

JCA CHARITABLE FOUNDATION
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Registered Charity No: 207031

AZETS AUDIT SERVICES
Chartered Accountants
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH

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 (retired 25 October 2023)
Mr Jacques Capelluto
Mr Geoffrey Gestetner
Mme Beatrice Jouan
Mrs Tal Kvatinsky Grad
Mr Jonathan Heilbron (appointed 25 October 2023)
Dr Eli Lachmani
Mr Peter Lawrence (retired 25 October 2023)
Mr Shay Livnat
Ms Anneke Mendelsohn
Mr Jacques-Martin Philippon
Mr Marc Vellay
Mr Doron Weiss (retired 25 October 2023)
Prof Shmuel Wolf
Ms Shani Zindel

Honorary President

Sir Stephen Waley-Cohen Bt

Honorary Vice-Presidents

Mr Yehiel Admoni
Baron Alain Philippon

Honorary Trustees

Prof Yona Chen
Mr Efraim Halevy
Mr Peter Lawrence (appointed 25 October 2023)
Mr Yoki Lothan
Mrs Hana Smouha
Mr Doron Weiss (appointed 25 October 2023)

Key Management Personnel

Mr William Cohen – President
Mr Anthony Sharp – Administrator

Principal Office

14 Hillbury Road
London
SW17 8JT

Registered Charity Number

207031

Independent Auditor

Azets Audit Services
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH

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

The Trustees of the Foundation, present their Annual Report together with the Audited Financial Statements for the year ended 31 December 2023. 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 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The JCA Charitable Foundation was formed in 1891 as a Company Limited by Shares. It was capitalised 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 these areas and in 2023 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 periphery of Israel. Economic development includes practical and applied research for agriculture, as well as non-agricultural economic development such as supporting business infrastructure. Grants for educational purposes are at every level from primary to tertiary, and to institutions located in or servicing the periphery.

Following the emergency triggered by the Hamas attack of 7 October 2023 the Board of Trustees resolved to make grants to support communities specifically impacted by the crisis.

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

JCA maintains a policy of making a percentage of its net asset value available for expenditure each year which has been around 5% 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 of 22 September 2022 Grants of \$2.455m 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. In October 2023, following the events of 7 October, the Trustees, resolved that \$450k be made immediately available to support communities impacted by the crisis. Grants paid in 2023 totalled \$2,958,812 as shown in Note 3 to the Financial Statements. These were allocated as follows:

Grants	2023 US\$	%	2022 US\$	%
Education	822,562	28%	557,450	24%
Agriculture	1,018,468	34%	1,011,950	44%
Other economic development	467,353	16%	648,320	28%
Cross community development	305,496	10%	107,200	4%
Emergency support	344,933	12%	-	
Total grant payments	2,958,812		2,324,920	

As at 31 December 2023 there remained \$4,473,328 (2022: \$4,142,564) of grant approvals but not yet paid because conditions attaching to the grants had not yet been met.

Financial Review

The income of the charity was \$964k (2022: \$1,919k) and expenditure of \$3,437k (2022: \$2,932k). The surplus for the charity after gains on investments was \$2,488k (2022: deficit after losses on investments of \$5,511k).

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 \$31.9m (2022: \$29.4m), designated funds \$20.3m (2021: \$20.3m) and endowment funds \$32.3m (2022: \$32.3m).

Reserves Policy

The Trustees aim to maintain free reserves at a level which will provide both:

- sufficient funds to respond to applications for grants (\$4,210 – 2023 : \$4,094); and
- to ensure that there are sufficient funds available to cover support and governance costs for a period of at least nine months (\$350k – 2023 : \$350k).

The actual level of unrestricted reserves of the Charity at 31 December 2023 was \$31.9m (2022: \$29.3m).

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:

- a) 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;
- b) 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
- c) 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, Mr Geoffrey Gestetner, Ms Anneke Mendelsohn, Ms Shani Zindel and Mr Jonathan Heilbron. The investment committee meets several times a year in London. In 2022 the charity 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) and projects related to the emergency following 7 October 2023 all of 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 continued to record modest growth in 2023 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:-

Mr William Cohen (President)
Dr Yaffa Ben-Ami (retired 25 October 2023)
Mr Jacques Capelluto
Mr Geoffrey Gestetner
Mme Beatrice Jouan
Mrs Tal Kvatinsky Grad
Mr Jonathan Heilbron (appointed 25 October 2023)
Dr Eli Lachmani
Mr Peter Lawrence (retired 25 October 2023)
Mr Shay Livnat
Ms Anneke Mendelsohn
Mr Jacques-Martin Philippon
Mr Marc Vellay
Mr Doron Weiss (retired 25 October 2023)
Prof Shmuel Wolf
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 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 6 to the accounts. The Administrator is paid a salary as disclosed in Note 5 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 on 8 September 2024 and signed on their behalf by:

Mr William Cohen
President

Opinion

We have audited the financial statements of JCA Charitable Foundation (the 'charity') for the year ended 31 December 2022 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 2023 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

Date: 11 September 2024

First Floor
River House
1 Maidstone Road
Sidcup
Kent
United Kingdom
DA14 5RH

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

JCA CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds \$'000	Endowment Fund \$'000	Total 2023 \$'000	Total 2022 \$'000
Income from:					
Donations received		13	-	13	1,023
Investments – Partners Capital		909	-	909	727
Income from oil leases		40	-	40	117
Other income, loan repayments and interest		2	-	2	52
Total income		<u>964</u>	<u>-</u>	<u>964</u>	<u>1,919</u>
Expenditure on:					
Fund administration fees		45	-	45	27
Charitable activities		3,392	-	3,392	2,905
Total expenditure	2	<u>3,437</u>	<u>-</u>	<u>3,437</u>	<u>2,932</u>
Net expenditure and net movement in funds before gains and losses on investments		(2,473)	-	(2,473)	(1,013)
Net (loss) / gain on investments	7	4,846	-	4,846	(4,003)
Impairment of unlisted investments		-	-	-	(495)
Gain on pension scheme		115	-	115	-
Net movement in funds		<u>2,488</u>	<u>-</u>	<u>2,488</u>	<u>(5,511)</u>
Total funds at 1 January 2023		<u>49,702</u>	<u>32,325</u>	<u>82,027</u>	<u>87,538</u>
Total funds at 31 December 2023		<u><u>52,190</u></u>	<u><u>32,325</u></u>	<u><u>84,515</u></u>	<u><u>82,027</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 2023

Comparative Income and Expenditure 31 December 2022	Note	Unrestricted Funds \$'000	Endowment Fund \$'000	Total 2022 \$'000
Income from:				
Donations received		1,023	-	1,023
Investments – Partners Capital		727	-	727
Income from oil leases		117	-	117
Other income, loan repayments and interest		52	-	52
Total income		<u>1,919</u>	<u>-</u>	<u>1,919</u>
Expenditure on:				
Fund administration fees and interest paid		27	-	27
Charitable activities		2,905	-	2,905
Total expenditure	2	<u>2,932</u>	<u>-</u>	<u>2,932</u>
Net expenditure and net movement in funds before gains and losses on investments		(1,013)	-	(1,013)
Net (loss) / gain on investments	7	(4,003)	-	(4,003)
Impairment of unlisted investments		(495)	-	(495)
Net movement in funds		<u>(5,511)</u>	<u>-</u>	<u>(5,511)</u>
Total funds at 1 January 2022		55,213	32,325	87,538
Total funds at 31 December 2022		<u>49,702</u>	<u>32,325</u>	<u>82,027</u>

JCA CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	\$'000	\$'000	\$'000	\$'000
Fixed assets					
Investments	7		84,210		81,886
Current assets					
Debtors	8	316		378	
Cash at bank and in hand		12		11	
		<u>328</u>		<u>389</u>	
Creditors: Amounts falling due within one year	9	(23)		(133)	
Net current assets			305		256
Provisions for liabilities and charges	10		-		(115)
Net assets			<u>84,515</u>		<u>82,027</u>
Capital and funds					
Unrestricted funds			31,890		29,402
Designated funds	11		20,300		20,300
Endowment funds	12		32,325		32,325
	13		<u>84,515</u>		<u>82,027</u>

Approved by the Board of the Trustees on 8 September 2024 and signed on their behalf by:

Mr William Cohen
President

Geoffrey Gestetner
Trustee

JCA CHARITABLE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		\$'000	\$'000
Cash flow from operating activities	17	(3,430)	(1,545)
Cash flow from investing activities			
Cash from investment portfolio		3,432	1,545
Net increase in cash and cash equivalents		2	-
Cash and cash equivalents at 1 January 2023		11	11
Cash and cash equivalents at 31 December 2023		13	11
Cash and cash equivalents consists of:			
Cash at bank and in hand		13	11
Cash and cash equivalents at 31 December 2023		13	11

1. ACCOUNTING POLICIES

1.1 *Basis of Accounting and Preparation*

JCA Charitable Foundation is a registered charity constituted under a CIO. 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 and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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 US Dollars which is the functional currency of the charity. The comparative figures which were previously prepared in Sterling were translated at the exchange rate on 31 December 2022.

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 Investment Management costs.
- 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 4.

1.5 Funds

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

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).

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 2023

2. ANALYSIS OF EXPENDITURE	Staff costs \$'000	Direct costs \$'000	Support costs \$'000	Total 2023 \$'000	Total 2022 \$'000
Managing funds	-	45	-	45	27
Charitable activities					
Grants payable (note 3)	45	2,959	(25)	2,979	2,445
Field office, ICA in Israel	-	413	-	413	460
Total expenditure	45	3,417	(25)	3,437	2,932

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

3. GRANT PAYABLE

	Aggregate grant made in US\$ 2023 \$	Aggregate grant made in US \$ 2022 \$
Grants payable to Institutions (107 grants (2023 : 64 grants))		
Name of Recipient		
ACHERET Center	5,000	-
Achvat Torah	2,482	-
ADI Nahalat Eran Association	50,000	-
Agrifriend	2,482	-
Alkobi Rivka	3,370	-
Amal Group	10,000	-
Amuta 51 / Rahat Economic co.	17,849	-
Arava (Nof Edom School	5,000	-
Agricultural Research Organization	551,255	437,500
Assoc for developing Tech entrepreneurship in Shaar Hanegev	4,932	-
ATID Network	34,025	-
Bar-David Museum	3,000	-
Ben Gurion University	22,192	-
Ben Shemen Youth Village	9,917	-
Bezalel Academy	10,000	-
BGU	88,000	54,000
Bir Aslug School	-	12,500
Braude College of Engineering	15,000	-
Carasso Park	1,512	-
Central & Northern R&D	14,000	-
Central Arava R&D	20,000	4,950
Chivruta	15,000	-
Derech Eretz	15,000	-
Desert Stars	-	20,000
Dror Israel	46,438	9,100
DSASC	65,729	28,620
Economic Dev't Co	7,500	-
Eden Association	42,495	6,000
Eden Farm	13,000	-
Educational Initiatives	10,000	-
Eilat-Eilat Renewable Energy	7,400	6,800
Elad Theatre	-	50,000
Eliot Development Company	-	25,000
Eliot Economic Development	9,923	-
Elior RC	15,000	-
Ein Harod High School	11,000	-
<i>Carried forward</i>	1,128,501	654,470

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3. GRANT PAYABLE (Continued)

	Aggregate grant made in US\$ 2023 \$	Aggregate grant made in US \$ 2022 \$
<i>Brought forward</i>	1,128,501	654,470
Name of Recipient		
Ein Shemer Greenhouse	12,818	12,000
Ein Shemer Ecological Farm	2,466	-
Erez College	20,000	-
Eshkol Development co.	20,000	-
Eshkol R.C	59,315	10,000
FIRST Israel	8,048	750
Fund for encouragement of educational initiatives	4,964	-
Fund for Innovative Teaching (FIT)	-	10,000
Galilium Partnership	25,000	-
Gan Garoo Australian Zoo	20,000	-
Gilat Research Center	-	1,500
Gilboa Center (Koach Tzvika)	-	17,000
Growee Tech	2,519	-
Gumat Chen	20,000	-
Hagoshrim	374	-
Haifa University	41,549	-
Hand-in-Hand Gaililee School	-	30,000
HaMeginim School	6,000	-
HaShalom Campus	2,350	-
HaShalom High School	15,124	12,100
Hashomer Hachadash	4,990	-
Hebrew University (HUJI)	262,894	200,000
Heznek	10,325	-
Hiram Rehab Center	20,000	-
ICA in Israel	35,431	-
IOLR	16,000	105,450
Israel Initiative 2020 (Kiryat Shmone)	75,000	90,000
Kamlot Khadashnot Technology	2,329	-
Kenaf Ventures	2,482	-
Kfar Silver Village	-	35,000
Kibbutz Contemporary Dance Co.	15,000	-
Kibbutz Movement	10,000	-
Kibbutz Neot Semadar	85,793	-
Kibbutz Pelech	-	40,000
Kibbutz Reyim	2,586	-
Kinnered Innovation Center	-	75,000
Kinneret College	-	20,000
Kivunim	10,000	-
Koi Israel Haverim-Alliance (KIAH)	-	25,000
LeadersAPP Technologies	20,000	-
Link19 / Ma'avaram	25,000	-
Lotus	15,000	-
Ma'ase Center Association	-	28,500
Man & Land (NIG)	2,632	5,100
Manor-Cabri (ACHERET Center)	-	19,000
Manot-Cabri High School	-	15,000
Masada Research Center	12,319	-
MATA Foundation	-	25,000
Mechinat Meitarim Lachish	10,000	10,000
Meever Center	15,000	-
Mevoot HaNegev School	25,000	-
Mevoot Hermon R.C	20,482	-
Migal R&D	-	36,200
Migal/Northern R&D	7,500	66,300
<i>Carried forward</i>	2,094,791	1,543,370

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3. GRANT PAYABLE (Continued)

	Aggregate grant made in US\$ 2023 \$	Aggregate grant made in US \$ 2022 \$
<i>Brought forward</i>	2,094,791	1,543,370
Name of Recipient		
Migal Research Institute	10,000	-
MindCET	50,560	-
Misgay RC	88,241	7,500
Mitzpe Ramon Community Center	12,000	20,000
MOONA	-	15,200
Moshav Netiv HaAsara	-	10,000
Moshav Shtula	-	10,000
NCM - IOLR	-	18,300
Negev EcosySTEM	-	20,000
Neve Malkishua Foundation	-	40,000
New Dawn in the Negev	13,500	-
Nir David tourism (Gan Hashlosa)	2,495	-
Nirim association	24,990	-
Nirim association	20,000	-
Northern & Central Arava R&D	20,000	37,250
ORT Braude College	-	20,000
Ramat HaNegev R&D	27,000	9,000
Ramat Negev R.C	-	-
Rimon Farm	45,323	30,000
Sapir College	3,742	-
Sde Boker High School	-	2,300
Sderot Development Foundation	10,000	-
Sdot Negev	49,900	-
Sha'ar Hanegev High School	10,000	-
Sha'ar Hanegev R.C	58,781	-
Sihara	20,000	-
Small Business Support	-	3,100
Southern Arava R&D	5,000	11,500
SouthUp	35,000	-
Special Projects	12,817	58,750
SPIHS	58,758	16,000
SPNI	36,000	-
Tel-Hai Academic College	60,000	154,050
Tikkun	499	25,000
Timna Lights	-	50,000
Upper Galilee Leadershio Institute	5,000	20,000
Valley Lab	15,000	-
Valley of Springs R.C.	13,400	16,600
Veterinary Teaching Hospital	30,000	20,000
Western Galilee Authority Cluster	20,000	-
Wikimedia Israel	10,000	-
World Jewish Relief	-	100,000
World Zionist Organisation	-	10,000
Yad Mordechai Museum	-	10,000
Yanabia	7,267	-
Yanabia-Kramim Cooperative	74,515	-
Yerucham Science Center/Siraj	8,000	12,000
Yerucham Tech 19	1,248	-
Yesod Ha-maala Local Council	4,985	-
Young People in Yerucham	-	25,000
Youth Villages (Kfar Silver)	-	10,000
	<u>2,958,812</u>	<u>2,324,920</u>

4. SUPPORT COSTS	2023 \$'000	2022 \$'000
Office, travel & sundry	15	52
Foreign exchange	(84)	(21)
Consultancy, Accountancy and Tax	11	14
Governance costs (note 6)		
Auditor's remuneration	15	13
Legal and Professional	18	3
	<u>(25)</u>	<u>61</u>
5. STAFF COSTS AND EMPLOYEE BENEFITS	2023 \$'000	2022 \$'000
Staff costs		
Staff costs during the year were:		
Wages and salaries	25	40
Pension costs	20	19
	<u>45</u>	<u>59</u>

Staff numbers

The average number of employees by headcount during the year was 1 (2022: 1). The pension costs are a Canadian Pension relating to a former employee.

Higher paid staff

For disclosure purposes, no employees received remuneration in excess of £60,000 or the \$ equivalent (2022 – nil).

Key management personnel

The remuneration of key management personnel totalled \$25k (2022: £40k). 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.

6. TRUSTEES AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The Trustees did not receive any remuneration during the year (2022: £Nil). One Trustee was re-imbursed for travel and accommodation expenses of \$5,835 (2022 : 1 Trustee re-imbursed for travel expenses of \$5,280).

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

7. INVESTMENTS

	2023 \$'000	2022 \$'000
Market Value		
Investment portfolio brought forward	81,500	86,723
Additions	9,814	14,297
Disposals	(12,247)	(14,882)
Impairment of unlisted investments	-	(395)
Reclassified as debtors	-	(250)
Realised/Unrealised gains / (losses)	4,846	(3,993)
Investment portfolio carried forward	83,913	81,500
Cash within investment portfolio	297	386
Carried Forward	84,210	81,886
Investments with:		
Other – unlisted investments	247	205
Partners' Capital	83,963	81,681
	84,210	81,886

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

	2023 \$'000	2022 \$'000
Partners Capital Condor Fund IX	5,615	5,458
Partners Capital Condor Fund X	5,755	5,224
Partners Capital Condor Fund XI	5,571	5,356
Partners Capital Phoenix Fund II	12,937	12,876
The Master Portfolio C Ltd	28,897	29,590

8. DEBTORS

	2023 \$'000	2022 \$'000
Amount due from subsidiary undertaking	199	-
Other debtors	117	378
	316	378

Included in other debtors is a loan totalling \$75k (2022 – 1 loan totalling \$75k) 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.

Included in other debtors is a loan totalling \$41k (2022 - \$300k) which is repayable in instalments. An amount of \$nil is due after more than one year (2022 : \$82k).

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

9.	CREDITORS: Amounts falling due within one year	2023 \$'000	2022 \$'000
	Amount due to subsidiary undertaking	-	105
	Accruals	23	28
		<u>23</u>	<u>133</u>

10.	PROVISION FOR LIABILITIES AND CHARGES	2023 \$'000	2022 \$'000
	Pensions and similar obligations	-	115
		<u>-</u>	<u>115</u>

11.	DESIGNATED FUNDS	As at 1 January 2023 \$'000	New Designation \$'000	Designation Released \$'000	As at 31 December 2023 \$'000
	Current year				
	Investment funds	20,300	-	-	20,300
		<u>20,300</u>	<u>-</u>	<u>-</u>	<u>20,300</u>
	Prior year				
	Investment funds	20,300	-	-	20,300
		<u>20,300</u>	<u>-</u>	<u>-</u>	<u>20,300</u>

Investment funds

To enable the Charity to continue to generate income.

12.	ENDOWMENT FUNDS	As at 31.12.23 \$'000	As at 31.12.22 \$'000
	Current year		
	Permanent Endowment - La Baronne de Hirsch bequest	1	1
	Expendable Endowment- Le Baron de Hirsch	32,324	32,324
		<u>32,325</u>	<u>32,325</u>

The endowment funds are invested in quoted shares.

There were no movement in funds in the current or previous year.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 \$'000	Endowment funds 2023 \$'000	Total Funds 2023 \$'000
Investments	51,885	32,325	84,210
Net current assets	306	-	306
Total	52,191	32,325	84,516
Comparative analysis of net assets between funds			
	Unrestricted funds 2022 \$'000	Endowment funds 2022 \$'000	Total funds 2022 \$'000
Investments	49,561	32,325	81,886
Net current assets	256	-	256
Long term liabilities	(115)	-	(115)
Total	49,702	32,325	82,027

14. 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 \$413k (2022 : \$461k) was paid by the Foundation during the year. A balance due from ICA in Israel of \$199k is included within debtors (2022: A balance due to ICA in Israel of \$105k is included within creditors due within one year).

In the prior year to 31 December 2022, the Foundation received a donation of \$1,015k from The Peter Lawrence and Family Charitable Trust a charity of which Peter Lawrence (a Trustee of the Foundation) is a Trustee. There were no restrictions placed on this donation.

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

	2023 \$'000	2022 \$'000
Net income for the year	2,489	(5,511)
Net gains on investments	(4,841)	4,003
Net gain on pension valuation	(115)	-
Dividends received	(915)	(727)
Impairment of investments	-	495
Decrease in debtors	62	87
Increase / (Decrease) in creditors	(110)	108
Net cash flow from operating activities	(3,430)	(1,545)