	<u>45,643</u>	<u>51,220</u>	<u>72,737</u>	<u>57,841</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Charity	Group	Charity
	31.12.2009	31.12.2009	31.12.2008	31.12.2008
	£	£	£	£
Trade creditors	107,659	42,133	152,197	10,112
Amounts owed to group undertakings	-	-	-	40,818
Social security and other taxes	30,058	12,730	26,443	15,537
Other creditors	3,582	3,582	3,798	1,208
Accruals and deferred income	<u>329,305</u>	<u>322,510</u>	<u>447,441</u>	<u>447,441</u>
	<u>470,604</u>	<u>380,955</u>	<u>629,879</u>	<u>515,116</u>

21. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme for its UK employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £28,248 (Period to 31 December 2008 - £19,449). There were £3,582 contributions outstanding at 31 December 2009 (Period to 31 December 2008 - £Nil).

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	2009	2008
	Funds	Funds	Total	Total
	£	£	Funds	Funds
	£	£	£	£
Fixed Assets	363,446	-	363,446	475,176
Investments	2,634,505	-	2,634,505	2,372,612
Current Assets	1,033,642	165,972	1,199,614	1,522,786
Current Liabilities	<u>(456,104)</u>	<u>(14,500)</u>	<u>(470,604)</u>	<u>(629,879)</u>
	<u>3,575,489</u>	<u>151,472</u>	<u>3,726,961</u>	<u>3,740,695</u>

BIBLELANDS

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009**

23. MOVEMENT IN FUNDS

Charity

	At 1.1.09 £	Net movement in funds £	Transfers between funds £	At 31.12.09 £
Unrestricted funds				
General fund	3,373,119	866,652	(674,583)	3,565,188
Restricted funds				
Anjar Settlement	-	(15,358)	15,358	-
Armenian Evan. Central High School	-	(3,078)	3,078	-
Armenian Evan. Guertmenian School	1,000	(5,103)	4,103	-
Armenian Evan. School	-	(17,108)	17,108	-
Armenian Evan. Torossian School	-	1,176	-	1,176
Birds Nest Byblos	-	(5,939)	5,939	-
Cedar Home Orphanage	-	299	-	299
CCC Centre	-	(57,997)	57,997	-
Centres for Armenian Handicapped	-	(4,962)	4,962	-
JL Schneller School	-	(8,947)	8,947	-
Nazareth Hospital Nurse Sponsorship	-	(58,088)	58,088	-
Bethany Girls School	-	(11,396)	11,396	-
Four Homes of Mercy Bethany	-	(4,844)	4,844	-
Hebron Evan. School for Boys	-	(13,273)	13,273	-
Hope School Beit Jala	4,992	(3,747)	1	1,246
Jerusalem Children's Centre	-	176	-	176
Physically Handicapped Bethlehem	-	(4,025)	4,025	-
Rawdat El Zuhur School	88	(1,702)	1,614	-
Talitha Kumi Beit Jala	-	(4,763)	4,763	-
Helen Keller Centre	69,052	(522,448)	457,696	4,300
Spafford Children's Centre Jerusalem	-	(13,865)	13,865	-
Ahli Arab Hospital Gaza	-	(10,171)	10,171	-
Deaf School Cairo	32,575	(428)	49	32,196
Menouf Hospital Egypt	-	(376)	376	-
All Saints Sudanese Cairo	-	(21,547)	21,547	-
St Andrews Cairo	-	(17,140)	17,140	-
Shams El Birr Centre Cairo	-	(9,485)	9,485	-
JWB & EJ - general	-	19,166	(19,166)	-
Egypt - general	25,986	12,678	(38,664)	-
Think & Do Project	-	-	12,000	12,000
Evangelical Swiss School	-	(13,500)	13,500	-
Salaam Centre for Medico Social	-	(19,967)	19,967	-
Diocese of Egypt	-	(13,860)	13,860	-
Discretionary grants	-	35,397	(12,000)	23,397
SIRA School	-	(14,521)	14,521	-
Jesuit Centre	-	(9,920)	9,920	-
Al-Kafaàt Building Fund	144,270	(169,883)	60,228	34,615
Survival Kit	21,700	(21,600)	(100)	-
Carried forward	299,663	(1,010,149)	819,891	109,405

BIBLELANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2009

23. MOVEMENT IN FUNDS - continued

Restricted funds

Brought forward	299,663	(1,010,149)	819,891	109,405
Christmas Appeal 2008 (Holy Land)	-	10,889	(10,889)	-
Gaza	-	6,607	(6,607)	-
Lent 2009 appeal (Gaza)	-	45	(45)	-
Summer 2009 appeal (Al-Kafaàt)	-	51,288	(51,288)	-
Christmas 2009 appeal (I & OPT)	-	64,932	(64,932)	-
Alternative Gift Fund	32,063	16,983	(14,012)	35,034
Other funds	<u>15,557</u>	<u>(10,989)</u>	<u>2,465</u>	<u>7,033</u>
	<u>347,283</u>	<u>(870,394)</u>	<u>674,583</u>	<u>151,472</u>
TOTAL FUNDS	<u>3,720,402</u>	<u>(3,742)</u>	<u>-</u>	<u>3,716,660</u>

Other funds

Other funds are those restricted funds which carry a balance of less than £10,000, and have income and expenditure within the year of less than £10,000. These funds are held and accounted for individually but shown collectively in the financial statements.

Alternative gifts

Alternative Gifts are individual funds held and accounted for separately based on the gift specified by the donor. In the financial statements these funds are shown collectively as the Alternative Gift Fund.

BIBLELANDS**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2009****23. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,942,030	(1,282,536)	207,158	866,652
Restricted funds				
Anjar Settlement	28,198	(43,556)	-	(15,358)
Armenian Evan. Central High School	10,292	(13,370)	-	(3,078)
Armenian Evan. Guertmenian School	18,436	(23,539)	-	(5,103)
Armenian Evan. School	25,388	(42,496)	-	(17,108)
Armenian Evan. Torossian School	24,252	(23,076)	-	1,176
Birds Nest Byblos	26,125	(32,064)	-	(5,939)
Cedar Home Orphanage	17,435	(17,136)	-	299
CCC Centre	145,595	(203,592)	-	(57,997)
Centres for Armenian Handicapped	9,680	(14,642)	-	(4,962)
JL Schneller School	45,055	(54,002)	-	(8,947)
Nazareth Hospital Nurse Sponsorship	93,796	(151,884)	-	(58,088)
Bethany Girls School	40,487	(51,883)	-	(11,396)
Four Homes of Mercy Bethany	33,650	(38,494)	-	(4,844)
Hebron Evan. School for Boys	47,846	(61,119)	-	(13,273)
Hope School Beit Jala	24,516	(28,263)	-	(3,747)
Jerusalem Children's Centre	21,176	(21,000)	-	176
Physically Handicapped Bethlehem	10,975	(15,000)	-	(4,025)
Rawdat El Zuhur School	42,547	(44,249)	-	(1,702)
Talitha Kumi Beit Jala	55,236	(59,999)	-	(4,763)
Helen Keller Centre	298,857	(821,305)	-	(522,448)
Spafford Children's Centre Jerusalem	7,685	(21,550)	-	(13,865)
Ahli Arab Hospital Gaza	12,757	(22,928)	-	(10,171)
Deaf School Cairo	7,804	(8,232)	-	(428)
Menouf Hospital Egypt	19,695	(20,071)	-	(376)
All Saints Sudanese Cairo	1,913	(23,460)	-	(21,547)
St Andrews Cairo	5,000	(22,140)	-	(17,140)
Shams El Birr Centre Cairo	715	(10,200)	-	(9,485)
JWB & EJ - general	19,166	-	-	19,166
Egypt - general	12,678	-	-	12,678
Think & Do Project	14,010	(14,010)	-	-
Salaam Centre for Medico Social	7,873	(27,840)	-	(19,967)
Discretionary grants	120,000	(84,603)	-	35,397
SIRA School	9,540	(24,061)	-	(14,521)
Jesuit Centre	80	(10,000)	-	(9,920)
Al-Kafaàt Building Fund	5,117	(175,000)	-	(169,883)
Survival Kit	175	(21,775)	-	(21,600)
Christmas Appeal 2008 (Holy Land)	10,889	-	-	10,889
Carried forward	1,274,639	(2,246,539)	-	(971,900)

BIBLELANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2009

23. MOVEMENT IN FUNDS - continued

Restricted funds				
Brought forward	1,274,639	(2,246,539)	-	(971,900)
Gaza	21,092	(14,485)	-	6,607
Lent 2009 appeal (Gaza)	130,505	(130,460)	-	45
Summer 2009 appeal (Al-Kafaàt)	51,288	-	-	51,288
Christmas 2009 appeal (I & OPT)	64,932	-	-	64,932
Alternative Gift Fund	38,665	(21,682)	-	16,983
Other funds	46,747	(57,736)	-	(10,989)
Evangelical Swiss School Diocese of Egypt	-	(13,500)	-	(13,500)
	-	(13,860)	-	(13,860)
	1,627,868	(2,498,262)	-	(870,394)
TOTAL FUNDS	<u>3,569,898</u>	<u>(3,780,798)</u>	<u>207,158</u>	<u>(3,742)</u>

24. CONTINGENT LIABILITIES

BibleLands provide regular grant support to approved projects, the level of this support is agreed before the year end for the following financial year. The level of approved grants for the year ended 31 December 2009 is £1,352,304. Although these grants are regular and there is an expectation from the recipient to receive these grants they are dependent on BibleLands receiving the donations in which to pay the grants.

25. RELATED PARTY DISCLOSURES

BibleLands is an incorporated Charity which has no controlling party.

All transactions with group companies are eliminated on consolidation.

Bible Lands Trading Limited collected donations on behalf of BibleLands Limited during the year of £51,728 (Period to 31 December 2008 - £39,722). In addition, donations of 'Alternative Gifts' totalling £38,271 (Period to 31 December 2008 - £33,613) have been raised through Bible Lands Trading Limited.

26. COMPANY LIMITED BY GUARANTEE

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