

Company No. 6681463
Registered in England
and Wales

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2024

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2024

Directors and Trustees

Donald Franklin PhD
Rabbi Michael Pollak

Secretary

Rabbi Michael Pollak

Charity No.

1127436

Registered Office

19 The Park
London NW11 7ST

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2024

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THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES

The directors and trustees have pleasure in presenting their report and financial statements for the year ended 31st August 2024.

The accounts have been prepared in accordance with the accounting policies as set out in Note 1 of the accounts and comply with the Charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (FRS 102) issued in October 2019.

Status

The Charity is a Company limited by guarantee and was incorporated on 26 August 2008 and registered as a charity on 8 January 2009. The Charity operates from 19 The Park, London NW11 7ST. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association.

Directors and Trustees

Donald Franklin PhD
Rabbi Michael Pollak

Aims and Organisation

The relief of financial hardship amongst people in poor communities in Jerusalem by enabling them to establish and grow their own businesses through the provision of micro finance and technical assistance.
(Microfinance includes loans and/or equity funding for small enterprises and or their proprietors as appropriate for the individuals and firms seeking assistance.)

Investment and Reserves Policy

Risk Factors

The trustees have considered the risks of the charity are:-

1. That loans made to beneficiaries will not be repaid. The risk is reduced by examining the business plans prepared by borrowers to determine the viability of the proposals and by securing guarantors to underwrite the borrowers of funds.
2. The charity is exposed to volatile fluctuations of several currencies and the trustees monitor available funds where possible. The trustees endeavour to match loan repayments and new loans in the same currencies.

Developments during 2023/24

The year under report saw a continuation in JIMF's lending activity. New loans were made to a value of over 527,000 shekels (2023: 676,000) whilst repayments were 606,000 shekels (2023: 628,000). After provisions and write-offs, loans outstanding stood at just short of one million shekels (₪ 980,000, 2023: ₪ 1,080,000).

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES - Continued

Developments during 2023/24 - Continued

The diminution in the value of direct lending activity reflects a shift in JIMF's *modus operandi*. In light of the strength of our partnership with MATI Jerusalem (<https://www.mati.org.il/about-mati-jerusalem/>), and in order to simplify operations, an agreement was reached with MATI by which small business development loans funded by JIMF should be made from an account supervised and operated within MATI Jerusalem. MATI has set up an account dedicated to this purpose: it is funded by donation from JIMF as resources accumulate from existing loan repayments and donations to JIMF. In the current reporting year £128,900 were transferred to the MATI-JIMF fund.

This reorganisation led to a brief pause in lending activity. However, by November 2024 some £70,000 had been disbursed from the new fund in 20 loans, of which 4 went to Jewish businesswomen in West Jerusalem, 4 to East Jerusalem students, and 12 to East Jerusalem businesswomen. This lending activity is accounted for in MATI's accounts, with regular reports provided to JIMF.

From our own account, mostly in the early part of the year, 25 loans were disbursed (cf. 47 last year): one to a Jewish businesswoman, two to a Jewish social enterprise that offers support to cancer victims and which approached JIMF for a substantial loan, 12 to Arab students and 10 to East Jerusalem business women. In total, new loans were made to a value of 527,000 shekels, of which 46% went to West and 54% to East Jerusalem borrowers.

MATI continues to emphasise the importance of the loan programme to motivate and to build upon their business-training in East Jerusalem for disadvantaged women, many of whom lack access to conventional financing. MATI is also seeking to expand the JIMF lending programme in West Jerusalem, including by offering larger loans and by directing marketing to a wider range of disadvantaged communities.

JIMF and MATI continue to be supported in this work by Rehaam Jaber, a Palestinian lawyer, who runs the East Jerusalem office. Rehaam has built a relationship of trust for JIMF with our Palestinian clients, manifest in a strong repayment record for loans issued since Rehaam was involved (2011). When payments are missed, Rehaam follows up to understand the nature of the problem, and in all cases has secured a recognition of obligation and a resumption of repayment.

JIMF continued to be supported by donations from its regular funders. During the course of this reporting year, a legacy was received of £100,000 from the estate of Edward Horesh (<https://www.bath.ac.uk/announcements/the-university-is-saddened-to-learn-of-the-death-of-edward-e-horesh/>).

MATI appraises applicants for the viability of the businesses, for the neediness of the applicants, and for the value added to the local community. Vocational loans are similarly assessed against criteria of the credibility of the course and the expectation that it will support profitable employment, against the neediness of the applicants and the worthiness of the vocation sought.

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES - Continued

Statement of directors' and trustees' responsibilities

The directors and trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. The financial statements are required to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements the directors and trustees are required:

- to select suitable accounting policies and then apply them consistently;
- to make judgements and estimates that are reasonable and prudent;
- to state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements;
- to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors and trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and that enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The provisions within Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of directors and the trustees

.....

D. Franklin
Director and trustee

Approved by the board on 30th May 2025

19 The Park,
London NW11 7ST

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

Independent Examiner's Report on the accounts for the year ended 31st August
2024 as set out on pages 3-5

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st August 2024.

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that: a. accounting records were not kept in accordance with section 386 of the Companies Act 2006; or b. the accounts do not accord with such records; or c. the accounts do not comply with relevant accounting requirements under section 386 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or d. the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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

Signed

M. S. Emanuel,
Chartered Accountants,
5, Lexham Gardens Mews,
Kensington,
London W8 5JQ

30th May 2025

Dated

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2024

	<u>Note</u>	£	
		-----	-----
		<u>2023</u>	<u>2024</u>
<u>Income</u>	-1-		
Donations received and total incoming resources		40,014	164,000
Interest received		572	1,865
		-----	-----
Total income		40,586	165,865
		-----	-----
<u>Expenditure</u>			
Training services	-5-	-	16,984
Donation to JIMF-MATI loan fund	-5-	-	128,901
Bank charges and similar			
administration charges		1,275	1,214
(Profit)/loss arising on the			
translation of foreign currency		74,250	(2,347)
Provision and write-off for non-recoverability of loans		0	5,031
		-----	-----
Total expenditure		75,525	149,783
		-----	-----
Surplus of income over			
expenditure for the year		(34,939)	16,082
Balance brought forward		377,281	342,342
		-----	-----
Balance carried forward		£342,342	£358,424
		=====	=====

The notes on page 5 form part of these financial statements.

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

BALANCE SHEET AS AT 31 AUGUST 2024

	<u>Note</u>	<u>£</u>	
		<u>2023</u>	<u>2024</u>
<u>Current Assets</u>			
Balances at bank		116,790	152,862
Loans due from clients	-2-	225,552	205,562
		-----	-----
		342,342	358,424
<u>Creditors: amounts falling</u>			
<u>due within one year</u>	-3-	(0)	(0)
		-----	-----
<u>Net Current assets</u>		342,342	358,424
<u>Creditors: amounts falling</u>			
<u>after more than one year</u>	-4-	(0)	(0)
		-----	-----
<u>Net assets</u>		£342,342	£358,424
		=====	=====
<u>Represented by:-</u>			
Unrestricted funds	-6-	£342,342	£358,424
		=====	=====
Average number of employees		0	0
		==	==

For the period 1 September 2023 to 31 August 2024, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and no notice has been deposited under section 476 requiring the Company to obtain an audit of the accounts for the period in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

These accounts have been prepared under the historical cost convention in accordance with FRS102, the Financial Reporting Standard applicable to the small companies regime and the provisions of the Companies Act 2006. The company has decided not to file a profit and loss account with the Registrar of Companies.

The Company is a private company limited by guarantee, registered in England, Company No. 6681463 and its registered office is 19 The Park, London NW11 7ST.

These accounts were approved by the board of directors on 30th May 2025 and were signed on its behalf by:

D. Franklin
 Director
 D. Franklin

The notes on page 5 form part of these financial statements.

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out below.

These financial statements have been prepared in compliance with FRS 102 - The Financial Reporting Standard applicable in UK and Republic of Ireland and the Companies Act 2006.

Compliance with SORP and legislation

The accounts have been prepared in accordance with the accounting policies and comply with the Charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (FRS 102) issued in October 2019.

Incoming resources and expenses

Incoming resources represent donations and fees receivable. Resources expended are recognised in the year in which they are incurred.

Fund accounting

Funds are donations received or generated for the charity without further specified purpose. These are funds that can be used in accordance with the charitable objects at the discretion of the directors (Trustees).

Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to one pound.

Statement of cash flows

The charity's financial statements do not include a statement of cash flows, since, in the opinion of the directors and trustees, such a statement would not add significant information to that already contained in the financial statements, including the note on loan disbursements and repayments.

Exchange rates

Major transactions during the period were converted at rates prevailing at the time of the transaction, minor transactions were converted using an average of the rates prevailing at start and end of the year. Assets and liabilities which existed at the balance sheet date were converted at the rate prevailing at the year end. Any differences were transferred to the profit and loss account.

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

	£	
	<u>2023</u>	<u>2024</u>
2. <u>Loans due from clients</u>		
Loans due from clients repayable		
within 12 months	133,422	117,271
Provision made for non-recoverability	(0)	(0)
	-----	-----
	133,422	117,271
Loans due from clients repayable		
after more than 12 months	92,131	88,291
	-----	-----
	£ 225,552	£ 205,562
	=====	=====

Loans provided to clients are shown in the balance sheet after deducting repayments made during the year, and after deducting write-offs of bad debt for extended delinquency of £5,031 (2023: £0). No provision is required beyond the write off in this year of £ 5,031 as per the income and expenditure account.

Loans disbursed during the year amounted to £110,032 (2023: £155,527). Loans repaid during the year amounted to £127,008 (2023: £144,581). The remaining difference in the amount outstanding, after allowing for write-offs and provisions, is attributable to the rate of exchange prevailing at the year ends. Loans were also disbursed from the MATI-JIMF loan fund, which is accounted for by MATI.

3. Creditors: amounts falling due within one year

0	0
-----	-----
£ 0	£ 0
=====	=====

4. Creditors: amounts falling after more than one year

£ 0	£ 0
=====	=====

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

5. Related Party Transactions, Training Services, Donations to JIMF-MATI loan fund

Donations received include £64,000 (2023: £40,000) from charities on which Donald Franklin is a trustee.

Expenditure on training services of £16,984 (2023: £0) represent support for the training by MATI of Jewish entrepreneurs as part of the expansion of the charedi programme (balancing the East Jerusalem programme).

An agreement was reached with MATI by which small business development loans supported by JIMF should be made from an account supervised and operated within Jerusalem. MATI has set up such an account dedicated to this purpose: it is funded by JIMF as resources accumulate from existing loan repayments and donations to JIMF. In the current reporting year (2024) £128,901 was transferred to the MATI-JIMF fund (2023: £0).

6. Unrestricted funds

Balance 31 August 2023	£ 342,342
Surplus income over expenditure for the year	£16,082
Balance 31 August 2024	<div style="text-align: center;">-----</div> <div style="text-align: right;">£358,424</div> <div style="text-align: center;">=====</div>

7. Share Capital

The Company has no issued share capital but the Company is limited by guarantee.

8. Ultimate Controlling Party

The Company is controlled by its directors.