

Company No. 6681463
Registered in England
and Wales

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2025

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2025

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 2025

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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 2025.

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 2024/25

The year under report saw a further shift in JIMF's operating mode from one of lending directly from its own bank account (run remotely from London) to one of acting through a loan fund operated by our long time partners, MATI, in Jerusalem. As previously reported, in light of the strength of our partnership with MATI Jerusalem (<https://mati-jerusalem.org/microfinance-program/>), and in order to simplify operations, an agreement was reached with MATI by which small business development loans funded by JIMF should be

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

REPORT OF THE DIRECTORS AND TRUSTEES - Continued

Developments during 2024/25 - Continued

made from an account supervised by JIMF 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 £167,400 (2024: £128,900) were transferred to the MATI-JIMF fund. At end August 2025, the balance in this fund stood at ₪ 333,000 (2024: ₪ 199,000).

The new model does not preclude loans being made directly in future. After repayments of 454,000 shekels (2024: 606,000), loans outstanding against JIMF's own account stood at ₪ 527,000 (2024: ₪ 980,000).

In the year to end of August 2025, 42 loans had been made from the new JIMF-MATI facility for a total value of 694,000 shekels (2024, 8 loans; 136,000 shekels). Of the new loans, ten went to East Jerusalem students, and two to West Jerusalem and 29 to East Jerusalem businesswomen.

To address the imbalance in lending between west and east Jerusalem, we have initiated a new programme of larger loans, typically for 40,000 shekels, dedicated to the gap in the availability of finance for business development in West Jerusalem. In the five months to end January 2026, 10 loans had been issued on this program equally divided between East and West Jerusalem Businesswomen.

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 expanding the JIMF lending programme in West Jerusalem, 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 (over 95%) for loans issued since Rehaam was involved (2011). When payments are missed, Rehaam follows up to understand the nature of the problem, and in almost all cases has secured a recognition of obligation and a resumption of repayment.

JIMF continued to be supported by donations from its regular funders.

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

Donald Franklin.....

D. Franklin

Director and trustee

Approved by the board on 30th May 2026

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
2025 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 2025.

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

29th May 2026

Dated

THE JERUSALEM INTEREST FREE MICROFINANCE FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2025

	<u>Note</u>	£	
		-----	-----
		<u>2025</u>	<u>2024</u>
<u>Income</u>	-1-		
Donations received and total incoming resources		49,000	164,000
Interest received		1,935	1,865
		-----	-----
Total income		50,935	165,865
		-----	-----
<u>Expenditure</u>			
Training services	-5-	9,742	16,984
Donation to JIMF-MATI loan fund	-5-	167,424	128,901
Bank charges and similar			
administration charges		808	1,214
(Profit)/loss arising on the			
translation of foreign currency		(9,457)	(2,347)
Provision and write-off for non-recoverability of loans		0	5,031
		-----	-----
Total expenditure		168,517	149,783
		-----	-----
Surplus of income over			
expenditure for the year		(117,582)	16,082
Balance brought forward		358,424	342,342
		-----	-----
Balance carried forward		£240,842	£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 2025

	<u>Note</u>	<u>£</u>	
		<u>2025</u>	<u>2024</u>
<u>Current Assets</u>			
Balances at bank		123,741	152,862
Loans due from clients	-2-	117,101	205,562
		-----	-----
		240,842	358,424
<u>Creditors: amounts falling</u>			
<u>due within one year</u>	-3-	(0)	(0)
		-----	-----
<u>Net Current assets</u>		240,842	358,424
<u>Creditors: amounts falling</u>			
<u>after more than one year</u>	-4-	(0)	(0)
		-----	-----
<u>Net assets</u>		£240,842	£358,424
		=====	=====
<u>Represented by:-</u>			
Unrestricted funds	-6-	£240,842	£358,424
		=====	=====
Average number of employees		0	0
		==	==

For the period 1 September 2024 to 31 August 2025, 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 LIMITEDNOTES TO THE FINANCIAL STATEMENTS1. Accounting PoliciesAccounting 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>2025</u>	<u>2024</u>
2. <u>Loans due from clients</u>		
Loans due from clients repayable		
within 12 months	61,386	117,271
Provision made for non-recoverability	(0)	(0)
	-----	-----
	61,386	117,271
Loans due from clients repayable		
after more than 12 months	55,715	88,291
	-----	-----
	£ 117,101	£ 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 £0 (2024: £5,031). No provision is required as per the income and expenditure account.

Loans disbursed during the year amounted to £0 as discussed in the report (2024: £110,032). Loans repaid during the year amounted to £98,330 (2024: £126,610 *corrected from £127,008*). 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.

In the year to end of August 2025, 42 loans had been made from the new JIMF-MATI facility for a total value of 694,000 shekels (2024, 8 loans; 136,000 shekels). These loans are not included in the JIMF balance sheet as they are not directly under control of JIMF Directors; MATI manages the facility on behalf of JIMF.

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 received include £49,000 (2024: £64,000) from charities on which Donald Franklin is a trustee.

Expenditure on training services of £9,742 (2024: £16,984) represent support for the training by MATI of entrepreneurs who receive small business development loans supported by JIMF.

6. Unrestricted funds

Balance 31 August 2024	£ 358,424
Deficit expenditure over income for the year	(£117,582)
Balance 31 August 2025	£ 240,842
	=====

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.