

JCA CHARITABLE FOUNDATION
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Charity No: 207031

AZETS AUDIT SERVICES
Chartered Accountants
Greytown House
221 – 227 High Street
Orpington
Kent
BR6 0NZ

JCA CHARITABLE FOUNDATION

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JCA CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Trustees

Mr William Cohen (President)
Dr Yaffa Ben-Ami
Mr Jacques Capelluto
Mr Geoffrey Gestetner
Mme Beatrice Jouan
Mr Avner Hermoni
Mrs Tal Kvatinsky Grad
Mr Peter Lawrence
Mr Jacques-Martin Philippon
Mr Manuel Sussholz (Resigned 13 Oct 2021)
Mr Marc Vellay
Sir Stephen Waley – Cohen Bt (Resigned 13 Oct 2021)
Mr Doron Weiss
Prof Shmuel Wolf
Ms Shani Zindel

Honorary President

Sir Stephen Waley-Cohen Bt (From 13 Oct 2021)

Honorary Vice-Presidents

Mr Yehiel Admoni
Baron Alain Philippon

Honorary Trustees

Prof Yona Chen
Mr Efraim Halevy
Mr Yoki Lothan
Mrs Hana Smouha

Key Management Personnel

Mr William Cohen – President (From 13 Oct 2021)
Sir Stephen Waley-Cohen Bt (To 13 Oct 2021)
Mr Tim Martin – Administrator, Consultant (To 31 Dec 2021)
Mr Anthony Sharp – Administrator (From 1 Jan 2022)
Mr Zeev Miller – Israel Manager

Principal Office

14 Hillbury Road
London
SW17 8JT

Registered Charity Number

207031

Independent Auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

CAF Bank Limited
Kings Hill
Kent
ME19 4TA

JCA CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Maurice Turnor Gardner LLP
15th Floor, Milton House
Milton Street
London
EC2Y 9BH

Investment Portfolio Manager

Partners Capital
5 Young Street
London
W8 5EH

JCA CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

The Trustees of the Foundation, present their Annual Report together with the Audited Financial Statements for the year ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on October 2019.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The JCA Charitable Foundation was formed in 1891 as Company a Limited by Shares. It was capitalised up by a bequest of £5.9m from Baron Maurice de Hirsch. The Foundation formally converted to a Charitable Incorporated Organisation ("CIO") on 25 September 2020.

The objects of the Foundation are, for the public benefit and in any part of the world,

- a) the relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage; and
- b) the advancement of education,

within the Jewish community and within communities with which the Jewish community interacts.

The reference to communities with which the Jewish community interacts enables the Foundation to work with the non-Jewish communities in Israel and to promote joint activities between Jewish and non-Jewish communities.

The Foundation's work is currently almost exclusively in Israel, entirely within the 'green line' (i.e. not in occupied territories), and is concentrated in the rural areas of the periphery. The Trustees select Regional Council areas suitable for its work and focuses its efforts on those regions. However in exceptional circumstances the Trustees support projects outside Israel and in 2022 selected to do so in support of relief activities in the Ukraine.

Principal Activities

The principal activities of the Foundation are to make grants for education and economic development in the rural areas of the periphery. Economic development includes practical and applied research for agriculture, as well as non-agricultural economic development such as rural tourism. Grants for educational purposes are at every level from primary to tertiary, and to institutions located in or servicing the rural areas of the periphery.

In selecting projects for support the Board of Trustees pays heed to the advice of its Israel Manager and the Israeli Trustees. The Board seeks to achieve leverage from its support. This leverage comes from:

- rarely contributing more than half of a project's cost;
- identifying innovation, catalytic impact, and employment possibilities arising from the projects;
- encouraging new immigrants to its selected regions; and
- seeking to raise educational attainments.

Grant-Making Policy

The JCA maintains a policy of making a percentage of its net asset value available for expenditure each year which has been around 4% for a number of years. This is reviewed annually by the Trustees. Administration expenditure is kept to the minimum leaving the balance available for Grants.

Public Benefit

The Board of Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aim and objectives and in planning future activities and setting the grant making policy for the year.

STRATEGIC REPORT

Achievements and Performance

At the Trustee Meeting in October 2020 Grants of \$2,104,000 were approved for the following 12 months (including previous commitments). These were selected from those proposed to the Israel office and reviewed first by the Israeli Trustees and the Israel Manager and subsequently by the board of Trustees. Grants paid in 2021 totalled \$3,057,665 as shown in Note 4 to the Financial Statements. These were allocated as follows:

Grants	2021		2020	
	US\$	%	US\$	%
Education	779,900	26%	986,450	38%
Agriculture	1,853,500	61%	884,418	34%
Other economic development including tourism and various	424,265	13%	712,135	28%
Total grant payments	3,057,665		2,583,003	

As at 31 December 2021 there remained \$4,040,954 of grant approvals not yet paid because conditions attaching to the grants had not yet been met.

Financial Review

The income of the charity was £809k (2020: £209k) and expenditure of £2.52m (2020: £2.41m). The surplus for the charity after gains on investments was £6.56m (2020: £3.95m).

Investment income only includes income not directly reinvested by underlying funds. Investment gains and losses are reported net of management fees except for custody and foreign exchange fees.

Reserves at the year end were, unrestricted funds £25.8m (2020: £19.3m), designated funds £15m (2020: £15m) and endowment funds of £23.9m (2020: £23.9m).

Reserves Policy

The Trustees aim to maintain free reserves at a level which will provide sufficient funds to respond to applications for grants and ensure that there are sufficient funds available to cover support and governance costs for a period of at least twelve to eighteen months. The actual level of unrestricted reserves of the Charity at 31 December 2021 was £25.8m (2020: £19.3m) which is approximately four times the funds needed to maintain the policy of making around 4% of the net asset value available for grants whilst keeping expenditure to a minimum.

Risk Review

The Trustees have conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

The principal economic and reputational risks arise from:

- the possibility of an unsuccessful investment policy which the Board of Trustees has delegated the oversight of to an Investment Committee based in London who, collectively, have considerable relevant experience and from the use of a highly professional and carefully selected investment manager, whose performance is kept under constant review;
- supporting unsuccessful projects, which risk is mitigated by usually contributing less than half the total cost, often for buildings or equipment whose cost is supported by invoices. The risk is further managed by close liaison with project sponsors, often local government, other funders, and the project management. This is managed by the Israel Manager in consultation with the Israeli Trustees who have extensive experience in the activities offered support, and
- the loss of key management personnel, which risk is mitigated by keeping retirement plans under review and by using shared data storage to reduce risk of loss of knowledge.

JCA CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

Investment Policy

The Trustees intend that the real value of the Foundation's assets be maintained and enhanced over the long term by a varied investment portfolio. For the purpose of the charity, the Trustees wish to withdraw an amount each year to meet their grant expenditure. This requirement will be discussed with the investment portfolio managers as necessary. The withdrawals may be met from income or capital.

In order to meet these objectives the Trustees have appointed Partners Capital to advise on suitable investments to manage diversified portfolios of suitable investments on a discretionary basis. They have selected a balanced investment objective with medium risk. The proportions invested in quoted and unquoted equities (US, UK, European and emerging markets), usually through index stocks or managed funds, in fixed income stocks or other credit funds, in property funds and in cash are reviewed with Partners Capital from time to time to provide guidance on ongoing suitability of that element of investment policy.

In addition the charity may invest directly in unlisted companies in pursuit of its charitable objectives. This may involve investment in start-up companies which will have a higher risk profile than the quoted investment portfolio. However, as part of a diversified investment portfolio the Trustees believe this is appropriate in pursuit of both the charitable objectives and the investment objectives.

The Board of Trustees will regularly consider whether there is a need to revise this policy and keep under review the arrangements under which Partners Capital act as our managers. The Board has appointed an investment committee comprising Mr William Cohen, Sir Stephen Waley-Cohen (until 20 September 2021), Mr Geoffrey Gestetner, Mr Peter Lawrence and Ms Shani Zindel. The investment committee meets several times a year in London. We have entered a five year agreement with Partners Capital with reduced fees, conditional upon satisfactory performance.

Future Plans

The Foundation continues to support development projects particularly in education and economic development which will assist in furtherance of its charitable objects.

Going Concern

There are no post year events that effect the charity's ability to operate. The investment portfolio continues to record modest growth in 2022 despite the market downturn and it has outperformed appropriate benchmarks. The Investment Committee is satisfied that there is no need to alter investment policy.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing Document

The charity's constitution is dated 25 September 2020 and has not been amended since this date.

Trustees

The Trustees during the year were as follows:-

Sir Stephen Waley-Cohen Bt (Resigned 13 Oct 2021)
Mr Yaffa Ben-Ami
Mr Jacques Capelluto
Mr William Cohen (President)
Mr Geoffrey Gestetner
Mr Avner Hermoni
Mme Beatrice Jouan
Mrs Tal Kvantinsky Grad
Mr Peter Lawrence
Mr Jacques-Martin Philippson
Mr Manuel Sussholz (Resigned 13 Oct 2021)
Mr Marc Vellay
Prof Shmuel Wolf
Mr Doron Weiss
Ms Shani Zindel

The affairs and business of the charity are under the general control of the Board of Trustees which must consist of not less than three and not more than twenty trustees, each of whom are required to be members of the CIO, and who shall be elected by the CIO in General Meeting.

Each Trustee shall hold office for a term of up to five years or thereabouts from the date of his/her election until the Annual Meeting of Trustees held in the fifth year after the year of his/her election, but shall be eligible for re-election at such Annual Meeting of Trustees for a further term of five years or thereabouts with a similar opportunity for re-election. If considered in the best interests of the charity, a Trustee's term can be invited to serve more than ten consecutive years as a trustee.

The Board of Trustees shall have power at any time and from time to time to appoint any person as a Trustee, either to fill a casual vacancy, or as an addition to the Trustees but so that the total number of Members shall not exceed the maximum number. Any person so appointed shall retire at the next Annual Meeting of Trustees but shall then be eligible for re-election.

Recognizing the desirability of maintaining an international representation among our Trustees, the Board has resolved to continue to consult with the existing Trustees from each country now represented on the Board (Belgium, France, Israel, UK and USA) when considering appointments of new Trustees from those countries.

Meetings of the Trustees shall be held at least once a year. Three members of the Board of Trustees shall be a quorum for the transaction of business.

Key management personnel remuneration

The Trustees consider the President, the Israel Manager and the Administrator as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustees' expenses and related party transactions are disclosed in Note 7 to the accounts. The Administrator is paid a salary as disclosed in Note 8 of the accounts.

Trustees are required to disclose all relevant interests and register them with the Administrator and in accordance with the Foundation's policy withdraw from decisions where a conflict of interest arises.

The salary of the charity's Administrator is reviewed annually by the Investment Committee who have regard to the time and expenditure involved and the cost of any alternative.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution of the Foundation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Our Auditors

In so far as the Trustees are aware at the time of approving the Financial Statements:

- there is no relevant audit information of which the CIO's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees and signed on their behalf by:

Mr William Cohen
President

22 September 2022

Opinion

We have audited the financial statements of JCA Charitable Foundation (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustee's responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

28 September 2022

JCA CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

Income and Expenditure Account	Note	Unrestricted funds	Endowment Fund	Total 2021	Total (as restated) 2020
		£'000	£'000	£'000	£'000
Income from:					
Investments	2	721	-	721	86
Income from oil leases		50	-	50	38
Other income, loan repayments and interest		38	-	38	85
Total income		<u>809</u>	<u>-</u>	<u>809</u>	<u>209</u>
Expenditure on:					
Fund administration fees and interest paid		10	-	10	37
Charitable activities	3	2,512	-	2,512	2,397
Total expenditure	3	<u>2,522</u>	<u>-</u>	<u>2,522</u>	<u>2,434</u>
Net expenditure and net movement in funds before gains and losses on investments		(1,713)	-	(1,713)	(2,225)
Net gains on investments	9	8,268	-	8,268	6,154
Net movement in funds		<u>6,555</u>	<u>-</u>	<u>6,555</u>	<u>3,929</u>
Total funds at 1 January 2021 (as restated)		<u>34,241</u>	<u>23,885</u>	<u>58,126</u>	<u>54,197</u>
Total funds at 31 December 2021		<u><u>40,796</u></u>	<u><u>23,885</u></u>	<u><u>64,681</u></u>	<u><u>58,126</u></u>

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

JCA CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

Comparative Income and Expenditure – As restated	Note	Unrestricted Funds £'000	Endowment Fund £'000	Total 2020 £'000
Income from:				
Investments	2	86	-	86
Income from oil leases		38	-	38
Loan repayments and interest		85	-	85
Total income		209	-	209
Expenditure on:				
Fund administration fees and interest paid		37	-	37
Charitable activities		2,397	-	2,397
Total expenditure	3	2,434	-	2,434
Net expenditure and net movement in funds before gains and losses on investments		(2,225)	-	(2,225)
Net gains on investments	9	6,154	-	6,154
Net movement in funds		3,929	-	3,929
Total funds at 1 January 2020		30,312	23,885	54,197
Total funds at 31 December 2020		34,241	23,885	58,126

JCA CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020 (as restated)	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	9		64,619		58,091
Current assets					
Debtors	10	158		128	
Cash at bank and in hand		8		8	
		<u>166</u>		<u>136</u>	
Creditors: Amounts falling due within one year	11	(19)		(16)	
Net current assets			147		120
Provisions for liabilities and charges	12		(85)		(85)
Net assets			<u>64,681</u>		<u>58,126</u>
Capital and funds					
Unrestricted funds			25,796		19,241
Designated funds	13		15,000		15,000
Endowment funds	14		23,885		23,885
	15		<u>64,681</u>		<u>58,126</u>

Approved by the Board of the Trustees on 22 September 2022 and signed on their behalf by:

Mr William Cohen
President

Geoffrey Gestetner
Trustee

JCA CHARITABLE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Cash flow from operating activities	17	(2,479)	(2,232)
Net cash flow from operating activities		<u>(2,479)</u>	<u>(2,232)</u>
Cash flow from investing activities			
Payments to acquire investments		(14,450)	(21,334)
Receipts from sales of investments		16,208	23,039
Loans repaid in the year		-	207
Dividends received		721	86
Net cash flow from investing activities		<u>2,479</u>	<u>1,998</u>
Net increase in cash and cash equivalents		-	(234)
Cash and cash equivalents at 1 January 2021		<u>8</u>	<u>242</u>
Cash and cash equivalents at 31 December 2021		<u><u>8</u></u>	<u><u>8</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>8</u>	<u>8</u>
Cash and cash equivalents at 31 December 2021		<u><u>8</u></u>	<u><u>8</u></u>

1. ACCOUNTING POLICIES

1.1 *Basis of Accounting and Preparation*

JCA Charitable Foundation is a registered charity constituted under a CIO – Foundation Conversion dated 25 September 2020. The address of the registered office is given in the charity information page on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 3.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015 and amended for Bulletin 1 & 2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 *Income*

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest.

1.3 *Expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the cost of publicising the charity.
- Expenditure on charitable activities includes the grants awarded.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.4 *Support costs allocation*

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

1.5 Funds

Unrestricted funds are those funds which can be used at the discretion of the Trustees in accordance with the charitable objectives.

Endowment funds are a capital fund where there is no power to convert the capital into income (permanent endowment fund), which must generally be held indefinitely. With the expendable endowment, the Trustees have power to convert the capital into income.

1.6 Foreign Currencies

Assets and liabilities denominated in foreign currencies. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences arising from the above are included in the Statement of Financial Activities.

1.7 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.8 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

1.9 Taxation

The CIO is entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

1.10 Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.11 Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in nonconvertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

1.12 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Bad debts

Trade debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.13 Consolidation

The Trustees have not produced consolidated accounts on the basis the activity in the subsidiary is immaterial to the whole.

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2. INVESTMENT INCOME

	2021 £'000	2020 £'000
Dividends from portfolios: Partners' Capital	721	86
	<u>721</u>	<u>86</u>

3. ANALYSIS OF EXPENDITURE

	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2021 £'000	Total (as restated) 2020 £'000
Managing funds	-	10	-	10	37
Charitable activities					
Grants payable (note 4)	20	2,195	28	2,243	2,128
Field office, ICA in Israel	-	269	-	269	269
Total expenditure	<u>20</u>	<u>2,474</u>	<u>28</u>	<u>2,522</u>	<u>2,434</u>

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource.

4. GRANT PAYABLE

Name of Recipient	Aggregate grant made in US\$ 2021 \$	Aggregate grant made in US \$ 2020 \$
Agricultural Research Organization	1,053,925	361,565
Akko Nautical School	-	22,700
A.M.I.R Foundation	-	19,500
Anne Frank Comprehensive School	-	4,400
Arava Community Centre	10,000	-
Arava Development Company	9,100	25,000
Beit Siach Klil Foundation	23,000	25,000
Ben Hashitin Farm	-	24,200
BGU	37,500	70,965
Bnei Shimon R C	30,000	-
Braude College / MOONA	-	25,000
Central Arava R&D	40,250	1,900
Central Arava R.C	25,000	25,000
Central Zionist Archives	-	14,000
Davidson Institute	-	15,200
Dead Sea Arava Science Center (DSASC)	258,580	269,220
Derech Eretz	-	25,000
Desert-MARS Station	40,000	-
Desert Stars	-	37,000
Dror Educational Center	16,500	58,500
Dror Israel	83,400	146,600
Economic Dev't Co	12,500	-
<i>Carried forward</i>	<u>1,639,755</u>	<u>1,170,750</u>

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4. GRANT PAYABLE (Continued)

Name of Recipient	Aggregate grant made in US\$ 2021 \$	Aggregate grant made in US \$ 2020 \$
<i>Brought forward</i>	1,639,755	1,170,750
Eilat-Eilot Renewable Energy	20,000	5,800
Eilot R.C	-	104,365
Ein Shemer Greenhouse	-	20,000
Eretz-Ir (MATA Foundation)	20,000	-
Erez College	20,000	20,000
Eshkol R.C	34,900	-
FIRST Israel	10,000	21,200
Fund for Innovative Teaching (FIT)	10,000	-
Galil School (Misgav RC)	-	20,000
Galila Foundation	10,000	-
Ghetto Fighter's House	13,000	-
Gilat Research Center	1,565	1,600
HaShalom High School	23,400	-
Hebrew University (HUJI)	237,630	182,870
Hevel Eilot RC	-	20,000
Heznek	9,400	20,000
Independence Day Ceremony	-	20,000
IOLR	47,280	-
Israel Initiative 2020 (Kiryat Shmone)	15,000	-
Jusidman Science Youth Center (JSYC)	5,700	-
Kaima Hukuk Farm	-	10,000
Kedma	25,000	-
Keshet Elion	9,600	10,000
Kibbutz Ma'ale Gilboa	13,500	7,500
Kinneret College	-	90,000
Koacj Zvika	-	20,000
Koi Israel Haverim-Alliance (KIAH)	50,000	50,000
Ma'ale Yosef RC	-	36,300
Ma'ase Center Association	30,000	-
Manor-Cabri (ACHERET Center)	20,000	-
Masada Research Centre	-	23,366
MATA Foundation	-	29,000
Matte Asher RC	74,000	40,000
McCann Valley	13,000	17,000
Melach Ha'aretz	-	4,400
Migal Research Institute	62,600	37,400
Misgay RC	27,500	76,000
More Than Reality	-	20,000
National Center for Mariculture (NCM)	80,000	-
NCM - IOLR	43,900	62,000
Negav Highland Experience	-	10,000
Neve Malkishua Foundation	20,000	-
New Israel Guardians (NIG)	-	51,800
Nirim Youth Village & Foundation	20,000	-
Nitzana Educational Community	-	11,000
Northern R&D	32,335	46,902
Northern & Central Arava R&D	25,000	15,000
ORT Braude College	15,000	20,000
Ramat Negev R.C	26,000	24,000
Sdot Negev Community Center	7,500	-
Sha'ar LaAdam	10,000	-
Small Business Support	30,000	-
Southern Arava R&D	25,000	26,300
<i>Carried forward</i>	2,777,565	2,344,553

4. GRANT PAYABLE (Continued)

Name of Recipient	Aggregate grant made in US\$ 2021 \$	Aggregate grant made in US \$ 2020 \$
<i>Brought forward</i>	2,777,565	2,344,553
Special Projects	17,350	-
SPIHS	43,800	64,000
Spirit of Israel	25,000	-
SPNI	-	50,000
Tapuach	-	20,000
Tel-Hai Academic College	28,150	60,000
Unique Projects	-	1,600
Valley of Springs (Eden Farm)	70,800	10,000
Wikimedia Israel	10,000	-
Yad Mordechai Museum	20,000	-
Yair Eshel	15,000	-
Yeruham Science Center	25,000	-
Yesud HaMa'ala	-	17,000
Young People in Yeruham	25,000	-
Youth Villages for Advancement & Excellence	-	15,850
	<u>3,057,665</u>	<u>2,583,003</u>
	2021	2020
	£'000	£'000
Total Grants in Sterling	2,195	2,064
Support Costs	28	49
Allocation of Staff Costs	20	15
See note 3	<u>2,243</u>	<u>2,128</u>

5. SUPPORT COSTS

	2021	2020
	£'000	£'000
Office, travel & sundry	9	5
Foreign exchange	(15)	3
Consultancy	16	17
Bank charges	1	1
Governance costs (note 6)	17	27
	<u>28</u>	<u>53</u>

6. GOVERNANCE COSTS

	2021	2020
	£'000	£'000
Auditor's remuneration		
- Audit	9	8
- Other services	3	2
Legal and Professional	5	17
	<u>17</u>	<u>27</u>

7. TRUSTEES AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The Trustees did not receive any remuneration during the year (2021: £Nil). One Trustee was partially reimbursed for their expenses during the year (2020: one).

The total amount of employee benefits received by key management personnel, who are employees, is £2k (2020 - £nil). The Foundation considers its key management personnel to comprise those individuals listed on page 1. The President is not an employee and did not receive any benefits. The Administrator was a consultant up to November 2021 and became an employee from December 2021.

8. STAFF COSTS AND EMPLOYEE BENEFITS

	2021 £'000	2020 £'000
Wages and salaries	2	-
Pension costs	18	18
	<u>20</u>	<u>18</u>

The average number of employees by headcount during the year was 1 (2020: nil). The pension costs are the Canadian Pension.

No employees received remuneration in excess of £60,000 (2020 – nil).

9. INVESTMENTS

	2021 £'000	2020 £'000
Market Value		
At 1 January 2021	58,091	53,642
Additions	14,450	21,334
Disposals	(16,208)	(23,039)
Foreign exchange	18	-
Realised/Unrealised gains / (losses)	8,268	6,154
At 31 December 2021	<u>64,619</u>	<u>58,091</u>
Historical cost	<u>46,388</u>	<u>46,443</u>
	2021 £'000	2020 £'000
Investments with:		
Other – unlisted investments	662	745
Partners' Capital	63,957	57,346
	<u>64,619</u>	<u>58,091</u>

All investments are carried at their fair value. Investments in equities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). Unlisted investments are included at cost less impairment.

9. INVESTMENTS (Continued)

Investments individually representing greater than 5% of the portfolio held are:

	2021 £'000	2020 £'000
Partners Capital Condor Fund IX	4,182	2,987
Partners Capital Condor Fund X	3,767	2,099
Partners Capital Condor Fund XI	3,974	1,818
Partners Capital Greyhawk Fund	2,055	3,731
Partners Capital Phoenix Fund II	9,063	5,357
The Master Portfolio C Ltd	26,190	29,333

10. DEBTORS

	2021 £'000	2020 (as restated) £'000
Amount due from subsidiary undertaking	80	70
Other debtors	78	58
	158	128

Included in other debtors is one loan totalling £59k (2020 – 1 loan totalling £55k) which is repayable at the earlier of when the borrower wishes to repay the loan or when the Borrower is paid in consideration for the sale of its shares in Algatechnologies. Interest is payable at a rate of 4% per annum.

11. CREDITORS: Amounts falling due within one year

	2021 £'000	2019 £'000
Accruals	19	16
	19	16

12. PROVISION FOR LIABILITIES AND CHARGES

	2021 £'000	2020 £'000
Pensions and similar obligations	85	85
	85	85

13. DESIGNATED FUNDS

	As at 1 January 2021 £'000	New Designation £'000	Designation Released £'000	As at 31 December 2021 £'000
Current year				
Investment funds	15,000	-	-	15,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	As at 1 January 2020 £'000	New Designation £'000	Designation released £'000	As at 31 December 2020 £'000
Prior year				
Investment funds	15,000	-	-	15,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Designated funds have been set aside by the members for specific purposes.
Investment funds - to enable the Charity to continue to generate income.

14. ENDOWMENT FUND

	As at 1 January 2021 £'000	Income £'000	Expenditure £'000	As at 31 December 2021 £'000
Current year				
Permanent Endowment: La Baronne de Hirsch bequest	1	-	-	1
Expendable Endowment: Le Baron de Hirsch	23,884	-	-	23,884
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	23,885	-	-	23,885
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The endowment funds are invested in quoted shares.

	As at 1 January 2020 £'000	Income £'000	Expenditure £'000	As at 31 December 2020 £'000
Prior year				
Permanent Endowment: La Baronne de Hirsch bequest	1	-	-	1
Expendable Endowment: Le Baron de Hirsch	23,884	-	-	23,884
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	23,885	-	-	23,885
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 £'000	Endowment funds 2021 £'000	Total Funds 2021 £'000
Investments	40,734	23,885	64,619
Net current assets	147	-	147
Long term liabilities	(85)	-	(85)
Total	40,796	23,885	64,681

Comparative analysis of net assets between funds

	Unrestricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 (as restated) £'000
Investments	34,206	23,885	58,091
Net current assets	120	-	120
Long term liabilities	(85)	-	(85)
Total	34,241	23,885	58,126

16. RELATED PARTY TRANSACTIONS

During the year the Foundation had related party activity with its subsidiary company ICA in Israel (registered company number 00278288).

Expenditure of £269k (2020 : £269k) was paid by the Foundation during the year. A balance due from ICA in Israel of £80k (2020 : £70k) is included within debtors.

17. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Net income for the year	6,555	3,929
Dividends received	(721)	(86)
Net gains on investments	(8,268)	(6,154)
Foreign exchange on investments	(18)	-
(Increase) / Decrease in debtors	(30)	101
Increase / (Decrease) in creditors	3	(22)
Net cash flow from operating activities	(2,479)	(2,232)